



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 15, 2024

**TO:** USAID/Nicaragua, Mission Director, Michael J. Eddy

**FROM:** Latin America and Caribbean (LAC) Regional Office, Audit Director, Hannah Maloney /s/

**SUBJECT:** Financial Audit of the Media Strengthening Program, Managed by Fundación por la Libertad de Expresión y Democracia en Nicaragua, Cooperative Agreement AID-524-A-14-00001, March 24 to December 31, 2022 (9-524-24-010-R)

This memorandum transmits the final audit report on the Media Strengthening Program in Nicaragua. Fundación por la Libertad de Expresión y Democracia en Nicaragua (FLED) contracted with the independent audit firm Elías & Asociados to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review because this program is not offered in El Salvador; or a continuing professional education program that fully satisfy the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on FLED's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to (1) express an opinion on whether the schedule of expenditures of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate FLED's internal controls; (3) determine whether FLED complied with award terms and applicable laws and regulations; and (4) determine if cost-sharing contributions were made and accounted for by FLED in accordance with the terms of the agreement. To answer the audit objectives, the audit firm reported that they assessed and tested the internal controls related to the project; assessed and tested compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$1,061,664 of USAID expenditures for the audited period.

The audit firm concluded the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period

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<sup>1</sup> We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

audited.

The audit firm did not identify any material weaknesses in internal control or instances of material noncompliance with applicable laws, regulations, and agreement terms.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that FLED did not fairly present the cost sharing contributions schedule, in all material respects, in accordance with the basis of accounting used to prepare the cost sharing contributions schedule.

Based on the results of the desk review, OIG is not making any recommendation to USAID/Nicaragua.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).