



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

MEMORANDUM

DATE: May 28, 2024

TO: USAID/Jamaica, Country Representative, Jason Fraser

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

SUBJECT: Financial Audit of the Health Connect Jamaica Activity, Managed by the University of the West Indies, Cooperative Agreement 720532221CA00003, March 1, 2021, to July 31, 2022 (I-532-24-015-R)

This memorandum transmits the Health Connect Jamaica Activity. University of the West Indies (UWI) contracted with the independent audit firm HLB Mair Russell Chartered Accountants 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 a continuing professional education program that fully satisfies 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 UWI's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

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 UWI's internal controls; and (3) determine whether UWI complied with award terms and applicable laws and regulations. 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 \$925,132 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 audited.

The audit firm identified two material weaknesses in internal control related to (1) bank reconciliation not signed and dated, and (2) lack of segregation of duties. The audit firm did not

¹ 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.

identify any instances of material noncompliance with applicable laws, regulations, and agreement terms.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated May 28, 2024.

To address the issues identified in the report, we recommend that USAID/Jamaica:

Recommendation I. Verify that UWI corrects the two material weaknesses in internal control detailed on page 24 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision.

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.²

² 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.