



MEMORANDUM

DATE: May 23, 2018

TO: USAID/Guatemala Mission Director, John Beed

FROM: Regional Inspector General/San Salvador, Audit Manager, Brad Moore /s/

SUBJECT: Closeout Audit of Asociación Nacional del Café's Management of Rural Value Chains Project in Guatemala, Cooperative Agreement AID-520-A-12-00004, January 1, 2016 to August 30, 2017 (I-520-18-026-R)

This memorandum transmits the final audit report on the Rural Value Chains Project in Guatemala. The Asociación Nacional del Café —ANACAFE— contracted with the independent certified public accounting firm Arévalo Pérez, Iralda y Asociados, S.C. to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states that it performed the audit in accordance with generally accepted government auditing standards except that the audit firm did not have an external peer review. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ANACAFE's fund accountability statement; 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 fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate ANACAFE's internal controls; (3) determine whether the recipient complied with award terms and applicable laws and regulations; and (4) determine if ANACAFE has taken adequate corrective actions on prior report recommendations. To answer the audit objectives, the audit firm reported that they assessed and tested the internal controls related to the project, compliance with applicable laws, regulations, the agreement's provisions, and reviewed project

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.

expenditures. The audit covered \$8,337,995 in USAID funds for the period ended August 30, 2017.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited.

Arévalo Pérez, Iralda y Asociados, S.C. did not identify any material internal control weaknesses or instances of noncompliance with applicable laws, regulations, and agreement terms.

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

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").