



MEMORANDUM

DATE: September 27, 2018

TO: USAID/Haiti Mission Director, Jene C. Thomas

FROM: Regional Inspector General/San Salvador, Assistant Director, Brad Moore /s/

SUBJECT: Audit of the School Vouchering Feeding Pilot Project Managed by Fondation Paradis Des Indiens, Cooperative Agreement AID-521-A-15-00013, October 1, 2015, to September 30, 2017 (I-521-18-036-R)

This memorandum transmits the final audit report on the School Vouchering Feeding Pilot Project. The Fondation Paradis Des Indiens (FPDI) contracted with the independent certified public accounting firm Domond Cabinet d'Experts Comptables to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

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 FPDI's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.²

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 the FPDI's internal controls; and (3) determine whether FPDI complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm reported that

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, follows the Guidelines.

² 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.

they assessed and tested the internal controls related to the project, compliance with applicable laws, regulations, the agreement's provisions, and reviewed project expenditures. The audit covered \$1,042,206 in USAID funds for the period ended April 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.

The audit firm identified one internal control deficiency related to lack of experience in institutional auditing and financial reporting. The audit firm did not identify any instances of noncompliance with applicable laws, regulations, and agreement terms.

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

Recommendation I. Verify that FPDJ corrects the one significant deficiency in internal control detailed on pages 18 and 19 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision. We appreciate the assistance extended during the engagement.

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").