



## MEMORANDUM

**DATE:** September 30, 2019

**TO:** USAID/Jamaica Mission Director, Jason Fraser

**FROM:** USAID OIG Latin America and Caribbean (LAC) Regional Office, through Global and Strategic Audits Division (GSAD) Assistant Director, Pamela Hamilton /s//

**SUBJECT:** Financial Audit of National Integrity Action's Management of the Combatting Corruption and Strengthening Integrity in Jamaica Program, Cooperative Agreement AID-532-A-16-00001, October 1, 2017, to September 30, 2018 (9-532-19-043-R)

This memorandum transmits the final audit report on the Combatting Corruption and Strengthening Integrity Program in Jamaica managed by National Integrity Action (NIA). NIA contracted with the independent certified public accounting firm BDO 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 a continuing education program that fully complies with GAGAS requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on NIA's fund accountability statement; 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate NIA's internal controls; (3) determine whether NIA complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by NIA in accordance with the terms of the agreement; and (5) determine if NIA has taken

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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.

adequate corrective action on prior audit 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 expenditures. The audit covered \$2,213,589 of USAID funds for the audited period.

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 did not identify any material weaknesses in internal control or instances of material noncompliance with applicable laws, regulations, and agreement terms. The audit firm issued a management letter which included some minor internal control deficiencies.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that NIA 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. Additionally, the audit firm determined that the recipient has taken adequate corrective actions on all prior audit report recommendations except for one minor finding.

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

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").