



MEMORANDUM

DATE: July 8, 2021

TO: USAID/Haiti Mission Director, Christopher Cushing

FROM: USAID OIG Latin America and Caribbean (LAC) Regional Office, Senior Auditor, John Vernon /s/

SUBJECT: Closeout Financial Audit of the Konbit Project Managed by Papyrus S.A. in Haiti, Cooperative Agreement AID-521-A-15-00009, October 1, 2019, to December 31, 2020 (9-521-21-023-R)

This memorandum transmits the final audit report on the Konbit Project Managed by Papyrus S.A. in Haiti. Papyrus S.A. contracted with the independent certified public accounting firm GRF CPAs & Advisors to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Papyrus S.A.'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 Papyrus S.A.'s internal controls; (3) determine whether Papyrus S.A. complied with award terms and applicable laws and regulations; (4) perform an audit of the indirect cost rate; and (5) express an opinion on the general purpose financial statements. 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 \$1,443,507 of USAID expenditures for the audited period.

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.

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 minor internal control deficiencies.

The audit firm concluded the general purpose financial statements presented fairly, in all material respects, the financial position of Papyrus S.A. as of September 30, 2019. Furthermore, the audit firm stated that the schedule of computation of indirect cost rate presents fairly, in all material respects, the indirect rate of Papyrus S.A. for the applicable periods, in accordance with accounting principles generally accepted in the United States of America.

Please note, in exhibit B to the fund accountability statement, the auditors reported a fund balance of \$58,495 and stated that \$110,790 was received from USAID on January 7, 2021. As a result, there is an outstanding fund balance of \$52,295 ($\$110,790 - \$58,495 = \$52,295$) as of the end of the audit period, which had not been refunded to USAID. We are not making a formal recommendation on this issue, but we bring it to the Agreement Officer's attention to review as part of the closeout process.

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

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").