



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

MEMORANDUM

DATE: September 11, 2023

TO: USAID/Haiti, Mission Director, Jennifer Link

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

SUBJECT: Financial Audit of the Social Behavioral Change with Targeted Communication Program Managed by Institut Panos in Haiti, Cooperative Agreement 72052120CA00007, October 1, 2021, to September 30, 2022 (9-521-23-021-R)

This memorandum transmits the final audit report on Social Behavioral Change with Targeted Communication Program. Institut Panos contracted with the independent audit firm Experts Conseils et Associés 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 an external peer review or a continuing professional education program that fully satisfy 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 Institut Panos'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 the Institut Panos's internal controls; (3) determine whether Institut Panos complied with award terms and applicable laws and regulations; and (4) determine if cost-sharing contributions were made and accounted for by Institut Panos in accordance with the terms of the agreement. 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 \$1,840,768 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.

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 identified four material weaknesses in internal control related to (1) balances of bank accounts not adequately reported; (2) advances disbursed to the subawards registered as expenses; (3) disbursement to a subaward not adequately accounted for; and (4) liquidation reports submitted to USAID did not match the accounting records. The audit firm identified two instances of material noncompliance related to (1) noncompliance with a special award condition; and (2) liquidation reports submitted to USAID did not match the accounting records.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Institut Panos 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.

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

Recommendation 1. Verify that Institut Panos corrects the four material weaknesses in internal control detailed on page 19 of the audit report.

Recommendation 2. Verify that Institut Panos corrects the two instances of material noncompliance detailed on page 26 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.