



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** September 27, 2024

**TO:** USAID/El Salvador, Mission Director, Christopher Cushing

**FROM:** Latin America and Caribbean (LAC) Regional Office, Audit Director, Hannah Maloney /s/

**SUBJECT:** Financial Audit of Fundación Crisálida Internacional Under Multiple Awards in El Salvador, January 1 to December 31, 2022 (I-519-24-026-R)

This memorandum transmits the final audit report on Fundación Crisálida Internacional (Fundación Crisálida) under the following awards:

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Audit Period</b>
NIDO Building Safe Communities (cooperative agreement)	72051922CA00001	January 1 to December 31, 2022
IMAGINE: The Country We Want (cooperative agreement)	72051918CA00004	January 1 to December 31, 2022
Basic Education Quality Advancement (BEQA), subaward agreement	SV00001 - FHI 360	January 1 to December 31, 2022
Advancing to the Future of the Refugees from Venezuela in Colombia, subaward agreement	GLASSWING BPRM 33851S001	January 1 to December 31, 2022

Fundación Crisálida contracted with the independent audit firm Cornejo & Umaña, Ltda. de C.V. 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 Fundación Crisálida's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

<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.

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 Fundación Crisálida's internal controls; and (3) determine whether Fundación Crisálida complied with award terms and applicable laws and regulations. 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 \$5,592,115 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 except for the budget of \$2,000,000 and execution of \$650,000 of the Fixed Amount Award No. 72052022FA00002 included in the Schedule of Expenditures of USAID Awards, which was not in the scope of the audit.

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 two management letters which included minor internal control deficiencies and immaterial instances of noncompliance.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated September 27, 2024.

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

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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).