



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** September 17, 2024

**TO:** USAID/Guatemala, Mission Director, Haven Cruz-Hubbard

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

**SUBJECT:** Financial Audit of Fundación Para la Alimentación y Nutrición de Centro América y Panamá, Sustainable Response to Health, HIV and Nutrition in Central America, Cooperative Agreement 72052021CA00001, August 24, 2021, to December 31, 2022 (I-520-24-022-R)

This memorandum transmits the final audit of the schedule expenditures of Fundación Para la Alimentación y Nutrición de Centro América y Panamá, HIV and Nutrition in Central America, cooperative agreement 72052021CA00001, from August 24, 2021, to December 31, 2022. Fundación Para la Alimentación y Nutrición de Centro América y Panamá contracted with the independent audit firm Manuel Cervantes & Asociados, S.C. to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards by the Comptroller General of the United States and USAID Financial Audit Guide for Foreign Organizations. However, it did not have an external quality control review program that fully satisfy the standards' requirements. The audit firm explained that professional organizations in Guatemala do not offer such a program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee'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>

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 Para la Alimentación y Nutrición de Centro América y Panamá's internal controls; (3) determine whether Fundación Para la Alimentación y Nutrición de Centro América y Panamá complied with award terms and applicable laws and regulations; (4) determine if the cost-sharing contributions were made and accounted for by Fundación Para la Alimentación y Nutrición de Centro América y Panamá in accordance with the terms of the agreement; and (5) determine if Fundación Para la Alimentación y Nutrición de Centro América y Panamá has taken adequate corrective action on prior audit recommendations. To answer the audit objectives, the audit firm reported that they assessed and tested the internal controls

---

<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.

related to the project, assessed and tested compliance with applicable laws, regulations, the agreement's provisions and reviewed project expenditures. The audit covered \$1,568,997 of USAID expenditures from August 24, 2021, to December 31, 2022.

The audit firm concluded that 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 but disclosed that there is a variation in available cash in the amount of \$13,997. The audit firm did not identify any material weaknesses in internal control or any material instances of noncompliance with applicable laws, regulations, and agreement terms. Since the \$13,997 of available cash variation did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Guatemala determine the allowability of the \$13,997 and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for the significant deficiency noted in pages 31-32 of the report, we suggest that USAID/Guatemala determine if Fundación Para la Alimentación y Nutrición de Centro América y Panamá addressed the issues noted.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Fundación Para la Alimentación y Nutrición de Centro América y Panamá 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 mentioned that there was no prior audit recommendation since this is the first-time audit for the agreement.

During our desk review, we noted two areas for improvement which the audit firm will need to address in future audit reports. We presented these deficiencies in a memo to the controller dated September 17, 2024.

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

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>

---

<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).