



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** October 17, 2024

**TO:** USAID/Haiti, Mission Director, Jennifer Link

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

**SUBJECT:** Financial Audit of Papyrus S.A. Under Multiple Awards in Haiti, for the Fiscal Year Ended September 30, 2023 (I-521-25-002-R)

This memorandum transmits the final audit report on Papyrus S.A. under the following awards:

Award Name (Type)	Award Number	Period
PISA Nord Cacao and Vanilla Program (cooperative agreement)	72052120CA00010	October 1, 2022, to September 30, 2023
Civil Society Strengthening Program (CSSP) (cooperative agreement)	72052122CA00009	October 1, 2022, to September 30, 2023

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. 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 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 the Papyrus S.A.'s internal controls; (3) determine whether Papyrus S.A. complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by Papyrus S.A. in accordance with the terms of the agreement; (5) determine if Papyrus S.A. has taken adequate corrective action on prior audit recommendations; (6) perform an audit of the indirect cost rate; and (7) express an opinion on the general purpose financial statements. To answer the audit objectives, the audit firm

<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

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 \$2,501,515 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.

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 immaterial instances of noncompliance.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Papyrus S.A. 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.

The audit firm concluded the financial statements presented fairly, in all material respects, the balance sheet of Papyrus S.A. as of September 30, 2023, and the related statements of income and expenditures, shareholders' equity and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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. as of September 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

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"). 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).