



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

MEMORANDUM

DATE: February 7, 2025

TO: USAID/Haiti, Mission Director, Jennifer Link

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

SUBJECT: Financial Audit of the BRIDGE Project, Managed by Institut Pour la Santé, la Population et le Développement in Haiti, Cooperative Agreement 72052120CA00003, October 1, 2022, to September 30, 2023 (I-521-25-012-R)

This memorandum transmits the final audit report on the BRIDGE Project in Haiti. Institut Pour la Santé, la Population et le Développement (ISPD) contracted with the independent audit firm AMF Experts 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 ISPD'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 ISPD's internal controls; (3) determine whether ISPD complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by ISPD in accordance with the terms of the agreement; and (5) determine if ISPD 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 related to the project; assessed and tested compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$3,163,607 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 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 effects of substantial adjustments to the fund balance totaling \$381,455.

According to the audit firm, the substantial adjustments to the fund balance totaling \$381,455 stemmed from an abnormally inflated COVID-19 funding account. The audit firm found that “certain credits are not justified in related to actual transactions” due to “bad, double imputations and adjustments concerning the processing of purchase orders.” The audit firm reported this issue as a significant deficiency in internal control alongside other accounting system errors. However, because the issue resulted in a modified audit opinion, and because the amount exceeds USAID OIG’s established threshold of \$25,000 for questioned cost recommendations, we suggest that the mission treat the issue as a material weakness.²

Aside from this issue, the audit firm did not identify any material weaknesses in internal control or instances of material noncompliance with applicable laws, regulations, and agreement terms. Although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID/Haiti determine if the recipient addressed the issues noted. The audit firm issued a management letter which also included minor internal control issues.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that ISPD 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 determined that the recipient has not taken adequate corrective action to address all the prior audit report recommendations.

In addition, 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 February 7, 2025.

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.³

² USAID Financial Audit Guide for Foreign Organizations, a mandatory reference for Automated Directives System Chapter 591, defines a material weakness as “a deficiency, or combination of deficiencies, in internal controls, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis.”

³ 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.