



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

### MEMORANDUM

**DATE:** April 29, 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 Epidemic Control Among Priority Populations Program Managed by Fondation Serovie in Haiti, Cooperative Agreement 72052120CA00004, October 1 to September 30, 2023 (I-521-25-020-R)

This memorandum transmits the final audit report on the Epidemic Control Among Priority Populations Program in Haiti. Fondation Serovie 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 Fondation Serovie'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 Fondation Serovie's internal controls; (3) determine whether Fondation Serovie complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by Fondation Serovie in accordance with the terms of the agreement; and (5) determine if Fondation Serovie 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 \$4,639,029 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

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<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.

except for \$867,725 in total questioned costs (\$852,824 ineligible and \$14,901 unsupported). The questioned costs were related to (1) expenditure not adequately supported of \$14,901; and (2) expenditures that exceeded the budget totaling \$852,824.

The audit firm identified one material weakness in internal control related to the questioned costs detailed above and one significant deficiency. The audit firm identified two instances of material noncompliance related to the questioned costs detailed above and payroll taxes withheld but not timely remitted to the fiscal authorities. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID/Haiti determine if the recipient addressed the issue noted.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Fondation Serovie 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 (a) implemented corrective actions on eight prior audit recommendations; (b) partially implemented corrective action on one prior audit recommendation; and (c) not implemented any corrective action on one prior audit recommendation.

During our desk review, we noted one area for improvement which the audit firm should address in future audit reports. We presented this area in a memo to the controller, dated April 29, 2025.

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

**Recommendation 1.** Determine the allowability of \$867,725 in questioned costs (\$852,824 ineligible and \$ 14,901 unsupported) on page 15 of the audit report and recover any amount that is unallowable.

**Recommendation 2.** Verify that Fondation Serovie corrects the one material weaknesses in internal control detailed on page 24 of the audit report.

**Recommendation 3.** Verify that Fondation Serovie corrects the two instances of material noncompliance detailed on page 29 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.<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).