



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

MEMORANDUM

DATE: July 3, 2025

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

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

SUBJECT: Financial Audit of the Sustainable Response in Health, HIV, and Nutrition in Central America Project, Managed by Fundación para la Alimentación y Nutrición de Centroamérica y Panamá, Cooperative Agreement 72052021CA00001, January 1 to December 31, 2023 (I-520-25-033-R)

This memorandum transmits the final audit report on Sustainable Response in Health, HIV, and Nutrition in Central America Project. Fundación para la Alimentación y Nutrición de Centroamérica y Panamá (FANCAP) contracted with the independent audit firm Santos, Barrera & Asociados, S.C. 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 that fully satisfies 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 FANCAP'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 FANCAP's internal controls; (3) determine whether FANCAP complied with award terms and applicable laws and regulations; and (4) determine if cost-sharing contributions were made and accounted for by FANCAP in accordance with the terms of the agreement. 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 \$2,430,869 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.

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 an internal control deficiency and follow-up of one internal control deficiency from the prior audit.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that FANCAP 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 stated that the recipient has not taken adequate corrective action to address one prior audit report 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 July 3, 2025.

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.²

² 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.