



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

### MEMORANDUM

**DATE:** September 26, 2022

**TO:** USAID/Colombia Mission Director, Anupama Rajaraman

**FROM:** USAID OIG Latin America and Caribbean (LAC) Regional Office, Senior Auditor, John Vernon /s/

**SUBJECT:** Financial Audit of the Civil Society Participation With Conflict Victims Project in Colombia, Managed by Consultoría Para los Derechos Humanos y el Desplazamiento, Cooperative Agreement AID-514-A-14-00006, January 1 to December 31, 2021 (9-514-22-033-R)

This memorandum transmits the final audit report on the Civil Society Participation with Conflict Victims Project in Colombia. Consultoría para los Derechos Humanos y el Desplazamiento (CODHES) contracted with the independent certified public accounting firm CPA BAAS S.A.S. 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 because such program is not offered in Colombia. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CODHES's fund accountability statement; 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate CODHES's internal controls; and (3) determine whether CODHES complied with award terms and applicable laws and regulations. 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 \$1,805,856 of USAID expenditures for the audited period.

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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.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. However, the audit firm included in the fund accountability statement unsupported questioned costs of \$204. Since the questioned costs 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/Colombia determine the allowability of the \$204 in questioned costs and recover any amount determined to be unallowable.

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 minor internal control deficiencies and immaterial instances of noncompliance. The audit firm included personally identifiable information (PII) in recommendations 2 and 5 and annex 1 of the management letter.

During our desk review, we noted a minor issue which the audit firm should consider when preparing future audit reports. We presented this issue in a memo to the controller, dated September 26, 2022.

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

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").