



MEMORANDUM

DATE: July 23, 2020

TO: USAID/Peru Mission Director, Jene Thomas

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

SUBJECT: Financial Audit of the Alliance for Digital and Financial Services Project in Peru Managed by Centro de Información y Educación Para la Prevención del Abuso de Drogas, Cooperative Agreement 72052718CA00003, for the Fiscal Year Ended December 31, 2019 (9-527-20-029-R)

This memorandum transmits the final audit report on Centro de Información y Educación para la Prevención del Abuso de Drogas (CEDRO). CEDRO contracted with the independent certified public accounting firm Ramírez Enríquez y Asociados to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and USAID Financial Audit Guidelines for Foreign Organizations. However, it did not have a continuing education program that fully complies with GAGAS requirements and an external peer review because such program is not offered in Peru. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CEDRO's fund accountability statement; 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate CEDRO's internal controls; and (3) determine whether CEDRO 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; compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$2,105,246 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 fund accountability statement 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.

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

We appreciate the assistance extended during the engagement.

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").