



MEMORANDUM

DATE: December 7, 2020

TO: USAID/Colombia Mission Director, Lawrence Sacks

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

SUBJECT: Financial Audit of the Conservation and Governance Program in the Amazon Piedmont of Colombia Managed by Patrimonio Natural - Fondo Para la Biodiversidad y Áreas Protegidas, Cooperative Agreement AID-530-A-13-00004, January 1 to December 31, 2019 (9-530-21-011-R)

This memorandum transmits the final audit report on the Conservation and Governance Program in the Amazon Piedmont of Colombia. Patrimonio Natural - Fondo Para la Biodiversidad y Áreas Protegidas contracted with the independent certified public accounting firm BDO Audit S.A. 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 Guide for Foreign Organizations. 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 Patrimonio Natural'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 Patrimonio Natural's internal controls; (3) determine whether Patrimonio Natural complied with award terms and applicable laws and regulations; and (4) determine if cost-sharing contributions were made and accounted for by Patrimonio Natural in accordance with the terms of the agreement. To answer the audit objectives, the audit firm reported that they

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.

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 \$2,072,632 of USAID funds for the audited period.

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.

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.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Patrimonio Natural 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.

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

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").