



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

MEMORANDUM

DATE: March 27, 2023

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audits Management Branch, Acting Supervisory Auditor, Sheree F. Marshall

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Financial Audit of Multi-Sectoral Support for Families Affected by the Venezuelan Migrant Crisis in Colombia Project Managed by El Secretariado Nacional de Pastoral Social - Caritas Colombia Under award 720FDAI8CA00024 August 1, 2018 to December 31, 2019 (3-000-23-014-R)

This memorandum transmits the audit report on the Multi-Sectoral Support for Families Affected by the Venezuelan Migrant Crisis in Colombia Project Managed by El Secretariado Nacional de Pastoral Social - Caritas Colombia (SNPS/CC), under the cooperative agreement 720FDAI8CA00024, for the period covering August 1, 2018 to December 31, 2019. The recipient contracted with the independent certified public accounting firm BDO Audit S.A. (BDO) to conduct the audit. BDO stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and the U.S. Agency for International Development's (USAID) Financial Audit Guide for Foreign Organizations. However, BDO disclosed that it did not have an external peer review that fully satisfies the GAGAS requirements. BDO is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the recipient'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 SNPS/CC for the period audited was presented fairly, in all material respects; (2) evaluate the SNPS/CC's internal controls; (3) determine whether SNPS/CC

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

complied with award terms and applicable laws and regulations; and (4) determine whether SNPS/CC had taken corrective actions on prior audit recommendations.

To answer the audit objectives, BDO: (1) reviewed the fund accountability statement, including amounts budgeted by category and significant items; revenue received from USAID for the period audited, costs reported by the beneficiary as being incurred during that period; (2) obtained an understanding of the design of internal control related to the program; and (3) followed the guidelines provided in AU-C Section 250 of the American Institute of Certified Public Accountants, entitled Consideration of laws and regulations in an audit of financial statements. BDO examined USAID's costs of \$1,234,350 for the audited period.

BDO concluded that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. There were no questioned costs. BDO did not identify material weaknesses in internal controls or instances of noncompliance required to be reported under GAGAS. BDO issued a management letter. BDO reported that there were no previous audit report recommendations.

During our desk review, we noted one issue that the BDO should address in future audit reports. We presented the issue in a memorandum to the controller dated March 27, 2023.

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").