



## MEMORANDUM

**DATE:** September 23, 2021

**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 Productive Entrepreneurship for Peace Program, Managed by Banco de las Microfinanzas - Bancamía S.A. Cooperative Agreement 72051419CA00001, January 1 to December 31, 2020 (9-514-21-029-R)

This memorandum transmits the final audit report on the Productive Entrepreneurship for Peace Program. Banco de las Microfinanzas - Bancamía S.A. (Bancamía) contracted with the independent certified public accounting firm Baker Tilly Colombia LTDA 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 Bancamía'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 Bancamía's internal controls; and (3) determine whether Bancamía 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

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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.

compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$914,238 of USAID expenditures 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 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/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").