



MEMORANDUM

DATE: December 7, 2020

TO: USAID/Rwanda, Mission Director, Leslie Marbury

FROM: USAID OIG Africa Regional Office, Assistant Director, Matthew Rathgeber /s/

SUBJECT: Financial Audit of USAID Resources Managed by CARITAS Rwanda Under Multiple Agreements, January 1 to December 31, 2019 (Report No. 4-696-21-017-R)

This memorandum transmits the final audit report on USAID resources managed by CARITAS Rwanda under the agreements below:

Award Name (Type)	Award Number	Audit Period	Prime Implementer
Strengthening Support to Vulnerable Populations in Rwanda -Gimbunka Program (cooperative agreement)	AID-696-A-12-00003	Jan. 1 - Dec. 31, 2019	
Improved Services for Vulnerable Population - Twiyubake Program (subaward)	ISVP-PC-16-03	Jan. 1 - Dec. 31, 2019	Global Communities
Gikuriro Program (subaward)	RW.16.SUBAGR.8349. P0077676.01.00 and RW.16.SUBAGR.8349. P0077676.02.00	Jan. 1 - Dec. 31, 2019	Catholic Relief Services

CARITAS Rwanda contracted with the independent certified public accounting firm GPO Partners, Kigali, Rwanda, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have continuing professional education and an external peer review that fully satisfied the requirements of GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CARITAS Rwanda'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 CARITAS Rwanda's internal controls; (3) determine whether CARITAS Rwanda complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, GPO Partners (1) audited the fund accountability statement for the award including the budgeted amounts by category and major items and the revenues received from USAID for the period covered by the audit and the costs reported by CARITAS Rwanda as incurred from January 1 to December 31, 2019; (2) evaluated the control environment, the adequacy of the accounting systems, and control procedures that pertain to CARITAS Rwanda's ability to report financial data consistent with the assertions embodied in each account of the fund accountability statement; (3) identified the award terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the fund accountability statement; (4) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. CARITAS Rwanda reported expenditures of \$3,847,384 in USAID funds during 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 report any questioned costs, no material weaknesses in internal control and no material noncompliance instances. The audit firm issued a management letter.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated December 7, 2020.

Accordingly, we are not making any recommendations.

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").

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.