



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: October 20, 2023

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

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

SUBJECT: Single Audit of Catholic Relief Services-United States Conference of Catholic Bishops and Affiliates for the Year Ended September 30, 2019 (3-000-24-002-T)

This memorandum transmits the final audit report on the single audit of Catholic Relief Services-United States Conference of Catholic Bishops and Affiliates (CRS) for the Year Ended September 30, 2019. The audit report was obtained from the Federal Audit Clearinghouse. RSM US LLP (RSM) performed the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 audit. RSM stated that it performed its audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States and in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. RSM is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CRS's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

RSM's audit objectives were to: (1) express an opinion on the September 30, 2019, financial statements; (2) obtain reasonable assurance about whether CRS's combined financial statements are free from material misstatement; and (3) express an opinion on compliance for each of CRS's major Federal programs. To answer the audit objectives, RSM: (1) performed procedures to obtain evidence about the amounts and disclosures in the financial statements; (2) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluated the overall presentation of the financial statements; (3) considered CRS's internal control over financial reporting; and (4) performed tests of CRS's compliance with certain provisions of laws, regulations, contracts, and

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.

grant agreements, which could have a direct and material effect on the determination of financial statement amounts. CRS's audited expenditures of Federal awards was \$454,279,175, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$374,631,518.

RSM expressed an unmodified opinion on the financial statements and stated that the financial statements presented fairly, in all material respects, CRS's consolidated financial position as of September 30, 2019. Further, RSM reported that it did not find any deficiencies in internal control it considered to be material weaknesses in internal control over financial reporting and internal control over major programs. Additionally, CRS complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2019. Finally, RSM did not identify any questioned costs in its Federal awards audit for CRS. However, RSM identified one significant deficiency in internal control over financial reporting and an instance of noncompliance for each major Federal program and a significant deficiency in internal control over compliance. Although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch determine if CRS addressed the issues noted.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.