



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: July 18, 2024

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 CARE USA and Subsidiaries for the Year Ended June 30, 2021 (3-000-24-053-T)

This memorandum transmits the final audit report on the single audit of CARE USA and Subsidiaries (CARE USA) for the Year Ended June 30, 2021. The audit report was obtained from the Federal Audit Clearinghouse. Ernst & Young LLP (EY) performed the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States. EY is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CARE USA's fund accountability statement; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

EY's audit objectives were to (1) express an opinion on the consolidated financial statements, (2) obtain reasonable assurance about whether CARE USA's consolidated financial statements are free from material misstatement, and (3) express an opinion on compliance for each of CARE USA's major Federal programs. To answer the audit objectives, EY: (1) obtained evidence about the amounts and disclosures in the consolidated 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; and (3) considered CARE USA's internal control over financial reporting and tested of CARE USA's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. CARE USA's audited expenditures of Federal awards was

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.

\$221,151,474, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$196,758,872.

EY expressed an unmodified opinion on the consolidated financial statements and stated that the financial statements presented fairly, in all material respects, CARE USA's consolidated financial position as of June 30, 2021. Further, EY reported that it did not find any material weaknesses, significant deficiencies, and noncompliance material to financial statements in internal control over financial reporting and Federal awards. Finally, EY identified two findings that required reporting in accordance with the Audit Requirements for Federal Awards (Uniform Guidance). Finding 2021-001, State Department's Overseas Refugee Assistance Programs for Western Hemisphere, and finding 2021-002, USAID Foreign Assistance for Programs Overseas. However, EY's opinion on each major federal program is not modified with respect to these matters.

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.