



MEMORANDUM

DATE: July 2, 2020

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch, Acting Supervisory Auditor, Eleanor C. Jefferson

FROM: Director of External Financial Audit Division, David A. McNeil /s/

SUBJECT: Financial Audit of International Catholic Migration Commission Under Multiple USAID Agreements for the Fiscal Year Ended December 31, 2017 (3-000-20-020-R)

This memorandum transmits the final audit report on the recipient contracted audit of International Catholic Migration Commission (ICMC) under multiple agreements with the U.S. Agency for International Development (USAID) for the fiscal year (FY) ended December 31, 2017. ICMC contracted with Deloitte & Touche (ME)-Jordan (Deloitte) to conduct the audit. The audit firm stated that it performed the audit in accordance with generally accepted government auditing standards and with the Guidelines for Financial Audits Contracted by Foreign Recipients¹. However, the audit firm did not fully satisfy continuing professional education requirements and it did not have an external quality control review by an unaffiliated audit organization since no such program is offered by professional organizations in Syria. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ICMC's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.²

¹ | On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients," recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, was initiated before that date and follows the guidelines.

² 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.

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 ICMC's internal controls; and (3) determine whether ICMC complied with awards' terms and applicable laws and regulations. To answer the audit objectives, the audit firm examined the fund accountability statements, internal control structure and compliance with agreement terms and applicable laws and regulations. The report on the fund accountability statement disclosed that ICMC's audited expenditures were \$1,556,469, consisting solely of USAID-funded awards for the fiscal year ended December 31, 2017.

Deloitte concluded that: (1) the fund accountability statement referred to above presents fairly, in all material respects, program revenues, costs incurred and reimbursed for the period then ended in accordance with the terms of the agreements and in conformity with the accrual basis of accounting; (2) Deloitte did not identify any deficiencies that were considered material weaknesses in internal control; and (3) Deloitte disclosed no instances of noncompliance that are required to be reported under generally accepted government auditing standards. There were no questioned costs.

We appreciate the assistance extended during the engagement.

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").