



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 18, 2025

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

FROM: David A. McNeil /s/
Director
External Financial Audits Division

SUBJECT: Single Audit of International Rescue Committee, Inc., and Subsidiaries for the Year Ended September 30, 2023 (3-000-25-021-T)

This memorandum transmits the final audit report on the single audit of International Rescue Committee, Inc., and Subsidiaries (IRC) for the year ended September 30, 2023. The audit report was obtained from the Federal Audit Clearinghouse. IRC contracted with the independent audit firm KPMG LLP (KPMG) to conduct the audit. KPMG 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 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. KPMG is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on IRC's schedule of expenditures for Federal awards; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

KPMG's audit objectives were to: (1) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks; (2) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IRC's

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.

internal control; (3) evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements; and (4) audit IRC's compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of IRC's major federal programs for the year ended September 30, 2023. To answer the audit objectives, KPMG: (1) audited IRC's consolidated financial statements comprising the consolidated balance sheet as of September 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements; (2) issued a report dated March 20, 2024, on KPMG's consideration of IRC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters; and (3) performed tests of IRC's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. IRC's audited expenditures of Federal awards were \$567,086,103, of which the U.S. Agency for International Development's audited expenditures amounted to \$161,350,868.

KPMG stated that the consolidated financial statements present fairly, in all material respects, the financial position of IRC as of September 30, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles. Further, KPMG reported that it did not find any significant deficiencies or material weaknesses in internal control over financial reporting. Similarly, KPMG reported it did not identify material weaknesses or significant deficiencies in internal control over major programs. Additionally, in KPMG's opinion, IRC complied, in all material respects, with the compliance requirements that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023. Finally, KPMG did not identify any findings and questioned costs relating to Federal awards.

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.