



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: July 29, 2025

TO: USAID, Deputy Administrator for Management and Resources, Kenneth Jackson
USAID, Acting Chief Financial Officer, Douglas A. Pitkin

FROM: Middle East and Eastern Europe Regional Office, Audit Director, Louis Duncan, Jr. /s/

SUBJECT: Closeout Audit of Locally Incurred Costs of Catholic Relief Services, Civic Participation and Community Engagement Activity in West Bank and Gaza, Subaward PO22000583, January 1, 2023, to February 15, 2024 (8-294-25-019-N)

This memorandum transmits the closeout audit of the locally incurred costs of the schedule of expenditures for Catholic Relief Services (CRS) subaward PO22000583 under cooperative agreement 72029421LA00001, "Civic Participation and Community Engagement Activity," January 1, 2023, to February 15, 2024. USAID/West Bank and Gaza contracted with the independent audit firm Mazars to conduct the audit. The audit firm stated it performed its audit in accordance with U.S. Government Auditing Standards. However, it did not have an external quality control review program that fully satisfies the standards' requirements. Mazars explained that professional organizations in West Bank and Gaza do not offer such a quality control review program. Mazars is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the audit firm's schedule of expenditures; 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 schedule of expenditures for the period audited presents fairly, in all material respects; (2) evaluate CRS' internal controls; and (3) determine whether CRS complied, in all material respects, with the award terms and applicable laws and regulations, including compliance with Executive Order 13224 - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to

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.

Commit, or Support Terrorism; and (4) determine if CRS has taken adequate corrective actions on prior audit report recommendations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$2,525,008 from January 1, 2023, to February 15, 2024.

The audit firm concluded that the schedule of expenditures presents fairly, in all material respects. The audit firm did not identify any deficiencies that were considered material weaknesses in internal control or any instances of noncompliance with the terms of the award, applicable rules and regulations, or Executive Order 13224. The audit firm reported that the previous audit report did not include any recommendations.

The report does not include any recommendations for your action.

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 oinotice_ndaa5274@usaid.gov.