



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 17, 2026

TO: Eric Ueland
USAID/Performing the Duties of Administrator and Chief Operating Officer

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

SUBJECT: Closeout Financial Audit of Caritas Brasileira, Award 720BHA22GR00152, January 1 to December 31, 2023 (3-000-26-016-R)

This memorandum transmits the final audit report on the U.S. Agency for International Development (USAID) resources managed by Caritas Brasileira, award 720BHA22GR00152, January 1 to December 31, 2023. Caritas Brasileira contracted with the independent certified public accounting firm of Audisa Auditores Associados (Audisa) to conduct the audit. Audisa stated that it performed its audit in accordance with U.S. Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Audisa stated that it does not have a continuing education program fully satisfying the requirement set forth in GAGAS, and it did not have an external quality control review by an unaffiliated audit organization as required by GAGAS, since no such program is offered by professional organizations in Brazil. Audisa is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Caritas Brasileira's schedule of expenditures of USAID awards; 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 of USAID awards for the period audited, was presented fairly, in all material respects; (2) evaluate Caritas Brasileira's internal controls related to USAID funded programs; (3) determine whether Caritas Brasileira complied with award terms and applicable laws and regulations. To answer the audit objectives, Audisa: (1) reviewed and tested cost transactions in the schedule of expenditures of USAID awards identifying and quantifying any questioned costs; (2) reviewed the recipient's internal controls related to USAID programs and determined whether they had been placed in operation and evaluated the adequacy of accounting systems and controls procedures; (3) assessed compliance with agreement terms and applicable laws and regulations. The schedule of expenditures of USAID awards disclosed that USAID audited expenditures were

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.

\$1,796,885 for the fiscal year ended December 31, 2023.

Audisa concluded that the schedule of expenditures of USAID awards (SEFA) presented fairly, in all material respects, program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the year then ended in accordance with the terms of the agreements. However, the audit firm identified ineligible questioned costs totaling \$6,427 in note five to the SEFA. Audisa did not identify any material weaknesses in internal control. Audisa did not identify any instances of material noncompliance; however, they did identify some immaterial instances of noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID determine the allowability of the \$6,427 in ineligible questioned costs and recover any amount determined to be unallowable.

During our desk review, we identified several issues Audisa will need to address in future audit reports. We presented the issues in a memo to USAID, dated February 17, 2026.

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@oig.usaid.gov.