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U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Sample Management Representation Letter for Financial Audits

[Name]
Assistant Inspector General for Audit
Office of the Inspector General
USAID-Ronald Reagan Building
Washington, DC 20523

Dear [Name]:

This letter is in connection with your audit of U.S. Agency for International Development's (USAID) financial statements as of September 30, 20xx, for the purpose of (1) expressing an opinion as to whether the financial statements are presented fairly, in all material respects in conformity with generally accepted accounting principles; and (2) reporting whether the Agency's financial management systems substantially comply with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S Government Standard General Ledger at the transaction level as of September 30, 20xx.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit that these representations are accurate as of the date of your auditor's report, and pertain to the period covered by the financial statements. This representation letter updates the representations provided in conjunction with your audit of the financial statements as of September 30, 20xx.

1. We are responsible for the fair representation of the financial statements and Required Supplementary Stewardship

Information in conformity with generally accepted accounting principles.

2. The financial statements are fairly presented in conformity with generally accepted accounting principles.
3. We have made available to you all of the following:
 - Financial records and related data;
 - Where applicable, minutes of meetings or summaries of actions of recent meetings for which minutes have been prepared; and
 - Communications from the Office of Management and Budget (OMB) concerning noncompliance with or deficiencies in financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or disclosed in the notes to the financial statements.
5. USAID has satisfactory title to all owned assets. Such assets have no liens or encumbrances, nor have any assets been pledged.
6. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
7. Guarantees under which the Agency is contingently liable have been properly reported or disclosed.
8. Provisions, where material, have been made to reduce credit program receivables to their estimated net realizable value.
9. Related party transactions and related accounts receivable or payable, including assessments, loans, and guarantees, have been properly recorded and disclosed.
10. All intra-entity transactions and balances have been appropriately identified and eliminated for financial reporting purposes, unless otherwise noted. All intra-governmental transactions and activities have been

appropriately recorded and disclosed. We have reconciled intra-governmental transactions and balances with the appropriate trading partners for the four fiduciary transactions identified in Treasury's Intra-governmental Fiduciary Transaction Accounting Guide. We have not reconciled other intra-governmental asset, liability, and revenue amounts with our trading partners as required by OMB Circular 01-09, as amended.

11. There are no
 - Possible violations of laws or regulations whose effects should be considered for disclosure, which have not been disclosed, in the financial statements or as a basis for recording a loss contingency;
 - Material liabilities or gain or loss contingencies that are required to be accrued or disclosed beyond those contained in the financial statements; or
 - Unasserted claims or assessments that are probable of assertion and that must be disclosed.
12. We have complied with all aspects of contractual agreements that would have material effect on the financial statements in the event of noncompliance.
13. No material events or transactions have occurred subsequent to September 30, 20xx that have not been properly recorded in the financial statements and Required Supplementary Information or disclosed in the notes.
14. We have made all recommended auditor adjustment to the financial statements or have included the adjustments in the schedule of uncorrected auditor's adjustments.
15. There has been no material fraud involving
 - Management or employees who have significant roles in internal control, or
 - Others that could have a material effect on the financial statements.
16. We are responsible for establishing and maintaining internal control.

17. We have assessed the effectiveness of USAID's internal control in achieving the following objectives:
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and mismanagement;
 - Revenues and expenditures applicable to Agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports; and
 - Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and maintain accountability for assets.

Our assessment was based on control criteria established under the Federal Managers' Financial Integrity Act of 1982 and OMB Circular A-123.

18. The entity's internal control has no material weaknesses as it relates to reconciling subsidiary control accounts to the general ledger.
19. We have disclosed to you all significant deficiencies in the design or operation of internal control that could adversely affect the entity's ability to meet the internal control objectives, and identified those we believe to be material weaknesses.
20. There have been no changes to internal control subsequent to September 30, 20xx, or other factors that might significantly affect internal controls.
21. We are responsible for USAID's compliance with applicable laws and regulations.
22. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
23. As of September 30, 20xx, USAID's financial management systems do not comply substantially with the Federal Financial Management Systems requirements.

24. We have disclosed to you all known instances of noncompliance with laws and regulations.
25. Pursuant to the Federal Managers' Financial Integrity Act, we have assessed the effectiveness of USAID's internal controls in achieving the following objectives:
 - Reliability of financial reporting - Transactions are properly recorded, processed, and summarized to permit the preparation of the Principal Financial Statements and Required Supplementary Stewardship Information in accordance with generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition;
 - Compliance with applicable laws and regulations - Transactions are executed in accordance with (I) laws governing the use of budget authority and other laws and regulations that could have a direct and material effect on the financial statements, and (II) other laws, regulations, and government-wide policies identified by OMB in Appendix C of Bulletin 01-02; and
 - Reliability and completeness of performance reporting - Performance information collected, summarized, and reported in the Fiscal Year 20xx Management Discussion and Analysis is reliable and relates to performance achieved in the current fiscal year.

[Name]
Chief Financial Officer

[Name]
Acting Deputy Chief Financial Officer

[Name]
Assistant Administrator for Management

[Name]
Assistant Administrator for
Policy and Program Coordination

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