



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

**INTERIM COSTS CLAIMED BY
DEWBERRY AND DAVIS UNDER
CONTRACT Nos. INF15PB000057
AND INF15PB000059 WITH THE
U.S. FISH AND WILDLIFE SERVICE**



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AUG 10 2016

Memorandum

To: Kristin Young
Bureau Procurement Chief, U.S. Fish and Wildlife Service

From: Chris Stubbs *Chris Stubbs*
Director, Office of Financial and Contract Audits

Subject: Final Audit Report – Interim Costs Claimed by Dewberry and Davis Under
Contract Nos. INF15PB000057 and INF15PB000059 With the U.S. Fish and
Wildlife Service
Report No. 2016-CG-031

This report presents the results of our audit of interim costs claimed by Dewberry and Davis under Contract Nos. INF15PB000057 and INF15PB000059. These contracts were awarded from the U.S. Fish and Wildlife Service's (FWS) Hurricane Sandy funds to prepare updated coastal maps as part of the Coastal Barrier Resources System (CBRS) modernization program.

FWS awarded Contract No. INF15PB000057 for \$2,185,000 and Contract No. INF15PB000059 for \$923,000 to Dewberry on December 31, 2014, to modernize 372 CBRS maps in 8 States affected by Hurricane Sandy. The CBRS was established by the Coastal Barrier Resources Act of 1982, which restricts development on designated coastal barriers to minimize loss of life, wasteful expenditures, and damage to fish, wildlife, and other natural resources. The period of performance for both contracts is from December 31, 2014, through November 8, 2016. We audited interim costs claimed as of January 29, 2016, totaling \$1,063,431. The attachment provides our audit scope and methodology.

Objective

Were the costs claimed by Dewberry allowable, allocable, and reasonable according to applicable Federal laws and regulations and FWS guidelines?

Audit Results

We found that Dewberry claimed costs that were allowable, allocable, and reasonable. The two contracts we audited were awarded under Federal Supply Schedule No. GS-10F-0160K, administered by the General Services Administration (GSA), which defines labor categories and associated hourly rates along with other terms and conditions. Dewberry personnel were able to substantiate—through employee timecards and payroll records—the entire \$1,063,431 claimed.

Conclusion

Dewberry claimed costs on the contracts that were allowable, allocable, and reasonable. Because no issues were identified, no response is necessary and we are issuing the report as final.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented. If you have any questions regarding this report, please call me at 202-208-5745.

Attachment

Scope and Methodology

Our audit of interim costs focused on the \$1,063,431 claimed by Dewberry and Davis on Contract Nos. INF15PB000057 and INF15PB000059 with the U.S. Fish and Wildlife Service (FWS) between December 31, 2014, and January 29, 2016. Our audit included review of Dewberry's compliance with applicable Federal regulations, FWS policies and procedures, and contract terms and conditions. We conducted our audit fieldwork from March 2016 through May 2016.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our objectives, we—

- interviewed the FWS contracting officer, Dewberry employees, and other appropriate individuals;
- reviewed the Federal Acquisition Regulation for regulations pertaining to claimed costs;
- reviewed the support for Dewberry's claimed costs (direct costs, third-party invoices, general and administrative expenses) and profit;
- reviewed and analyzed Dewberry's accounting records (computer-generated data) pertaining to claimed costs for reasonableness;
- reviewed Dewberry's explanation of its information controls over computer-generated data relevant to the audit;
- reviewed Dewberry's response to an internal control questionnaire sent by our office;
- reviewed Dewberry's invoices to familiarize ourselves with how amounts were being billed on the contracts; and
- conducted site visits at FWS and Dewberry offices in Fairfax, VA.

We used invoices, timesheets, third-party invoices, and other supporting documentation, but relied little on computer-generated data. For the labor costs, we reviewed hours and rates against timesheets and other supporting documentation. We did not perform reliability assessments of the quality of the data because doing so was outside the scope of our review. Based on our test results, we either accepted the data or performed additional testing.

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