



## MEMORANDUM

**DATE:** September 25, 2019

**TO:** USAID/Management/Office of Acquisition and Assistance/Cost Audit and Support Division, Branch Chief, David A. McNeil

**FROM:** Acting Director of External Financial Audits Division, Steve Shea /s/

**SUBJECT:** Independent Audit of The Manoff Group, Inc.'s Proposed Amounts on Unsettled Flexibly Priced Contracts for the Fiscal Years Ended December 31, 2015, 2016, and 2017 (3-000-19-010-D)

This memorandum transmits the final audit report of The Manoff Group, Inc.'s (TMG) proposed amounts on unsettled flexibly priced contracts for the fiscal years (FY) ended December 31, 2015, 2016, and 2017. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit, and Support Division contracted with the Defense Contract Audit Agency (DCAA) to conduct the audit.

DCAA states that it performed this audit in accordance with generally accepted government auditing standards. DCAA is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether TMG's proposed amounts on unsettled flexibly priced contracts, comply, in all material respects, with contract terms pertaining to accumulating and billing incurred amounts.<sup>1</sup>

The objective of this audit was to express an opinion on whether TMG's proposed direct and indirect amounts for contract reimbursement on unsettled flexibly priced contracts contained in its revised FYs 2015, 2016, and 2017 final indirect rate proposals, submitted on September 6, 2018, to determine if the proposed amounts comply with contract terms pertaining to accumulating and billing incurred amounts. To answer this objective DCAA planned and performed an audit in accordance with generally accepted government auditing standards to

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<sup>1</sup> We reviewed DCAA'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.

obtain reasonable assurance on whether TMG's proposed direct cost amounts materially comply with contract terms. DCAA audited \$12,234,236 of TMG's costs for FYs ended December 31, 2015, 2016, 2017.

DCAA expressed a qualified opinion due to the scope limitation on DCAA performing real-time procedures on proposed direct labor costs. DCAA stated that except for the effects of the noncompliance, if any, that might have been identified if not for the scope limitation; TMG's proposed direct cost amounts for reimbursement on the unsettled flexibly priced contracts comply, in all material respects, with the contract terms pertaining to accumulating and billing incurred amounts. The audit report disclosed no findings or questioned costs.

We appreciate the assistance extended during the engagement.

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").