



## MEMORANDUM

**DATE:** March 20, 2019

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

**FROM:** Director of External Financial Audits, Donell Ries /s/

**SUBJECT:** Examination on the Adequacy and Cost Accounting Standards Compliance of the Corporate Home Office Disclosure Statement, Revision I for DAI Global, LLC (3-000-19-011-I)

This memorandum transmits the final report on the adequacy and cost accounting standards compliance of the corporate home office disclosure statement, revision I for DAI Global, LLC (DAI). The U.S. Agency for International Development's (USAID) Office of Acquisition and Assistance, Cost, Audit, and Support Division contracted with Kearney & Company to conduct the examination. The contract required Kearney & Company to conduct the examination in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in generally accepted government auditing standards.

Kearney & Company states that it conducted its examination in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in generally accepted government auditing standards. Kearney & Company is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion over the adequacy and cost accounting standards compliance of the corporate home office disclosure statement revision I.<sup>1</sup>

The objectives of the examination was to express an opinion on whether the DAI's Disclosure Statement: (I) is current, accurate, complete and adequately describes DAI's cost accounting practices, as noted in 48 Code of Federal Regulations (CFR) Section 9903.202-6, adequacy of

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<sup>1</sup> 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.

disclosure statement; and (2) discloses cost accounting practices that materially comply with Cost Accounting Standards (CAS), as dictated by Title 48 of the CFR, Sections 9904.401-420, including the design, implementation, and maintenance of internal controls to prevent or detect and correct non-compliance due to fraud or error in accordance with the Federal Acquisition Regulation (FAR) Part 52.230-1, Cost Accounting Standards Notices and Certification.

To answer the examination objectives, Kearney & Company evaluated the disclosure statement using the applicable requirements contained in Title 48 of the CFR, Section 9903.202; FAR Part 30.202-7a, adequacy determination; and the CAS dictated by Title 48 of the CFR, Part 9904.401-420; and concluded on the adequacy and cost accounting standards compliance of the corporate home office disclosure statement, revision I for DAI based on the procedures and within the context of the examination objectives.

Kearney & Company concluded that its examination did not disclose any findings required to be reported under attestation standards established by the AICPA and the standards applicable to attestation engagements contained in generally accepted government auditing standards. In Kearney & Company's opinion, DAI's disclosure statement, revision I, is presented in accordance with Title 48 CFR Section 9903.202-6, adequacy of disclosure statement, and discloses cost accounting practices that materially complied with CAS, as dictated by Title 48 of the CFR, Sections 9904.401-420, including the design, implementation, and maintenance of internal controls to prevent or detect and correct non-compliance due to fraud or error in accordance with FAR Part 52.230-1, CAS Notices and Certification, in all material respects.

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").