



MEMORANDUM

DATE: October 21, 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, Steven Shea/s/

SUBJECT: Independent Audit Report on Checchi & Company Consulting, Inc.'s Post Award Accounting System Follow-up (3-000-20-001-D)

This memorandum transmits the final report on Checchi & Company Consulting, Inc.'s (Checchi) post award accounting system follow up. 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 conducted its examination 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 Checchi's post award accounting system.¹

The objective of the examination was to express an opinion on whether Checchi complied with FAR 53.209-1(f), Standard Form 1408 (SF-1408) Preaward Survey of Prospective Contractor Accounting System Requirements, Section II(1). To answer the objective, DCAA examined Checchi's corrective actions implemented in response to three deficiencies identified in the initial accounting system audit performed by Kearney & Company dated March 28, 2017, (under Contract No. AID-OAA-E-12-00370, Call Order No. AID-OAA-BC-15-00011) to determine if they comply with FAR 53.209-1(f), Standard Form 1408 (SF-1408) Preaward Survey of Prospective Contractor Accounting System Requirements, Section II (1).

DCAA expressed a qualified opinion, due to the scope limitation on the lack of real-time observance of the contractor's accounting system review. DCAA was unable to sufficiently test the contractor's compliance with their established policies, procedures, and accounting practices. DCAA stated that except for the effects of the noncompliance that might have been

¹ 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 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 review performed.

identified if not for the scope limitation, the corrective actions implemented by Checchi adequately address the three deficiencies identified in the initial accounting system audit performed by Kearney & Company dated March 28, 2017, (under Contract No. AID-OAA-E-12-00370, Call Order No. AID-OAA-BC-15-00011) and comply, in all material respects, with FAR 53.209-1(f), Standard Form 1408 (SF-1408) Preaward Survey of Prospective Contractor Accounting System Requirements, Section II(1).

We appreciate the assistance extended during the engagement.

OIG does not routinely distribute independent public accounting reports beyond the immediate addresses 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”).