



MEMORANDUM

DATE: June 3, 2021

TO: USAID/Management/Office of Acquisition and Assistance/Cost Audit and Support Division, Supervisory Auditor, Eleanor C. Jefferson

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Examination of Visionary Consulting Partners, LLC Indirect Cost Rate Proposals and Related Books and Records for Reimbursement for the Fiscal Year ended December 31, 2018 (3-000-21-039-1)

This memorandum transmits the final report on Visionary Consulting Partners, LLC's (VCP) costs claimed by in-scope contracts and subcontracts for the fiscal year (FY) ended December 31, 2018. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit, and Support Division contracted with the independent certified public accounting firm of Booth Management Consulting, LLC (BMC) who conducted the examination. The audit firm stated that it performed its examination in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether costs claimed on in-scope contracts and subcontracts for FY 2018 are allowable, allocable and reasonable in accordance with contract terms; Part 31 of the Federal Acquisition Regulation (FAR); Agency for International Development Acquisition Regulation (AIDAR); Department of State Standardized Regulation (DSSR); and 2 Code of Federal Regulations (CFR) 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as applicable.¹

¹We 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.

The examination's objective was to express an opinion on whether the costs claimed by VCP on in-scope contracts and subcontracts for FY 2018 are allowable, allocable, and reasonable in accordance with contract terms; Part 31 of the FAR; AIDAR; DSSR; and 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as applicable. To answer the examination's objective, BMC designed its testing procedures to evaluate the internal control environment surrounding VCP's subcontract management process and to verify that VCP had adequate controls in place for monitoring subcontractor costs. Its examination included performing a reconciliation between the adjusted total costs booked to date and the cumulative amount billed, by contract, for FY 2018 and reporting any over/under-billing. The audit firm examined USAID incurred costs of \$187,817 for the FY 2018.

BMC expressed a qualified opinion noting that, except for submitted amounts that do not materially comply with contract terms pertaining to accumulating and billing incurred amounts as described below, costs claimed by VCP on in-scope contracts and subcontracts for FY 2018 are allowable, allocable, and reasonable in accordance with contract terms; Part 31 of the FAR; AIDAR; DSSR; and 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as applicable. The audit disclosed one material weakness in internal control involving an incorrect labor distribution report, and two significant deficiencies due to inadequate incurred cost proposal, and late payments to vendors. Although we are not making a recommendation for significant deficiencies noted in the report, we suggest that the USAID's Office of Acquisition and Assistance Cost, Audit and Support Division determine if the recipient addressed the issues noted. The audit firm questioned \$33,732 of indirect costs composed of \$17,438 in the Overhead pool costs, and \$16,294 in General & Administrative pool costs.

To address the issues identified in the report, we recommend that USAID's Office of Acquisition and Assistance Cost, Audit and Support Division:

Recommendation I. Verify that Visionary Consulting Partners, LLC corrects the material weakness in internal control detailed on pages 13 and 14 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision.

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").