



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: October 19, 2021

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

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

SUBJECT: Audit Report on Training Resources Group's Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Year 2018 (3-000-22-001-D)

This memorandum transmits the final audit report on Training Resources Group's (TRG) proposed amounts on unsettled flexibly priced contracts for 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 Defense Contract Audit Agency (DCAA) to conduct the audit. DCAA stated that they conducted their 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 TRG's proposed amounts on unsettled flexibly priced contracts comply, in all material respects, with contract terms pertaining to accumulating and billing incurred amounts.¹

The objective of this audit was to express an opinion on whether TRG's proposed direct and indirect amounts for contract reimbursement on unsettled flexibly priced contracts contained in its incurred cost proposals submitted on September 30, 2019, 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 obtain reasonable assurance on whether TRG's proposed direct amounts for contract reimbursement materially comply with contract terms. USAID's audited direct costs were \$9,132,942 for FY ended December 31, 2018.

DCAA expressed a qualified opinion because it was unable to complete certain procedures that it determined necessary to complete the scope of the audit. These procedures were hampered

¹We 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.

by two scope limitations, lack of real-time labor testing and access to original documentation instead of scanned or copied original source data, due to Coronavirus Disease (COVID 19) national emergency. DCAA stated that, except for the effects of non-compliances that they might have identified had they completed the procedures in the scope limitations, Training Resources Group's proposed amounts on unsettled flexibly priced contracts comply, in all material respects, with contract terms pertaining to accumulating and billing incurred amounts. DCAA did not question any costs or report any findings.

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").