



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

**DATE:** July 6, 2022

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

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

**SUBJECT:** Audit Report on Banyan Global, Inc.'s Proposed Amounts on Unsettled Flexibly Priced Contracts for Fiscal Year 2018 (3-000-22-015-D)

This memorandum transmits the final audit report on Banyan Global Inc.'s (BGI) proposed amounts on unsettled flexibly priced contracts for fiscal year (FY) 2018. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit and Support Division, Contract Audit Management Branch contracted with the Defense Contract Audit Agency (DCAA) to conduct the audit. DCAA states that it performed its 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 BGI'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 BGI's proposed direct and indirect amounts for contract reimbursement on unsettled flexibly priced contracts contained in its FY 2018 final indirect rate proposals, submitted on September 25, 2019, 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 obtain reasonable assurance on whether BGI's proposed direct and indirect cost amounts materially comply with contract terms.

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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 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.

DCAA expressed a qualified opinion due to scope limitations such as access to original source documentation, their inability to perform real time testing and issues determining cost reasonableness. DCAA applied alternative procedures that were, however, not sufficient to substitute for the lack of testing on a real-time basis. As a result, DCAA was unable to perform sufficient audit procedures that DCAA determined were necessary to complete the scope of the audit. DCAA stated that except for the effects of the noncompliance, if any, that DCAA might have identified except for the scope limitations, BGI's proposed amounts for reimbursement on the unsettled flexibly priced contract complies, in all material respects, with the contract terms pertaining to accumulating and billing incurred amounts. DCAA audited \$6,358,380 of BGI's proposed USAID direct costs for FY 2018. The audit report did not disclose any findings or questioned costs.

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").