



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: August 30, 2022

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

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

SUBJECT: Performance Audit of the Adequacy of the Accounting System Administration for Think Well, LLC. (3-000-22-029-I)

This memorandum transmits the final report on the Performance Audit of the Adequacy of the Accounting System Administration for Think Well, LLC. 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 independent certified public accounting firm of Tichenor & Associates, LLP to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the adequacy of Think Well, LLC's accounting system administration; the effectiveness of its internal controls; or its compliance with applicable Federal laws and regulations.¹

The audit objectives were to evaluate whether Think Well, LLC has established an adequate accounting system and whether the accounting system:

- Adequately accumulates, segregates, and identifies costs under U.S. Government awards, and
- Allows for the proper segregation between direct, indirect, and unallowable costs in compliance with applicable Government regulations.

To answer the audit objectives, the audit firm used the requirements contained in: (a) the Code of Federal Regulations 48 (CFR), Section 252.242-7006, Accounting System Administration; and (b) Federal Acquisition Regulation (FAR). In addition, Tichenor & Associates, LLP conducted this performance audit from November 18, 2021 and March 28, 2022, in the following phases:

¹ 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.

1. Conducted preliminary risk assessments and key internal controls relating to the accounting system criteria.
2. Conducted fraud interviews.
3. Performed walk-throughs of various accounting functions to ensure policies and Accounting System Administration procedures are in line with actual processes and proper internal control are in place.
4. Reconciled the transactions and adjusting entries.
5. Performed tests on the Auditee's accounting and financial management system's compliance with the 18 criteria contained within the 48 CFR 252.242-7006 Accounting System Administration.
6. Performed analytical and other audit procedures on the auditees accounting system.

Tichenor & Associates, LLP concluded that Think Well, LLC's accounting system administration is designed to adequately accumulate, segregate, and identify costs under U.S. Government awards, as well as allows for the proper differentiation between direct costs, indirect costs, and unallowable costs in compliance with applicable Government regulations.

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").