



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** May 18, 2023

**TO:** USAID/Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audit Management Branch, Acting Supervisory Auditor, Maya Cole

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

**SUBJECT:** Performance Audit of the Adequacy of the Accounting Systems for Green Powered Technology, LLC as of March 31, 2022 (3-000-23-029-I)

This memorandum transmits the final audit report on the Performance Audit of the Adequacy of the Accounting Systems for Green Powered Technology, LLC as of March 31, 2022. 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 audit firm Tichenor & Associates, LLP (Tichenor) to conduct the audit. The audit firm stated that it performed its audit in accordance with Government Auditing Standards issued by the Comptroller General of United States. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Green Powered Technology, LLC's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objective was to determine whether Green Powered Technology, LLC's Accounting System meets the requirement of 48 CFR 252.242-7006 Accounting System Administration which requires an accounting system to:

- (1) Adequately accumulate, segregate, and identify costs under U.S. Government awards.
- (2) Allow for the proper segregation between direct, indirect, and unallowable costs in

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<sup>1</sup> 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.

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 conducted this performance audit between December 17, 2021, and November 21, 2022, in the following phases:

- (1) Assessed risk and reviewed Green Powered Technology, LLC, Inc.'s policies and procedures and key internal controls relating to the accounting system criteria.
- (2) Tested the implementation of policies and compliance with the criteria 48 CFR 252.242-7006, and
- (3) Concluded on the adequacy of the accounting system as a result of audit procedures performed and within the context of the audit objectives.

The audit firm concluded that Green Powered Technology, LLC's accounting system adequately accumulates, segregates, and identifies costs under U.S. Government awards, as well as allows for proper differentiation between direct costs, indirect costs, and unallowable costs in compliance with applicable Government regulations, despite the insignificant deficiency noted in the Findings, Recommendations, Auditee's Responses, and Auditor's Conclusion section below. The audit firm noted that this non-compliance did not rise to the level to warrant disapproval of the accounting system by the Contracting Officer. In the audit firm's judgment, the significant deficiency would not adversely affect the organization's ability to initiate, authorize, record, process and/or report direct and indirect costs in a manner that is consistent with applicable Government contract laws and regulations. In addition, although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID's Office of Acquisition and Assistance, Cost, Audit and Support Division, Contract Audit Management Branch determine if the recipient addressed the issue noted.

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").