



MEMORANDUM

DATE: May 1, 2019

TO: USAID/Management/Office of Acquisition and Assistance/Cost Audit and Support Division, Branch Chief, David A. McNeil

FROM: Deputy Assistant Director for Audit, Alvin Brown/s/

SUBJECT: Independent Audit of IAP Worldwide Services, Inc.-Government Services Division's Proposed USAID Direct Costs on Unsettled USAID Subcontract SUB-AID-OAA-C-10-IAP for Contractor's Fiscal Years 2014 and 2015 (3-000-19-002-D)

This memorandum transmits the final audit report of IAP Worldwide Services, Inc.-Government Services Division's (IAP) proposed direct costs for contract reimbursement on U.S. Agency for International Development (USAID) Subcontract SUB-AID-OAA-C-10-IAP on the unsettled flexibly-priced CAMRIS prime contract for the fiscal years' (FY) 2014 and 2015 incurred cost proposals. The contract required the Defense Contract Audit Agency (DCAA) to perform the examination in accordance with generally accepted government auditing standards.

DCAA stated that it performed this 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 IAP's proposed direct cost amounts on USAID Subcontract No. SUB-AID-OAA-C-10-IAP on the unsettled flexibly-priced CAMRIS prime contract comply with the contract terms pertaining to accumulating and billing incurred amounts for FYs 2014 and 2015.¹

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 objective of this audit was to express an opinion on whether IAP's proposed direct cost amounts on unsettled USAID Subcontract No. SUB-AID-OAA-C-10-IAP for FYs 2014 and 2015 for reimbursement on the unsettled flexibly-priced CAMRIS prime contract comply with the contract terms pertaining to accumulating and billing incurred amounts, and the related books and records. To answer this objective DCAA planned and performed an audit in accordance with generally accepted government audit standards to obtain reasonable assurance on whether IAP's proposed direct cost amounts materially comply with contract terms.

DCAA expressed a qualified opinion due to the scope limitations on DCAA performing real time procedures on proposed direct labor costs and verifying the reliability of contractor documentation. DCAA stated that except for the effects of the noncompliances, if any, IAP's proposed direct cost amounts for reimbursement on the unsettled flexibly priced CAMRIS prime contract complies, in all material respects, with the contract terms pertaining to accumulation and billing incurred amounts. DCAA did not question any of the proposed amounts on unsettled USAID Subcontract SUB-AID-OAA-C-10-IAP.

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").