



MEMORANDUM

DATE: June 17, 2020

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

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

SUBJECT: Examination Follow-up of the Adequacy of QED Group, LLC's Accounting System (3-000-20-042-I)

This memorandum transmits the final audit report on the adequacy of the accounting system for QED Group, LLC. The U.S. Agency for International Development's (USAID) Office of Acquisition and Assistance, Cost, Audit and Support Division contracted with the independent certified public accounting firm Brown & Company CPAs and Management Consultants (Brown & Company) 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 QED Group, LLC's accounting system; the effectiveness of its internal controls; or its compliance with award terms, and applicable Federal laws and regulations.¹

The objectives of this follow-up performance audit are to conclude on whether QED Group, LLC has followed-up on findings in the performance audit report completed by Kearney & Company, dated January 4, 2019. To answer the audit objectives, the audit firm assessed the adequacy of QED Group, LLC's accounting system administration. Brown & Company structured their audit of the adequacy of QED Group, LLC's accounting system using the 18 criteria listed in 48 Code of Federal Regulations (CFR) 252.2421-7006, as shown in Exhibit I of its report, as the performance evaluation criteria for their follow-up performance audit.

Brown & Company concludes that QED Group, LLC's accounting system adequately

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.

accumulates, segregates and identifies 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.

We appreciate the assistance extended during the engagement

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”).