



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

MEMORANDUM

DATE: May 10, 2023

TO: USAID/Iraq Mission Director, Elise Jensen

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office,
Assistant Audit Director, David Clark /s/

SUBJECT: Audit on Costs Incurred and Billed by DAI Global, LLC, Iraq Governance Performance and Accountability Project, Contract AID-267-H-17-00001, October 1, 2020, to September 30, 2021 (8-267-23-007-D)

This memorandum transmits the final audit report on DAI Global, LLC's cost incurred and billed under contract AID-267-H-17-00001, Iraq Governance Performance and Accountability Project, from October 1, 2020, to September 30, 2021. USAID/Iraq contracted with the Defense Contract Audit Agency (DCAA) to conduct the audit. DCAA stated 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 the auditee's statement of cost incurred and billed; or its compliance with the award, laws, and regulations.¹

The engagement objectives were mainly to determine if DAI Global, LLC's costs incurred and billed under USAID contract number AID-267-H-17-00001, for the audit period were allowable, allocable, and reasonable in accordance with the Code of Federal Regulations, Agency for International Development Acquisition Regulation, Department of State Standardized Regulations, and the contract terms. To answer the engagement objectives, DCAA performed the subject audit that covered \$28,040,167, in costs incurred and billed from October 1, 2020, to September 30, 2021.

¹ 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 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.

DCAA disclosed two scope limitations pertaining to lack of real-time testing of labor costs and inability to test the reasonableness of labor performed in Iraq. DCAA did not identify any questioned cost and said that in their opinion, except for the effects of noncompliance, if any, that they might have identified had they completed the procedures related to the scope limitations, DAI Global, LLC direct cost incurred and billed under contract No. AID-267-H-17-00001 for the period October 1, 2020 through September 30, 2021 comply, in all material respects, with the contract terms. In addition, although we are not making a recommendation for the significant deficiency noted on page 4 of the DCCA report, we suggest that USAID/Iraq determine if DAI Global, LLC addressed the issue noted.

The report does not contain any recommendations for your action.

The 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").