



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

MEMORANDUM

DATE: June 9, 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 Over the Adequacy and Cost Accounting Standards Compliance of Disclosure Statement, Revision 5 for CDM International Inc. (3-000-23-035-l)

This memorandum transmits the final audit report on the performance audit over the adequacy and Cost Accounting Standards compliance of Disclosure Statement, Revision 5 for CDM International Inc. limited to the period following the effective date of January 1, 2019 including an audit fieldwork period of January 2023 through March 2023. The United States Agency for International Development (USAID) contracted with the independent audit firm Brown and Company CPAs and Management Consultant, PLLC (Brown & Company) to conduct the audit. Brown and Company stated that it performed its audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Brown & Company is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on CDM International's disclosed accounting practices; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to ensure that the Disclosure Statement is (1) current, accurate, and complete; and (2) acceptable to perform an audit of the disclosed practices for compliance with Cost Accounting Standards. To answer the audit objectives, Brown & Company: (a) Reviewed Disclosure Statement, Revision 5 audit request to determine the administrative and organizational changes to be audited; (b) Obtained an understanding of the design effectiveness of the internal control over the maintenance and revision of the Disclosure Statement, and (c) concluded on the effect of the administrative and organizational changes on the adequacy and CAS compliance of Disclosure Statement, Revision 5 and on the effect on changes in cost

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.

accounting practices as a result of audit procedures performed and within the context of the audit objectives.

Brown and Company concluded that CDM International's Disclosure Statement, Revision 5 is current, accurate, complete, and adequately describe the contractor's cost accounting practices, as well as disclose cost accounting practices that materially comply with CAS, including the design, implementation, and maintenance of internal controls to prevent or detect and correct noncompliance due to fraud or error.

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").