



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** July 14, 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 Training Resources Group, Inc. for Fiscal Year 2019 (3-000-23-043-1)

This memorandum transmits the final audit report on incurred costs submission (ICS) for Training Resources Group, Inc. for Fiscal Year (FY) 2019. 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 and Associates, LLP (Tichenor) to conduct the audit. Tichenor stated that it performed its audit in accordance with Government Auditing Standards issued by the Comptroller General of United States. Tichenor is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether costs claimed by Training Resources Group, Inc. in the FY 2019 ICS are accurate, allowable, allocable, and reasonable in accordance with contract terms and applicable Government acquisition regulations.<sup>1</sup>

The audit objective was to perform an audit of the Training Resources Group, Inc.'s FY 2019 Incurred Cost Submission (ICS). Specifically, Tichenor audited the FY 2019 ICS to determine whether costs claimed were accurate, allowable, allocable, and reasonable in accordance with the Training Resources Group, Inc.'s US Government flexibly priced contracts and applicable Government acquisition regulations, specifically the Federal Acquisition Regulation (FAR), the USAID Acquisition Regulations (AIDAR), Federal Travel Regulations and/or the Department of State Standard Travel Regulations (DSSR), and Buy-American Act for the Contracting Officer to execute the finalization of allowable contract costs and indirect rates for the fiscal year with the Training Resources Group, Inc. To answer the audit objectives, Tichenor designed its testing procedures to review the incurred costs reported by Training Resources Group, Inc. for FY 2019 and reconciled it to its general ledger, and other records and documentation to determine its adequacy for audit purposes. Further, Tichenor reviewed applicable rules,

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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.

regulations, guidance, and Training Resources Group, Inc.'s policies and procedures regarding claimed direct and indirect costs. Tichenor examined USAID incurred costs of \$15,509,748 for FY 2019.

Tichenor has concluded that Training Resources Group, Inc. has prepared its FY 2019 Incurred Cost Submissions in accordance with applicable Government acquisition regulations of the FAR, the AIDAR, and the DSSR regarding accuracy, allowability, allocability, and reasonableness of incurred costs and are appropriate for the contracting officer's use in executing the finalization of allowable costs and indirect rates for the fiscal year with the Training Resources Group, Inc. Tichenor did not identify any questioned costs. Further, Tichenor noted that Training Resources Group Inc. may have over-billed USAID \$823,975 for FY 2019.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).