



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

MEMORANDUM

DATE: October 30, 2023

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Contract Audit Management Branch, Supervisory Auditor, Sheree F. Marshall

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

SUBJECT: Single Audit of Blumont, Inc. and Affiliates for the Years Ended December 31, 2019, and 2018 (3-000-24-003-T)

This memorandum transmits the final audit report on the single audit of Blumont Inc. and Affiliates (Blumont) for the Years Ended December 31, 2019, and 2018. The audit report was obtained from the Federal Audit Clearinghouse. Aronson LLC (Aronson) who performed the Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards audit. Aronson stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States and in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Aronson is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Blumont's financial statements; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

Aronson's audit objectives were to: (1) express an opinion on the consolidated financial statements; (2) obtain reasonable assurance about whether the combined financial statements are free from material misstatement; (3) test Blumont's compliance with certain provisions of laws, regulations, contracts, and grant agreements whose noncompliance could have a direct and material effect on the determination of financial statement amounts; and (4) express an opinion on compliance for each of Blumont's major Federal programs. To answer the audit objectives, Aronson: (1) obtained evidence about the amounts and disclosures in the combined financial statements; (2) evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates, and assessed the overall presentation of the

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.

combined financial statements; (3) considered Blumont's internal control over financial reporting; and (4) examined, on a test basis, Blumont's compliance with certain provisions of Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Blumont's audited expenditures of Federal awards was \$59,437,215, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$49,389,146.

Aronson expressed an unmodified opinion on the consolidated financial statements and stated that it presented fairly, in all material respects, Blumont's consolidated financial position as of December 31, 2019. Further, Aronson stated that it did not find any (a) deficiencies in internal control over financial reporting it considered to be material weaknesses, and (b) significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses. Additionally, Aronson reported Blumont complied, in all material respects, with the types of compliance requirements that could have a direct and material effect its major Federal programs for the year ended December 31, 2019. Finally, Aronson did not identify any instances of noncompliance that were material to Blumont's financial statements and Blumont did not report any questioned costs.

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.²

² 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.