



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** January 18, 2024

**TO:** USAID/Bureau for 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 Audits Division (IG/A/EFA), David A. McNeil /s/

**SUBJECT:** Performance Audit over the Adequacy and Cost Accounting Standards Compliance of Disclosure Statement, Revision 15 for Abt Associates Inc – Government Segment (3-000-24-015-I)

This memorandum transmits the final audit report on Performance Audit over the Adequacy and Cost Accounting Standards (CAS) Compliance of Disclosure Statement, Revision 15 for Abt Associates Inc – Government Segment (Abt). The United States Agency for International Development (USAID) contracted with the independent audit firm Brown and Company to conduct the audit. Brown and Company stated that it performed its audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Brown and Company is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Abt's disclosed accounting practices the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to examine Abt's Disclosure Statement, Revision 15 to determine if the disclosed cost accounting practices comply with the CAS, to ensure that disclosed cost accounting practices comply with the CAS, including the design, implementation, and maintenance of internal controls to prevent or detect and correct noncompliance due to fraud or error, and to conclude on Abt's compliance in accordance with GAGAS. To answer the audit objectives, Brown & Company: (a) reviewed Disclosure Statement, Revision 15 for potential areas of outdated inaccurate, and/or incomplete disclosed practices in order to determine if the Disclosure Statement was acceptable for audit; performed other planning procedures to assess significance and audit risk and determine the nature and extent of fieldwork; (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 adequacy and CAS compliance of Disclosure Statement, Revision 15 as a result of audit procedures

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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.

performed and within the context of the audit objectives.

Brown & Company concluded that Abt's Disclosure Statement, Revision 15 is current, accurate, complete, and adequately describes the Abt's cost accounting practices, as well as discloses 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"). 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).