



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 8, 2024

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

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

SUBJECT: Performance Audit of Macfadden & Associates' Disclosure Statement, Revision 2 (3-000-24-026-1)

This memorandum transmits the final performance audit of Macfadden & Associates' (MacFadden) disclosure statement, revision 2, following the effective date of October 1, 2022. The U.S. Agency for International Development (USAID) contracted with the independent audit firm of Brown & Company CPAs and Management Consultants, PLLC (Brown) to conduct the audit. Brown stated that it performed its audit in accordance with government auditing standards issued by the Comptroller General of United States. Brown is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the revised disclosure statement to ensure that it is current, accurate and complete; and complied with Cost Accounting Standards (CAS).¹

The audit objective was to determine whether the disclosure statement, as revised, was (1) current, accurate, and complete; and (2) acceptable to perform an audit of the disclosed practices for compliance with CAS. To answer the audit's objective, Brown performed the audit in three phases: (1) reviewed the disclosure statement to determine the administrative changes to be audited; (2) obtained an understanding of the design effectiveness of the internal control over the maintenance and revision of the disclosure statement; and (3) reached a conclusion on the effect of the non-cap changes on the adequacy and CAS compliance of the disclosure statement, as revised. Brown performed its fieldwork from September 2023 through January 2024.

Brown concluded that Macfadden's internal controls, as they relate to the audit objective, were properly designed and implemented and were operating effectively to prevent or detect and correct noncompliance due to fraud or error. Brown did not identify any findings required to be reported under GAGAS. Additionally, Brown determined that the changes made to 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.

disclosure statement were administrative and did not impact the adequacy or compliance of the disclosed practices.

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 oinotice_ndaa5274@usaid.gov.