



MEMORANDUM

DATE: March 20, 2019

TO: USAID/Management/Office of Acquisition and Assistance/Cost, Audit, and Support Division, Branch Chief, David A. McNeil

FROM: Director of External Financial Audits, Donell Ries /s/

SUBJECT: Examination Report on the Adequacy and Cost Accounting Standards Compliance of the Disclosure Statement, Revision 3 for ICF Macro, Inc. 3-000-19-010-1

This memorandum transmits the final examination report on the Adequacy and Cost Accounting Standards Compliance of the Disclosure Statement, Revision 3 for ICF Macro, Inc. (ICF). The U.S. Agency for International Development (USAID) contracted with the independent certified public accounting firm Kearney & Company to conduct the examination. The contract required the audit firm to perform the examination in accordance with generally accepted government auditing standards.

The audit firm states that the examination was conducted in accordance with standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

The audit firm is responsible for the enclosed report and the conclusions expressed in it.¹ We do not express an opinion on the adequacy of ICF's disclosure statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.

The objectives of the examination were to express an opinion on whether the Disclosure Statement: is current, accurate, complete, and adequately describes ICF's cost accounting practices, as noted in 48 code of Federal Regulations (CFR) Section 9903.202-6, *Adequacy of Disclosure Statement*; and (2) discloses cost accounting practices that materially comply with

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 examination 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 examination performed.

Cost Accounting Standards (CAS), as dictated by Title 48 of the CFR, Sections 9904.401-420, including the design, implementation, and maintenance of internal controls to prevent or detect and correct non-compliance due to fraud or error in accordance with Federal Acquisition Regulation (FAR) Part 52.230-1, *Cost Accounting Standards Notices and Certification*.

To answer the examination objectives, the audit firm evaluated the Disclosure Statement using the applicable requirements; assessed control risk; tested the relevancy, accuracy, completeness and compliance of the Disclosure Statement; assessed the description of the cost accounting practices; and assessed the design, implementation and maintenance of internal controls to prevent or detect and correct non-compliance due to fraud or error.

The audit firm concluded that the Disclosure Statement, Revision 3, discloses cost accounting practices that materially comply with CAS, as dictated by Title 48 of the CFR, Sections 9904.401-420, including the design, implementation, and maintenance of internal controls to prevent or detect and correct non-compliance due to fraud or error in accordance with FAR Part 52.230-1, *Cost Accounting Standards Notices and Certification*, in all material respects; and is presented in accordance with Title 48 CFR Section 9903.202-6, *Adequacy of Disclosure Statement*.

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").