



MEMORANDUM

DATE: June 26, 2019

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

FROM: Acting Director of External Financial Audits Division, Steven Shea /s/

SUBJECT: Independent Adequacy Review of Tetra Tech, Inc. Engineering Architectural Services' Disclosure Statement Revision I, Dated December 28, 2017, Effective Date September 30, 2013 (3-000-19-007-D)

This memorandum transmits the final report on the adequacy review of Tetra Tech, Inc. Engineering Architectural Services' (TTEAS) Disclosure Statement Revision I, dated December 28, 2017, effective date September 30, 2013.

The Defense Contract Audit Agency (DCAA) stated their work did not constitute an audit or attestation engagement under generally accepted government auditing standards. DCAA is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on TTEAS' Disclosure Statement Revision I, dated December 28, 2017, effective date September 30, 2013¹.

The objective of the adequacy review was to determine if the cost accounting practices in the revised disclosure statement is adequate (current, accurate and complete). To answer the objective, DCAA reviewed TTEAS' revised written policies and disclosed practices specifically for the change in allocating indirect costs using two overhead allocation pools, Field/Site Overhead and Home Office Overhead. Additionally, DCAA reviewed the corrective Plan of Action dated March 19, 2018 submitted by TTEAS in response to Kearney and Company P.C.'s report dated December 22, 2017.

DCAA concluded that TTEAS' Disclosure Statement Revision I is deemed adequate and that TTEAS' policies are current, accurate and complete and therefore adequately describe the disclosed practices. In addition, DCAA verified that TTEAS fully implemented steps to satisfy the Plan of Action. The review report did not disclose any findings.

¹ We reviewed DCAA'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 report itself and excludes review of the auditor's supporting papers; they are not designed to enable us to directly evaluate the quality of the review performed.

We appreciate the assistance extended to audit staff during the engagement.

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”).