



MEMORANDUM

DATE: June 21, 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, Steve Shea /s/

SUBJECT: Performance Audit on the Adequacy and Compliance of Blumont Holding, Inc.'s Disclosure Statement, January 1, 2018, with Cost Accounting Standards (3-000-19-028-1)

This memorandum transmits the final audit report on the adequacy and compliance of Blumont Holding, Inc.'s (BHI) original disclosure statement, January 1, 2018, with cost accounting standards (CAS). The U.S. Agency for International Development's (USAID) Office of Acquisition and Assistance, Cost Audit and Support Division contracted with the independent certified public accounting firm Booth Management Consulting, LLC to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether BHI's Disclosure Statement is adequate and compliant with CAS; the effectiveness of its internal control; or its compliance with applicable Federal laws and regulations. ¹

The audit objectives were to determine whether BHI's disclosure statement is adequate and in compliance with CAS, specifically whether it: (1) is current, accurate, complete, and adequately describes its cost accounting practices, as noted in the Federal Acquisition Regulation (FAR) Part 30.202-7a, and; (2) discloses cost accounting practices that materially comply with CAS, including the design, implementation, and maintenance of internal controls to prevent or detect

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.

and correct noncompliance due to fraud or error in accordance with FAR Part 52.230-1. To answer the objectives, the audit firm designed its testing procedures to obtain an understanding of internal control over the maintenance, and conducted walkthroughs over BHI's cost accounting practices to determine the adequacy of the Disclosure Statement and if it is compliant with CAS.

The audit firm concluded that BHI's original submission adequately describes the contractor's revised cost accounting practices and that the practices comply, in all material aspects, with applicable CAS and FAR Part 31, and is consistent with BHI's actual practices. The audit firm did not identify any findings during its performance audit.

We appreciate the assistance extended 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").