



MEMORANDUM

DATE: September 26, 2019

TO: USAID/Iraq, Mission Director, Dana Mansuri

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, USDH NFA Coordinator, Abdoulaye Gueye /s/

SUBJECT: Independent Audit Report on Verification of Direct Cost Billed by The QED Group, LLC (QED) under USAID Contract No. AID-267-C-13-00001, Advancing Performance Management (APM), July 1, 2015 through March 31, 2017 (8-267-19-005-D)

This memorandum transmits Defense Contract Audit Agency's (DCAA) independent audit report on verification of direct costs billed by the QED Group, LLC (QED) under USAID contract AID-267-13-00001, Advancing Performance Management, July 1, 2015 through March 31, 2017. USAID/Iraq contracted with DCAA to conduct the audit. DCAA stated that the contract required them to verify direct costs billed to USAID to determine if the costs were allowable, allocable, and reasonable in accordance with Federal Acquisition Regulations, Agency and State Department regulations, and contract terms.¹

DCAA states that it performed its audit in accordance with 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 QED's direct cost billed to USAID; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.²

In conducting the direct verification of QED's direct costs billed, DCAA examined QED's public vouchers totaling \$5,341,895 of direct costs incurred and billed to USAID under Prime contract

¹ DCAA applied the Federal Acquisition Regulations (FAR), Agency for International Development Acquisition Regulations (AIDAR), Department of State Standardized Regulations (DSSR), and contract terms.

² 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 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.

No. AID-267-C-13-00001, for the period July 1, 2015 through March 31, 2017. DCAA issued a qualified opinion and concluded that QED's claimed direct costs for the period audited were allowable, allocable, and reasonable in accordance with the FAR, AIDAR, DSSR, and contract terms.

DCAA's report did not include recommendations. 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").