



MEMORANDUM

DATE: January 17, 2020

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: Performance Audit Report on the Adequacy of Abt Associates, Inc.'s Accounting System Administration (3-000-20-009-I)

This memorandum transmits the final audit report on the adequacy of the accounting system administration for Abt Associates, Inc. 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 audit firm stated 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 the adequacy of Abt Associates, Inc.'s accounting system; the effectiveness of its internal controls; or its compliance with applicable Federal laws and regulations.¹

The audit objectives were to conclude on whether Abt Associates, Inc. has established an adequate accounting system and to determine whether Abt Associates, Inc.'s accounting system (1) complies with applicable Federal laws and regulations; (2) ensures adequate segregation of cost billing and reporting purposes; (3) adequately accumulates, segregates, and identifies costs under U.S. Government awards; and (4) allows for the proper segregation between direct costs, indirect costs, and unallowable costs in compliance with applicable government regulations. To answer the audit objectives, the audit firm assessed the design of Abt Associates, Inc.'s policies

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 key internal controls relating to the accounting system criteria; tested the implementation of Abt Associates, Inc.'s policies and key internal controls; and concluded on the adequacy of the accounting system as a result of audit procedures performed and within the context of the audit objectives, from December 2018 to May 2019.

The audit firm concluded that Abt Associates, Inc.'s accounting system, and related internal control policies and procedures, are adequate for accumulating and billing costs under government contracts. The audit firm identified no findings during the 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").