



MEMORANDUM

DATE: February 11, 2020

TO: USAID/Iraq Mission Director, Dana Mansuri

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

SUBJECT: Independent Audit Report on Direct Costs Incurred and Billed by Tetra Tech DPK, aka DPK Consulting (Tt DPK) [ARD, Inc.], USAID/Iraq Contract 267-C-00-10-00006-00, April 1, 2013, to September 30, 2015 (8-267-20-003-D)

This memorandum transmits the final Defense Contract Audit Agency (DCAA) report number 4141 2017F17900001, on direct costs incurred and reported by Tetra Tech DPK, aka DPK Consulting (Tt DPK) [ARD, Inc.], USAID/Iraq contract 267-C-00-10-00006-00, April 1, 2013, to September 30, 2015. USAID/Iraq contracted with the DCAA to conduct the audit. DCAA states that it performed its audit in accordance with generally accepted government auditing standards. DCAA is responsible for the enclosed auditor's report and the conclusions expressed in it. We do not express an opinion on the auditee's direct costs incurred and reported; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The engagement objectives were mainly to express an opinion on whether the costs incurred and billed comply, in all material respects, with applicable contract terms from April 1, 2013, to September 30, 2015. To answer the engagement objectives, the auditors performed the subject examination that covered \$22,613,328 in expenditures from April 1, 2013, to September 30, 2015.

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.

DCAA expressed a modified opinion, arising from scope limitations regarding real time labor costs testing and related to not evaluating a participating subcontractor's audit report. The auditors did not identify any questioned costs on the direct costs incurred and billed. Otherwise, Tetra Tech DPK, aka DPK Consulting [ARD, Inc.] complied in all material respects with the terms of contract number 267-C-00-10-00006-00, from April 1, 2013, to September 30, 2015.

The report does not contain any recommendations for your action.

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

The 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").