MEMORANDUM

DATE: May 27, 2020

TO: USAID/Management/Office of Acquisition and Assistance/Cost Audit and Support Division, Acting Supervisory Auditor, Eleanor C. Jefferson

FROM: Director of External Financial Audits Division (IG/A/EFA), David A. McNeil /s/

SUBJECT: Independent Audit of Creative Associates International, Inc.’s Disclosed Cost Accounting Practices (Report No. 3-000-20-012-D)

This memorandum transmits the final audit report on Creative Associates International, Inc.’s (CAII) Disclosed Cost Accounting Practices. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit, and Support Division contacted with the Defense Contract Audit Agency (DCAA) to conduct the audit. DCAA stated that it conducted the audit in accordance with generally accepted government auditing standards. DCAA is responsible for the report and the conclusions expressed in it. We do not express an opinion on CAII’s cost disclosed accounting practices.¹

The objective of this audit was to express an opinion on whether CAII’s revised disclosure statement (Revision 2) is in compliance with Cost Accounting Standards (CAS) and applicable Federal Acquisition Regulation (FAR) Part 31 cost principles. To answer the audit objective DCAA selected procedures dependent on its judgement, including an assessment of the risks of noncompliance, whether due to fraud or error, and involve the examination of evidence about the disclosed cost accounting practices.

DCAA expressed an unqualified opinion. Specifically, DCAA stated that, in its opinion, CAII’s disclosed cost accounting practices comply, in all material respects, with applicable cost accounting standards, and FAR Part 31.

We appreciate the assistance extended during the engagement.

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.
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").