MEMORANDUM

DATE: July 29, 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: Examination of Avenir Health for Development, LLC’s Indirect Cost Rate Proposals and Related Books and Records for Reimbursement for the Fiscal Year Ended December 31, 2017 (3-000-20-063-I)

This memorandum transmits the final examination report on the examination of indirect cost rate proposals and related books and records for reimbursement of Avenir Health for Development, LLC (Avenir) for the fiscal year (FY) ended December 31, 2017 booked and billed costs. 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 (BMC) to conduct the audit. The audit firm stated that it performed its examination in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in generally accepted government auditing standards issued by the Comptroller General of the United States. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether the costs claimed by Avenir’s in-scope contracts and subcontracts for the FY ended December 31, 2017 are allowable, allocable, and reasonable in accordance with contract terms; Part 31 of the Federal Acquisition Regulation (FAR); Agency for International Development Acquisition Regulations (AIDAR); Department of State Standardized Regulations (DSSR); and 2 Code of Federal Regulations (CFR) 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable. ¹

The objective of this examination was to express an opinion on whether the costs claimed by

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.
Avenir’s in-scope contracts and subcontracts for the FY ended December 31, 2017 are allowable, allocable, and reasonable in accordance with contract terms; Part 31 of the FAR; AIDAR; DSSR; and 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable. To answer the examination objective, BMC evaluated the contractor’s internal controls, assessed control risk, and determined the extent of audit testing needed based on the control risk assessment; examined on a test basis, evidence supporting the amounts and disclosures in the data and records evaluated; assessed the accounting principles used and significant estimates made by the contractor; and evaluated the overall data and records presentation. BMC’s examination included performing a reconciliation between the adjusted total costs booked to date and the cumulative amount billed by contract, for 2017 and reporting any over/under-billings. The audit firm examined USAID’s claimed costs of $1,227,373 for the FY ended December 31, 2017.

The audit firm expressed an unqualified opinion that costs claimed by Avenir’s in-scope contracts and subcontracts for FY ended December 31, 2017 are allowable, allocable, and reasonable in accordance with contract terms; Part 31 of the FAR; AIDAR; DSSR; and 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable. The audit firm did not question any costs.

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”).