



## MEMORANDUM

**DATE:** September 16, 2020

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

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

**SUBJECT:** Performance Audit on the Adequacy of ICF Macro, Inc.'s Accounting System (3-000-20-072-1)

This memorandum transmits the final audit report on the adequacy of ICF Macro, Inc.'s accounting system. 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 over the adequacy of ICF Macro, Inc.'s accounting system; effectiveness of its internal controls; or its compliance with applicable Federal laws and regulations<sup>1</sup>.

The audit objectives were to determine whether ICF Macro, Inc. has established an adequate accounting system that: (a) complies with applicable Federal laws and regulations; (b) adequately accumulates, segregates, and identifies costs under U.S. government awards; and (c) allows for the proper differentiation between direct costs, indirect costs, and unallowable costs in compliance with applicable government regulations. To answer the audit objectives, Booth Management Consulting, LLC.: (1) assessed the design of ICF Macro, Inc.'s policies and key internal controls relating to

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<sup>1</sup> 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.

the accounting system criteria; (2) tested the implementation of ICF Macro, Inc.'s policies and key internal controls; and (3) concluded on the adequacy of the accounting system as a result of audit procedures performed and within the context of the audit objectives.

The audit firm concluded that ICF Macro, Inc.'s accounting system, and related internal control policies and procedures, are adequate for accumulating and billing costs under Government contracts, and comply in all material respects with the criteria contained in the Code of Federal Regulations, Section 252.242-7006, Accounting System Administration, based on the evidence against the criteria detailed in Exhibit I, Summary of the Evaluation Criteria on page 7 of this report. The audit firm identified no findings during the performance audit.

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").