



MEMORANDUM

DATE: January 12, 2021

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 Report over the Adequacy and Cost Accounting Standards Compliance of the Disclosure Statement, Revision No. 3 for CDM Constructors, Inc. (3-000-21-011-I)

This memorandum transmits the final report on the Performance Audit of CDM Constructors, Inc.'s (CCI) Adequacy and Cost Accounting Standards Compliance Disclosure Statement, Revision 3 dated October 1, 2019, with amended pages submitted as Revision 3a on February 20, 2020, effective October 1, 2019. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit, and Support Division contracted with the independent certified public accounting firm of Booth Management Consulting LLC (BMC) 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 CCI's disclosure statement; CCI's accounting system; the effectiveness of its internal controls; or its compliance with applicable Federal laws and regulations.¹

The audit objectives were to determine whether CCI's Disclosure Statement Revision No. 3, with amended pages submitted as Revision 3a, adequately describes the cost accounting practices that the contractor proposes to use in performing Government contracts covered by 48 Code of Federal Regulations Chapter 99 and whether the revised practices comply with applicable Cost Accounting Standards (CAS) and Federal Acquisition Regulation (FAR), Part 31. To answer the audit objectives, the audit firm:

- Evaluated the contractor's accounting practices described in the Disclosure Statement, Revision 3 for adequacy, accuracy and compliance with applicable CAS standards and

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.

- FAR Part 31 and consistency with the contractor's actual practices;
- Assessed the design and implementation of CCI's internal controls in place to prevent or detect and correct noncompliance due to fraud or error; and
 - Concluded on the adequacy of the accounting system as a result of audit procedures performed and within the context of the audit objectives.

In BMC's opinion, CCI's Disclosure Statement, Revision 3. adequately describes the contractor's cost accounting practices; and the practices, as described, comply in all material aspects with applicable Cost Accounting Standards and FAR Part 31, and are consistent with the contractor's actual practices.

OIG does not routinely distribute independent public accounting reports beyond the immediate addresses 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").