



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: October 26, 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 Over the Adequacy of Trigon Associates, LLC's Accounting System Administration (3-000-22-002-1)

This memorandum transmits the revised final audit report over the adequacy of Trigon Associates LLC's (Trigon) accounting system administration. 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 (GAGAS). 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 Trigon's accounting system, or its compliance with applicable Federal laws and regulations.¹

The audit's objectives were to evaluate whether Trigon established an adequate accounting system and whether the accounting system:

- Complies with applicable Federal laws and regulations,
- Ensures adequate segregation of cost billing and reporting purposes,
- Adequately accumulates, segregates, and identifies costs under U.S. Government awards, and
- Allows for the proper segregation between direct, indirect, and unallowable costs in compliance with applicable Government regulations.

To answer the audit objective, the audit firm also used the requirements contained in: (a) the Code of Federal Regulations (CFR), Section 252.242-7006, *Accounting System Administration*; (b) USAID Acquisition Regulations (AIDAR); and (c) Federal Acquisition Regulation (FAR). In addition, BMC conducted its fieldwork from May through June 2021 in New Orleans, Louisiana in three phases:

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.

1. Planning – Assessed the design of Trigon’s policies and key internal controls relating to the accounting system administration criteria.
2. Internal Controls and Testing – Tested the implementation of Trigon’s policies and key internal controls.
3. Wrap-Up and Reporting – Concluded on the adequacy of the accounting system administration, as a result of the audit procedures performed.

BMC concluded that Trigon’s accounting system administration does not adequately accumulate, segregate, and identify costs under U.S. Government awards. Trigon’s accounting system allows for the proper differentiation between direct costs and indirect costs, but it does not allow for the exclusion from costs charged to Government contracts of amounts which are not allowable in terms of FAR Part 31 and other contract provisions. BMC identified three significant deficiencies with corresponding findings. Although we are not making a recommendation for the three significant deficiencies noted in the report, we suggest that USAID/Management/Office of Acquisition and Assistance/Cost Audit and Support Division determine if the recipient addressed the issues noted.

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”).