



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 2, 2022

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

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

**SUBJECT:** Audit Report on Integra Government Services International, LLC's Proposed Amounts on Unsettled Flexibly Priced USAID Contracts for Fiscal Year 2018 (3-000-22-011-D)

This memorandum transmits the final audit report on Integra Government Services International, LLC's (Integra) proposed direct and indirect amounts for reimbursement on unsettled flexibly priced contracts contained in its fiscal year ended December 31, 2018 incurred cost proposal submitted on November 4, 2019. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance, Cost, Audit, and Support Division contracted with the Defense Contract Audit Agency (DCAA) to conduct the audit. DCAA stated that they conducted their audit in accordance with generally accepted government auditing standards. DCAA is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether Integra's proposed amounts on unsettled flexibly priced contracts comply with contract terms pertaining to accumulating and billing incurred amounts<sup>1</sup>.

The objective of this audit was to express an opinion on whether Integra's proposed direct and indirect amounts for contract reimbursement on unsettled flexibly priced contracts contained in its incurred cost proposals submitted on November 4, 2019, to determine if the proposed amounts comply with contract terms pertaining to accumulating and billing incurred amounts. To answer this objective, DCAA planned and performed an audit in accordance with generally accepted government auditing standards to obtain reasonable assurance on whether Integra's proposed direct amounts for contract reimbursement materially comply with contract terms. USAID's audited direct costs were \$1,481,140 for fiscal year 2018.

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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.

DCAA expressed a qualified opinion due to two scope limitations that affected DCAA's ability to: (1) perform real time procedures on proposed labor costs; and (2) verify the integrity of scanned supporting documents. DCAA stated that except for the scope limitations, Integra's proposed amounts on unsettled flexibly priced contracts comply, in all material respects, with contract terms pertaining to accumulating and billing incurred amounts. The audit report did not disclose any findings or questioned costs applicable to USAID.

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").