MEMORANDUM

DATE: August 22, 2022

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

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


This memorandum transmits the final examination report on examination of costs claimed for Checchi and Company Consulting, Inc. (CCCI) on in-scope contracts and subcontracts for each of the fiscal years (FYs) ended June 30, 2018 and 2019. The U.S. Agency for International Development (USAID) Office of Acquisition and Assistance/Cost Audit and Support Division/Contract Audit Management Branch contracted with the independent certified public accounting firm of Booth Management Consulting, LLC to conduct the audit. The audit firm stated that it performed the examination in accordance with generally accepted government auditing standards and to determine whether costs claimed are allowable, allocable, and reasonable in accordance with award terms; Part 31 of the Federal Acquisition Regulation (FAR); Agency for International Development Acquisition Regulation (AIDAR); Department of State Standardized Regulation (DSSR); and 2 Code of Federal Regulations (CFR) 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable. 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 standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether costs claimed by CCCI on in-scope contracts and subcontracts for each of the fiscal years ended June 30, 2018 and 2019 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. ¹

The examination’s objective was to express an opinion on whether the cost claimed by CCCI on in-scope contracts and subcontracts for each of the FYs ended June 30, 2018 and 2019 are

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.

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allowable, allocable, and reasonable in accordance with award terms; Part 31 of the FAR; AIDAR; DSSR; and 2 Code of Federal Regulations (CFR) 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable. To answer the examination’s objective, Booth Management Consulting, LLC. designed its testing procedures to evaluate the internal control environment surrounding CCCI’s subcontract management process and to determine whether CCCI had adequate controls in place for monitoring subcontract costs. Its examination included the reconciliation of the adjusted total costs booked to date and the cumulative amount billed, by award or subaward and reporting any over/under-billings. The audit firm audited $69,136,136 in incurred costs for the FYs ended June 30, 2018 and 2019.

The audit firm expressed an unqualified opinion that costs claimed by CCCI on in-scope contracts and subcontracts for the FYs ended June 30, 2018 and 2019 are allowable, allocable, and reasonable in accordance with award 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 note any instances of material non-compliance with laws, regulations, or contract terms required to be reported under Government Auditing Standards during the FYs 2018 and 2019. The audit firm did not question any USAID costs.

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”).