



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

**DATE:** September 27, 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/

**SUBJECT:** Examination of Costs Claimed for CAMRIS International, Inc. for the Fiscal Year Ended December 31, 2018 (3-000-22-032-1)

This memorandum transmits the final examination report on CAMRIS International, Inc. (CAMRIS) on in-scope awards and subawards for the Fiscal Year (FY) ended December 31, 2018. 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 (BMC) to conduct the examination. 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 auditing 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 CAMRIS on in-scope awards and subawards for the FY year ended December 31, 2018 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.<sup>1</sup>

The examination's objective was to express an opinion on whether the costs claimed by CAMRIS on in-scope awards and subawards for the FY ended December 31, 2018, are allowable, allocable, and reasonable in accordance with award terms; Part 31 of

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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 FAR; AIDAR; DSSR; and 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as applicable. To answer the examination's objective, BMC designed its testing procedures to evaluate the internal control environment surrounding CAMRIS's subcontract management process and to verify that CAMRIS 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 examined USAID incurred costs of \$ 32,177,595 for the FY year ended December 31, 2018.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited except for \$1,212,187 in total direct questioned costs (\$308,883 ineligible, and \$903,304 unsupported), and \$399,666 in total indirect questioned costs \$9,000 in overhead, \$338,113 in General and Administrative expenses, and \$52,553 in fringe pool expenses. In addition, there were three material weaknesses and two significant deficiencies. Although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID's Office of Acquisition and Assistance, Cost, Audit, and Support Division and Contract Audit Management Branch determine if the recipient addressed the issues noted.

To address the issues identified in the report, we recommend that USAID's Office of Acquisition and Assistance, Cost, Audit, and Support Division and Contract Audit Management Branch:

**Recommendation 1.** Determine the allowability of \$1,212,187 questioned costs (\$308,883 ineligible, and \$903,304 unsupported) on pages 40 to 47 of the audit report and recover any amount that is unallowable.

**Recommendation 2.** Verify that CAMRIS International LLC corrects the three material weaknesses detailed on pages 11 to 14 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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").