



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: February 12, 2024

TO: USAID/Bureau for Management/Office of Acquisition and Assistance/Cost, Audit and Support Division, Contract Audit Management Branch, Supervisory Auditor, Sheree F. Marshall

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

SUBJECT: Performance Audit over the Adequacy and Cost Accounting Standards Compliance of Disclosure Statement, Revision 2 for Creative Associates International, (3-000-24-018-I)

This memorandum transmits the final audit report on the performance audit over the adequacy and Cost Accounting Standards (CAS) Compliance of Disclosure Statement, Revision 2 for Creative Associates International (Creative's). The United States Agency for International Development (USAID) contracted with the independent audit firm Brown and Company (Brown) to conduct the audit. Brown stated that it performed its audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Brown is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Creative's disclosed accounting practices the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to examine Creative's Disclosure Statement, Revision 2 to ensure that disclosed cost accounting practices comply with the CAS, including the design, implementation, and maintenance of internal controls to prevent or detect and correct noncompliance due to fraud or error, and to conclude on Creative's compliance in accordance with GAGAS. To answer the audit objectives, Brown (a) reviewed the Disclosure Statement, Revision 2 audit request to determine administrative changes to be audited; (b) obtained an understanding of the design effectiveness of the internal control over the maintenance and revision of the Disclosure Statement; and (c) concluded on the effect of the non-cap changes on the adequacy and Cost Accounting Standards compliance of Disclosure Statement, Revision 2.

Brown concluded that Creative's Disclosure Statement, Revision 2 is current, accurate, complete, and adequately describes the Creative's cost accounting practices, as well as discloses

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.

cost accounting practices that materially comply with CAS, including the design, implementation, and maintenance of internal controls to prevent or detect and correct noncompliance due to fraud or error.

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”). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.