



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: September 18, 2024

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

FROM: David A. McNeil /s/
Director
External Financial Audits Division

SUBJECT: Performance Audit Report of the Adequacy of the Accounting System Administration for Training Resource Group, Inc., for the Period from January 1, 2023, to December 31, 2023 (3-000-24-057-1)

This memorandum transmits the final performance audit report of the Adequacy of the Accounting System Administration for Training Resource Group, Inc., (TRG) for the period from January 1, 2023, to December 31, 2023. 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 Brown & Company CPAs and Management Consultants, PLLC (Brown) to conduct the audit. Brown stated that it performed its audit in accordance with government auditing standards issued by the Comptroller General of the United States. Brown is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether Brown's performance audit results and conclusions that TRG, Inc., has an adequate cost accounting system in all significant respects is accurate.¹

Brown's audit objectives were to determine whether TRG's accounting system (1) adequately accumulated, segregated, and identifies cost under U.S. Government awards, and (2) allowed for proper differentiation between direct costs, indirect costs, and unallowable costs in compliance with applicable government regulations. To answer the audit's objectives, Brown performed the following: (1) analyzed relevant previous audits; (2) assessed relevant policies and procedures supporting the accounting system criteria; (3) completed risk assessments to

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.

assess inherent risks and control risk and determine the combined risk of failed objectives; (4) evaluated the control environment and control procedures; (5) tested the designed accounting system's controls and processes for completeness and operating effectiveness; and (6) assessed the design of controls by evaluating the control environment and the key control procedures and tested the controls for operational effectiveness.

Brown concluded that TRG's accounting system adequately accumulated, segregated, and identified costs under U.S. Government awards, as well as allowed for the proper differentiation between direct costs, indirect costs, and unallowable costs in compliance with applicable Government regulations and benchmarks. Further, Brown's evaluation of TRG's overall cost accounting system, including the mitigating and compensating controls in place and operating during the period assessed, led Brown to conclude that the cost accounting system is adequate in all significant respects.

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.