



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: September 20, 2024

TO: Sheree F. Marshall
Supervisory Auditor
USAID/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: Single Audit of Blumont, Inc. and Affiliates for the Year Ended December 31, 2021 (3-000-24-075-T)

This memorandum transmits the final audit report on the single audit of Blumont, Inc., and Affiliates (Blumont) for the Year Ended December 31, 2021. The audit report was obtained from the Federal Audit Clearinghouse. Blumont contracted with the independent audit firm Aronson LLC (Aronson) to conduct the audit. Aronson stated it performed its audit in accordance with U.S. Government accounting standards issued by the Comptroller General of the United States and Title 2 Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Aronson is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Blumont's consolidated financial statements; the effectiveness of its internal control; or its compliance with the awards, laws, and regulations.¹

Aronson's audit objectives were to: (1) express an opinion on the December 31, 2021 and 2020, financial statements; (2) obtain reasonable assurance about whether Blumont's combined financial statements are free from material misstatement; (3) consider Blumont's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the combined financial statements; and (4) express an opinion on compliance with the types of compliance requirements described in the Office of Management and Budget Compliance Supplement that could have a direct and

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.

material effect on each of Blumont's major federal programs for the year ended December 31, 2021. To answer the audit objectives, Aronson: (1) identified and assessed the risks of material misstatement of the combined financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks; (2) evaluated the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, and evaluated the overall presentation of the financial statements; and (3) obtained an understanding of Blumont's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance. Blumont's audited expenditures of Federal awards was \$ 63,330,053, of which the U.S. Agency for International Development's (USAID) audited expenditures amounted to \$47,729,889.

Aronson expressed an unmodified opinion on the financial statements and stated that the combined financial statements present fairly, in all material respects, the financial position of Blumont as of December 31, 2021, and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Further, Aronson did not identify any deficiencies in internal control that were considered material weaknesses. The results of Aronson tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. Finally, in Aronson's opinion, Blumont, complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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.