



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** October 28, 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:** Audit of Incurred Costs for ICF Macro, Inc., for Fiscal Year Ended December 31, 2020 (3-000-25-006-1)

This memorandum transmits the final audit report on incurred costs submission (ICS) for ICF Macro, Inc., (ICF Macro) for Fiscal Year (FY) ended December 31, 2020. 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 Tichenor & Associates, LLP, (Tichenor) to conduct the audit. Tichenor stated that it performed its audit in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States. Tichenor is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on whether costs claimed by ICF Macro in its FY 2020 ICS are accurate, allowable, allocable, and reasonable in accordance with contract terms and applicable Government acquisition regulations.<sup>1</sup>

Tichenor's audit objectives were to test ICF Macro's FY 2020 ICS as per the Federal Acquisition Regulation (FAR), USAID Acquisition Regulation (AIDAR), 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Federal Travel Regulations, the Department of State Standard Travel Regulations (DSSR), Buy-American requirements, and U.S. Government contract/award terms. To answer the audit's

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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.

objectives, Tichenor (1) reviewed ICF Macro's FY 2020 ICS and reconciled it to the general ledger; (2) reviewed applicable rules, regulations, and guidance; (3) reviewed ICF Macro's policies and procedures regarding claimed direct and indirect costs; (4) examined, on a test basis, evidence supporting the amounts and disclosures in ICF Macro's data and records evaluated; and (5) assessed the accounting principles used and significant estimates made by ICF Macro. Tichenor examined USAID allowable costs of \$40,548,553 for FY 2020.

Tichenor concluded that ICF Macro prepared its FY 2020 ICS in accordance with applicable Government acquisition regulations of the FAR, the AIDAR, and the DSSR regarding accuracy, allowability, allocability, and reasonableness of incurred costs and is appropriate for the Contracting Officer's use in executing the finalization of allowable costs and indirect rates for the fiscal year under review with the Contractor. Tichenor's procedures resulted in no questioned costs or adjustments of the proposed direct amounts for contract reimbursement on select unsettled flexibly priced contracts in the ICS submitted by ICF Macro for the period January 1, 2020, through December 31, 2020. Tichenor did, however, identify one deficiency in internal control it considered to be material weaknesses. The material weaknesses pertained to the "Inadequate Preparation & Review of ICF Macro's FY 2020 Incurred Cost Submission".

To address the one material weakness Tichenor reported in its Independent Examination Report on ICF Macro, Inc.'s Incurred Cost Submission For Fiscal Year Ended December 31, 2020, we recommend that M/OAA:

**Recommendation 1.** Verify that ICF Macro, Inc., corrects the one material weakness in internal control detailed on page 8 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 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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).