



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

MEMORANDUM

DATE: March 3, 2025

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: Performance Audit of ABT Associates, Inc., for Fiscal Year Ended April 2, 2021, and April 1, 2022 (3-000-25-009-1)

This memorandum transmits the final audit report on incurred costs submission (ICS) for ABT Associates, Inc., (ABT) Fiscal Year (FY) ended April 2, 2021, and April 1, 2022. 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 audit firm Tichenor and Associates, LLP (Tichenor) to conduct the Audit. Tichenor stated that it performed its audit in accordance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of 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 ABT in its FYs 2021 and 2022 ICS are accurate, allowable, allocable, and reasonable in accordance with contract terms and applicable Government acquisition regulations.¹

The audit objective was to express an opinion on management's assertion that (1) all costs included in the proposal dated February 28, 2022 and September 30, 2022 to establish final indirect cost rates for fiscal year ended April 2, 2021 and the fiscal year ended April 1, 2022 are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and (2) the proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements and is fairly stated in all material respects. In addition, Tichenor examined ABT's compliance with their U.S. Government

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.

contract/award terms, and applicable Government acquisition regulations, specially the FAR, the USAID Acquisition Regulations (AIDAR), 2 Code of Federal Regulations (CFR) 200 Uniform Administrative Requirement, Federal Travel Regulations and/or the Department of the State Standard Travel Regulations (DSSR), and Buy-American Act for the Contracting Officer to execute the finalization of allowable contract costs and indirect rates for the fiscal year under review with the Contractor. To answer the audit's objective, Tichenor reviewed ABT's FY 2021 and FY 2022 ICS and reconciled it to ABT's general ledger, and other records and documentation to determine its adequacy for audit purposes. Further, Tichenor reviewed applicable rules, regulations, guidance, and ABT's policies and procedures regarding claimed direct and indirect cost. Tichenor examined USAID costs of \$358,088,403 for ABT's FY 2021 and FY 2022.

Tichenor concluded that ABT has prepared its FY 2021 and FY 2022 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. Tichenor's procedures resulted in no questioned costs or adjustments to the proposed direct and indirect amounts for contract reimbursement on select unsettled flexibly priced contracts in the ICS submitted by ABT for the period of March 28, 2020, through April 1, 2022.

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 oinotice_ndaa5274@usaid.gov.