



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

MEMORANDUM

DATE: July 25, 2025

TO: USAID/Deputy Administrator for Management and Resources, Kenneth Jackson
USAID/Acting Chief Financial Officer, Douglas A. Pitkin

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

SUBJECT: Performance Audit of Incurred Costs for DAI Global, LLC. for Fiscal Year Ended December 31, 2022 (3-000-25-011-I)

This memorandum transmits the final performance audit report on incurred costs submission (ICS) for DAI Global, LLC (DAI) for Fiscal Year Ended (FY) December 31, 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 certified public accounting firm of Tichenor & Associates, LLP (Tichenor) to conduct the audit. Tichenor stated that it performed its audit in accordance with 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 DAI in its FY 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 this proposal to establish final indirect cost rates for fiscal year ending December 31, 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 will apply; and (2) this proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements: is fairly stated. Tichenor examined DAI's compliance with their U.S. Government contract/award terms and applicable Government acquisition regulations, specifically the FAR, the USAID Acquisition Regulations (AIDAR), 2 Code of Federal Regulations (CFR) 200 Uniform Administrative Requirements, Federal Travel Regulations and/or the Department of State Standard Travel Regulation (DSSR), and Buy-American Act for the Contracting Officer to execute the finalization of allowable

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 costs and indirect rates for the fiscal year under review with DAI. To answer the audit's objective, Tichenor designed its testing procedures to review the incurred costs reported by DAI for FY 2022 and reconciled it to its general ledger, and other records and documentation to determine its adequacy for audit purposes. Further, Tichenor reviewed applicable rules, regulations, guidance, and DAI's policies and procedures regarding claimed direct and indirect cost. Tichenor examined USAID audited costs of \$221,489,148 for FY 2022.

Tichenor concluded that DAI has prepared its FY 2022 ICS in accordance with applicable Government acquisition regulations of the FAR, AIDAR, DSSR regarding accuracy, allowability allocability, and reasonableness of incurred costs. Tichenor's procedures resulted in no questioned costs or adjustments on select unsettled flexibly priced contracts in the ICS submitted by DAI for the periods of January 1, 2022, through December 31, 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.