



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** May 26, 2023

**TO:** USAID/India Mission Director, Veena Reddy

**FROM:** USAID OIG Deputy Assistant Inspector General for Audit, Christine M. Byrne /s/

**SUBJECT:** Financial Audit of USAID/India's Sustainable Enterprises for Water and Health Project Managed by Safe Water Network India, Cooperative Agreement 72038620CA00003, April 1, 2021, to March 31, 2022 (5-386-23-016-R)

This memorandum transmits the final audit report of USAID/India's Sustainable Enterprises for Water and Health Project managed by Safe Water Network India, cooperative agreement 72038620CA00003, from April 1, 2021, to March 31, 2022. Safe Water Network India contracted with the independent certified public accounting firm Bansal & CO. LLP to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. However, the audit firm disclosed that it did not have continuing professional education or external quality control review programs that fully satisfies the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the recipient's schedule of expenditures of USAID awards, the effectiveness of its internal control, or its compliance with the award, laws, and regulations<sup>1</sup>.

The audit objectives were to: (1) express an opinion on whether the schedule of expenditures of the USAID award managed by Safe Water Network India for the period audited was presented fairly in all material respects; (2) evaluate Safe Water Network India's internal controls; (3) determine whether Safe Water Network India complied with award terms and applicable laws and regulations; and (4) determine whether Safe Water Network India took adequate corrective actions on prior audit recommendations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total costs of \$895,154 for the period from April 1, 2021, to March 31, 2022.

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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 items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting work papers; desk reviews are not designed to enable us to directly evaluate the quality of the audit performed.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues, and costs incurred under the award for the period audited. They also did not identify any material weaknesses in internal control or any material instances of noncompliance with laws and regulations of the agreement terms.

The report does not contain any recommendation for your action.

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this area of improvement in a memo to USAID/India's controller dated May 26, 2023.

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").