



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: June 22, 2023

TO: USAID/India Mission Director, Veena Reddy

FROM: USAID OIG Asia Regional Office Assistant Director, Rhonda M. Horried/s/

SUBJECT: Financial Audit of Multiple USAID Awards Managed by World Health Partners in India, April 1, 2021, to March 31, 2022 (5-386-23-018-R)

This memorandum transmits the final audit report of Kumar Mittal & Co. Chartered Accountants under the following USAID awards:

Award Name (Type)	Award Number	Audit Period
Closing the Gaps in TB Care Cascade Program and Comprehensively Address Mental Health (Cooperative agreement)	72038620CA00012	April 1 – March 31, 2022
SAMAGRA Project (Sub-contract) – Closeout	4588-WORLD HEALTH PARTNERS - I I DECEMBER 2020	April 1, 2021 – March 10, 2022

World Health Program (WHP) contracted with the independent audit firm Kumar Mittal & Co. 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 external quality control review and continuing professional education programs that fully satisfy 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 WHP's schedule of expenditures of USAID awards, the effectiveness of its internal control, or its compliance with the awards, laws, and regulations.¹

The audit objectives were to: (1) express an opinion on whether WHP's schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any 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 working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

WHP's internal controls relevant to the projects; and (3) determine whether WHP complied with awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$3,758,744 for the audit period.

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 from April 1, 2021, to March 31, 2022 except for \$115,011 in total ineligible questioned costs. The audit firm identified one material instance of noncompliance related to excess charging of indirect costs, which it also considered a material internal control deficiency. The audit firm issued a management letter.

During our desk review, we noted areas for improvement which the audit firm will need to address in future audit reports. We presented these areas of improvement in a memo to the controller dated June 22, 2023.

To address the issues identified in the report, we recommend that USAID/India:

Recommendation 1. Determine the allowability of \$115,011 in ineligible questioned costs on pages 39-43 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that World Health Partners corrects the one instance of material noncompliance detailed on pages 52-57 of the audit report.

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.