



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: August 31, 2023

TO: USAID/India Mission Director, Veena Reddy

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

SUBJECT: Financial Audit of Costs Incurred by the International Union Against Tuberculosis and Lung Disease Under Multiple Awards in India for the Year Ended December 31, 2021 (5-386-23-025-R)

This memorandum transmits the final audit report on the International Union Against Tuberculosis and Lung Disease in India (the Union)'s incurred costs under the following USAID awards:

| Award Name (Type) | Award Number | Audit Period |
|--|----------------------|-------------------------------|
| iDefeat TB Project (Cooperative Agreement) | 72038620CA00007 | January 1 – December 31, 2021 |
| Treat TB Project (Cooperative Agreement) (sub-award) | GHN-A-00-08-00004-00 | January 1 – March 31, 2021 |

The Union contracted with the independent audit firm Thakur, Vaidyanath Aiyar & Co. to conduct the audit. The audit firm stated it performed its audit in accordance with U.S. Government Auditing Standards. However, it did not have a continuing education program 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 Union's schedule of expenditures; the effectiveness of its internal controls; or its compliance with the awards terms, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly, in all material respects, (2) evaluate the auditee's internal controls, and (3) determine whether the auditee complied with the awards terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the

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.

subject financial audit that covered \$1,916,805 in costs from January 1 to December 31, 2021.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, revenues and costs incurred under the awards for the audit period. The audit firm report did not identify any material internal control weaknesses but identified \$139 in ineligible questioned costs and one instance of material noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/India determine the allowability of the \$139 in questioned costs and recover any amount determined to be unallowable. The audit firm also 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 deficiencies in a memo to the controller dated August 31, 2023.

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

Recommendation 1. Verify that the International Union Against Tuberculosis and Lung Disease corrects the instance of material noncompliance detailed on pages 30 and 31 of the 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.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.