



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: December 27, 2023

TO: USAID/India, Mission Director, Veena Reddy

FROM: Asia Regional Office, Acting Audit Director, Esther Park /s/

SUBJECT: Closeout Audit of South Asia Regional Initiative for Energy Integration in India Managed by Integrated Research and Action for Development, Cooperative Agreement AID-386-A-12-00006, April 1 to September 30, 2022 (5-386-24-005-R)

This memorandum transmits the final closeout audit report of South Asia Regional Initiative for Energy Integration in India managed by Integrated Research and Action for Development (IRADe), cooperative agreement AID-386-A-12-00006, from April 1 to September 30, 2022. IRADe contracted Bansal & Co. LLP to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and the USAID Financial Audit Guide for Foreign Organizations. However, the audit firm disclosed that it did not have a continuing professional education program or an external quality control review that fully complies with GAGAS requirements. According to the audit firm, the Institute of Chartered Accountants of India requires 90 hours of training every three years. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on IRADe's schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the agreement terms, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether IRADe's schedule of expenditures for the audited program was presented fairly, in all material respects; (2) evaluate its internal controls; and (3) determine whether it complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject closeout audit that covered total expenditures of \$1,113,436 for the audited period.

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.

The audit firm concluded that the schedule of expenditure of USAID awards for the subject program presented fairly, in all material respects, project revenues and costs incurred under the agreement for the period ended September 30, 2022. The audit firm did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance.

During our desk review, we noted areas for improvement that the audit firm will need to address in its future audit reports. We presented these deficiencies in a memorandum to the mission controller dated December 27, 2023.

The report does not include any recommendations for your action.

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.