



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 26, 2024

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

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

**SUBJECT:** Financial Audit of the Accountability Leadership by Local Communities for Inclusive, Enabling Services Project in India Managed by Resource Group for Education and Advocacy for Community Health, Award 72038619CA00004, April 1, 2022 to March 31, 2023 (5-386-24-029-R)

This memorandum transmits the final audit report on the schedule of expenditures of USAID awards for the Accountability Leadership by Local Communities for Inclusive, Enabling Services (ALLIES) project implemented in India by Resource Group for Education and Advocacy for Community Health (REACH) award 72038619CA00004, from April 1, 2022 to March 31, 2023. REACH contracted with the independent audit firm Tarun Kandhari & Co LLP. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards and the Financial Audit Guide. However, it did not have continuing professional education or external quality control review programs that satisfy GAGAS 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 mainly to (1) express an opinion on whether the schedule of expenditures of USAID awards for the period audited was presented fairly in all material respects, (2) evaluate REACH's internal controls, and (3) determine whether REACH complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total costs of \$1,328,981 for the period April 1, 2022, to March 31, 2023.

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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, project revenues and costs incurred under the agreement for the period audited. The audit firm did not identify any questioned costs, any material internal control weaknesses, or any material instances of noncompliance.

During our desk review, we noted an area for improvement in the audit report and informed the controller in a memo dated March 26, 2024 to ensure the audit firm addresses the issue in future audit reports.

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.<sup>2</sup>

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<sup>2</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).