



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: April 18, 2024

TO: USAID/India Mission Director, Veena Reddy

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

SUBJECT: Financial Audit of Multiple USAID Awards Managed by Piramal Swasthya Management and Research Institute in India, April 1, 2022, to March 31, 2023 (5-386-24-034-R)

This memorandum transmits the final audit report of Piramal Swasthya Management and Research Institute (PSMRI) under the following USAID awards:

Award Name (Type)	Award Number	Audit Period
Tribal TB Initiative & COVID-19 (cooperative agreement)	72038621CA00003	April 1, 2022 to March 31, 2023
Sub-recipient of Project Saksham (cooperative agreement)	AID.583717-01712991-SUB	April 1, 2022 to March 31, 2023

PSMRI contracted with the independent audit firm P. K. Chopra & Co. to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards. 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 awards, laws, and regulations.¹

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 PSMRI's internal controls; and (3) determine whether PSMRI complied with

¹ 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the financial audit that covered total costs of \$5,506,352 for the audit period.

The audit firm questioned ineligible costs of \$920 and concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and audited costs incurred under the award for the period from April 1, 2022, to March 31, 2023. The audit firm identified one material instance of noncompliance and one material weaknesses in internal control pertaining to the auditee reporting inaccurate total expenditures in its utilization certificates. 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 \$920 in questioned costs and recover any amount determined to be unallowable.

During our desk review, we noted an issue which the audit firm will need to address in future audit reports. We presented this issue in a memo to the controller dated April 18, 2024.

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

Recommendation 1. Verify that PSMRI corrects the 1 material weakness in internal control detailed on pages 34 and 35 of the audit report.

Recommendation 2. Verify that PSMRI corrects the 1 instance of material noncompliance detailed on pages 40 and 41 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 oinotice_ndaa5274@usaid.gov.