



## MEMORANDUM

**DATE:** May 18, 2020

**TO:** USAID/India Mission Director, Keith Simmons

**FROM:** USAID OIG Asia Regional Office Audit Director, James C. Charlifue /s/

**SUBJECT:** Financial Audit of the Tuberculosis Call to Action Project in India Managed by Resource Group for Education and Advocacy for Community Health, Cooperative Agreement AID-386-A-16-00002, April 1, 2018, to March 31, 2019 (5-386-20-038-R)

This memorandum transmits the final audit report on the Tuberculosis Call to Action Project in India Managed by Resource Group for Education and Advocacy for Community Health (REACH). REACH contracted with the independent certified public accounting firm of P.K. Chopra & Co. to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. However, it did not fully comply with the requirements on having a continuing professional education program and external quality control reviews. 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 fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to: (1) express an opinion on whether REACH's fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate REACH's internal controls; (3) determine whether REACH complied with agreement terms (including cost-sharing contributions), and applicable laws and regulations; and (4) determine whether REACH has taken corrective actions on prior audit report recommendations. To answer the audit objectives, the audit firm examined the fund accountability statement and supporting documentation; evaluated the effectiveness of the design and operation of the internal control system; conducted tests of the recipient's compliance with agreement terms

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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 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.

and applicable laws and regulations; and assessed the status of prior audit recommendations. The audit covered program revenues and costs of \$1,234,844<sup>2</sup> and \$1,141,673, respectively, from April 1, 2018, to March 31, 2019.

P.K. Chopra & Co. concluded that the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred and reimbursed under the agreement for the period audited. The audit firm did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance.

The cost-sharing schedule noted contributions of \$19,900 during the audited period. Finally, the audit firm reported that all prior audit recommendations were satisfactorily addressed.

During our desk review, we noted issues which the audit firm will need to address in future audit reports. We presented these issues and suggestions in a memorandum to the mission's controller dated May 18, 2020.

The report does not include any recommendations. We appreciate the assistance extended during the engagement.

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").

Attachment: a/s

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<sup>2</sup> Total revenue includes other program/interest income of \$2,640.