



MEMORANDUM

DATE: June 15, 2020

TO: USAID/India Acting Director, Keith E. Simmons

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

SUBJECT: Financial Audit of the Partnership in Climate Services for Resilient Agriculture in India Under India Partnership Managed by Skymet Weather Services Private Limited, Cooperative Agreement AID-386-A-15-00023, April 1, 2018 to March 30, 2019 (5-386-20-050-R)

This memorandum transmits the final audit report on the Partnership in Climate Services for Resilient Agriculture in India under India Partnership Managed by Skymet Weather Services Private Limited (Skymet). Skymet contracted with the independent certified public accounting firm of Bansal & Co. LLP 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 Skymet's fund accountability statement (FAS); the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether Skymet's FAS for the period audited was presented fairly, in all material respects; (2) evaluate Skymet's internal controls; (3) determine whether Skymet complied with agreement terms and applicable laws and regulations (including cost-sharing contributions); and (4) determine the status of prior year audit recommendations. To answer the audit objectives, the audit firm examined the program's FAS and supporting documentation; reviewed the cost-sharing schedule; evaluated the control environment, accounting systems, and control procedures; and reviewed compliance with

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.

agreement requirements and applicable laws and regulations. The audit covered program revenues and costs of \$802,790 and \$771,175, respectively, from April 1, 2018 to March 31, 2019.

The audit firm concluded that, except for the effects of the \$2,772 in ineligible questioned costs, the FAS presented fairly, in all material respects, program revenues and costs incurred under the agreement for the period audited. The audit firm reported one material weakness in internal control related to the questioned costs that pertained to foreign travel expenses not related to the project. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making recommendations on the questioned costs and on the related material weakness in internal control. Nevertheless, we suggest that the mission determine the allowability of the \$2,772 in questioned costs and recover any amount determined to be unallowable, and determine if the recipient addressed the related internal control issue. The audit firm did not identify any instance of material noncompliance.

Regarding cost-sharing, the audit firm reported that the recipient contributed \$777,046 during the audited period. No questioned costs were identified. Finally, according to the audit firm and the mission, there was no prior year audit because the audit threshold amount was not reached during the prior year.

During our desk review, we noted issues that the audit firm will need to address in future audit reports. We presented these issues and a suggestion in a memorandum to the Controller dated June 15, 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