



## MEMORANDUM

**DATE:** February 24, 2021

**TO:** USAID/India Acting Mission Director, Ramona M. El Hamzaoui

**FROM:** USAID OIG Asia Regional Office USDH NFA Coordinator, James C. Charlifue /s/

**SUBJECT:** Financial Audit of Room to Read India Trust Under Multiple USAID Awards, April 1, 2019, to March 31, 2020 (5-386-21-013-R)

This memorandum transmits the final audit report of the Room to Read India Trust (RTR) under the following USAID awards:

Award Name	Award No.	Audited Period
Scaling Up Early Reading Intervention Program	AID-386-A-15-00021	April 1, 2019 to March 31, 2020
Providing Basic Literacy Skills to Children Across 100 Schools in Rajasthan; Subaward from Centre for Micro Finance (CMF)	CMF-RTR-EDU-20151203	April 1, 2019 to March 31, 2020

RTR contracted with the independent certified public accounting firm of Walker Chandiook & Co LLP to conduct the audit. The audit firm stated that it performed its audit in accordance with 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 RTR's fund accountability statement (FAS), the effectiveness of its internal control, or its compliance with the award, laws, and regulations.<sup>1</sup>

<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.

The audit objectives were to (1) express an opinion on whether RTR's FAS for the period audited was presented fairly, in all material respects; (2) evaluate RTR's internal controls; (3) determine whether RTR complied with award terms and applicable laws and regulations; and (4) determine whether RTR had taken corrective actions on prior audit report recommendations. To answer the audit objectives, the audit firm examined the projects' FAS and supporting documentation; evaluated the control environment, accounting systems, and control procedures; tested compliance with agreement requirements and applicable laws and regulations; and assessed the status of prior audit report recommendations. The audit covered project revenues and costs of \$872,965 and \$834,234, respectively, for the period from April 1, 2019, to March 31, 2020.

The audit firm concluded that the FAS presented fairly, in all material respects, project revenues and costs incurred under the awards for the period audited. The audit firm did not identify any questioned costs, material weaknesses in internal control, or instances of material noncompliance. The audit firm also indicated that RTR had taken corrective actions on all prior audit report recommendations.

During our desk review, we noted an issue that the audit firm will need to address. We presented this issue in a memorandum to the controller dated February 24, 2021.

The report does not include any recommendations.

The 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").