



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: March 25, 2022

TO: USAID/India Mission Director, Veena Reddy

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

SUBJECT: Financial and Closeout Audit of Multiple USAID Awards in India Managed by Karnataka Health Promotion Trust in India, April 1, 2020, to March 31, 2021 (5-386-22-013-R)

This memorandum transmits the final audit report of Karnataka Health Promotion Trust (KHPT) under the following USAID awards:

Award Name	Award No.	Audited Period
Tuberculosis Health Action Learning Initiative (THALI), Pool 2 Program (Close-out)	AID-386-A-16-00005	April 1, 2020, to September 30, 2020
Breaking the Barriers' Community Engagement to Accelerate Tuberculosis Elimination Efforts in India Through Sustained Behavior Change (BTB) Program	72038620CA00004	April 1, 2020, to March 31, 2021

KHPT contracted with the independent certified public accounting firm Bansal & 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, the audit firm disclosed that it did not have (1) a continuing professional education program, and (2) external quality control reviews that fully satisfy the standards' requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on KHPT's schedule of expenditures

of USAID awards, 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 KHPT's schedule of expenditures of USAID awards for the period audited was presented fairly, in all material respects; (2) evaluate KHPT's internal controls; (3) determine whether KHPT complied with award terms (including cost-sharing contributions requirement) and applicable laws and regulations; and (4) determine whether KHPT had taken corrective actions on prior-period findings and recommendations. To answer the audit objectives, Bansal & Co. LLP performed the subject audit that covered \$762,369 and \$490,470 in revenues and costs, respectively, for the THALI Pool 2 Program and \$800,330 and \$1,031,054 in revenues and costs, respectively, for the BTB Program for the audited periods.

The audit firm concluded that the schedules of expenditures of USAID awards presented fairly, in all material respects, revenues and costs incurred under the awards for the audited periods. The audit firm did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance. The audit firm reported that the recipient contributed \$761,483 as of September 30, 2020, which satisfied the total cost-sharing requirement of \$757,582 for the THALI Pool 2 Program. The audit firm also reported that there were no audit findings reported during the previous period.

During our desk review, we noted issues that the audit firm will need to address in future audit reports. We presented these issues in a memorandum to the controller dated March 25, 2022.

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").

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.