



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: April 27, 2022

TO: USAID/India Mission Director, Veena Reddy

FROM: USAID OIG Asia Regional Office USDH NFA Coordinator, Rhonda M. Horried /s/

SUBJECT: Audit of the Schedule of Expenditures of Centre for Urban and Regional Excellence, Level Up for Taps and Toilets in Slum Homes Program in India, Cooperative Agreement AID-386-A-15-00002, April 1, 2020, to March 31, 2021 (5-386-22-014-R)

This memorandum transmits the final report on the audit of schedule of expenditures of Centre for Urban and Regional Excellence, Level Up for Taps and Toilets in Slum Homes program in India, cooperative agreement AID-386-A-15-00002, from April 1, 2020, to March 31, 2021. Centre for Urban and Regional Excellence 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 (GAGAS), and the USAID Financial Audit Guide for Foreign Organizations. However, it did not have an external quality control review program or a formal continuing education program that fully satisfies the standards' requirements. The audit firm explained that their external quality control review does not meet the entire GAGAS requirements and that their staff did not fully receive the GAGAS required continuing education hours. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm

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.

performed the subject financial audit that covered \$1,094,811 in USAID expenditures from April 1, 2020, to March 31, 2021.

The auditors expressed an unmodified opinion on the schedule of expenditures and did not identify any questioned costs. The audit firm did not identify any material weaknesses in the internal control system or any material instances of noncompliance with laws and regulations and the agreement terms. The audit report included personally identifiable information (PII) in pages 19 and 20.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memorandum to the controller dated April 27, 2022.

The report does not contain any recommendations for your action.

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").