



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: April 16, 2024

TO: USAID/India, Mission Director, Veena Reddy

FROM: Asia Regional Office Assistant Director, Rhonda Horried /s/

SUBJECT: Audit of Producer-Owned Women Enterprises Project in India Managed by Indus Tree Crafts Foundation, Cooperative Agreement 72038619CA00003, April 1, 2022, to March 31, 2023 (5-386-24-032-R)

This memorandum transmits the final audit report of Producer-Owned Women Enterprise project managed by Indus Tree Crafts Foundation (ICF) in India under Cooperative Agreement 72038619CA00003, from April 1, 2022, to March 31, 2023. ICF contracted with the independent audit firm Bansal and Co. LLP to conduct the audit. The firm stated it performed its audit in accordance with generally accepted government auditing standards and USAID Financial Audit Guide for Foreign Organizations. However, it did not have a continuing professional education program and an external peer review program 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 the recipient'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 the schedule of expenditures of USAID awards for the period audited was presented fairly, in all material respects; (2) evaluate the recipient's internal controls; (3) determine whether the recipient complied with award terms and applicable laws and regulations; and (4) determine whether the recipient had taken corrective actions on prior audit report recommendations. To answer the audit objectives, the auditors performed the subject financial audit that covered total costs in the amount of \$1,059,685 during the audit period.

The audit firm concluded that the schedule of expenditures of USAID award presented fairly, in all material respects, program revenues, and costs incurred under the award for the period

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.

audited. The audit firm did not identify any questioned costs, material weaknesses in internal control, or material instances of noncompliance.

During our desk review, we noted an area for improvement which the audit firm will need to address in future audit reports. We presented this deficiency in a memo to the controller dated April 16, 2024.

The report does not include 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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.