



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

MEMORANDUM

DATE: May 23, 2023

TO: USAID/India Mission Director, Veena Reddy

FROM: USAID OIG Deputy Assistant Inspector General for Audit, Christine M. Byrne /s/

SUBJECT: Audit of Producer-Owned Women Enterprises Project in India Managed by Indus Tree Crafts Foundation Under Cooperative Agreement 72038619CA00003, April 1, 2021, to March 31, 2022 (5-386-23-014-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, 2021, to March 31, 2022. ICF contracted with the independent audit firm P.K Chopra & Co. to conduct the audit. The audit firm stated 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) an external peer review and (2) a continuing professional education 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 ICF'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 ICF's schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate ICF's internal controls relevant to the project; and (3) determine whether ICF complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$1,035,028 for the audited period.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the audited period. The audit firm reported that it did not identify any questioned costs, significant deficiencies or material weaknesses in internal control, or instances of material noncompliance.

During our desk review, we noted an issue which the audit firm will need to address in future

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items that need clarification or issues that require management attention. Desk reviews are limited to review of the audit report itself and exclude review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

audit reports. We presented this issue in a memo to the controller dated May 23, 2023.

The report does not include any recommendations for your actions.

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").