



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: August 31, 2023

TO: USAID/India Mission Director, Veena Reddy

FROM: USAID OIG Asia Regional Office Audit Director, Rhonda M. Horried /s/

SUBJECT: Financial Audit of the W-GDP Building Resilient Women Entrepreneurs Project Managed by Self Employed Women's Association Bharat in India, Cooperative Agreement 72038620CA00011, April 1, 2021, to March 31, 2022 (5-386-23-026-R)

This memorandum transmits the final report on the audit of W-GDP Building Resilient Women Entrepreneurs Project managed by Self Employed Women's Association Bharat (SEWA Bharat), under Cooperative Agreement 72038620CA00011 for the period April 1, 2021 to March 31, 2022. SEWA Bharat contracted with the independent audit firm Walker Chandiok & Co LLP to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, it did not have continuing professional education or external quality control review programs that fully satisfy GAGAS requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on SEWA Bharat's schedule of expenditures of USAID awards; the effectiveness of its internal controls; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether SEWA Bharat's schedule of expenditures of USAID awards for the period audited was presented fairly, in all material respects; (2) evaluate and obtain an understanding of the recipient's internal controls; and (3) perform tests to determine whether recipient complied with the agreement terms, applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total costs of \$925,493 for the period from April 1, 2021 to March 31, 2022.

The audit firm concluded that except for the effects of the ineligible questioned costs of \$200, SEWA Bharat's schedule of expenditures of USAID awards presented fairly, in all material respects,

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.

the project's revenues and costs incurred for the period audited. The audit firm did not identify any material weaknesses in internal controls or any material instances of noncompliance. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/India determine the allowability of the \$200 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID/India determine if SEWA Bharat had addressed the issues noted. The audit firm also stated that they issued a management letter.

During our desk review, we noted areas for improvement which the audit firm should address in future audit reports. We presented the deficiencies in a memorandum to the controller dated August 31, 2023.

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.