



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 15, 2024

**TO:** USAID/India, Mission Director, Veena Reddy

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

**SUBJECT:** Financial Audit of the Support for Water and Sanitation in India Managed by KPMG Advisory Services Private Limited, Contract 72038621C00001, the April 1, 2022, to March 31, 2023 (5-386-24-018-R)

This memorandum transmits the final audit report on the project “Support for Water and Sanitation in India” managed by KPMG Advisory Services Private Limited (KASPL), under contract number 72038621C00001, for the period covering April 1, 2022, to March 31, 2023. KASPL contracted with the independent firm Bansal & Co. LLP to conduct the audit. The firm stated it performed its audit in accordance with generally accepted government auditing standards and the 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.<sup>1</sup>

The audit objectives were mainly to: (1) express an opinion on whether the schedule of expenditures of USAID award for the period audited was presented fairly in all material respects; (2) evaluate KASPL’s internal controls; and (3) determine whether KASPL complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered total costs of \$2,412,461 for the period from April 1, 2022, to March 31, 2023.<sup>2</sup>

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<sup>1</sup> 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.

<sup>2</sup> This amount represents the net audited costs incurred which is the total costs incurred per the schedule of expenditures of \$2,782,100 minus the subcontract costs not subject to this audit of \$369,639.

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

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.<sup>3</sup>

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<sup>3</sup> 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](mailto:oignotice_ndaa5274@usaid.gov).