



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 22, 2024

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

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

**SUBJECT:** Financial Audit of Multiple USAID Awards Managed by Karnataka Health Promotion Trust in India, April 1, 2022, to March 31, 2023 (5-386-24-028-R)

This memorandum transmits the final audit report of Karnataka Health Promotion Trust (KHPT) under the following USAID awards:

Award Name (Type)	Award Number	Audit Period
“Breaking the Barriers” Community Engagement to Accelerate Tuberculosis Elimination Efforts in India Through Sustained Behavior Change Project (Cooperative agreement)	72038620CA00004	April 1, 2022, to March 31, 2023
Momentum Routine Immunization Transformation and Equity Project (Sub-award)	7200AA20CA00017- INI4	April 1, 2022, to March 31, 2023

KHPT contracted with the independent audit firm Tarun Kandhari & Co LLP to conduct the audit. The audit firm stated it performed its audit in accordance with generally accepted government auditing standards (GAGAS) and USAID Financial Audit Guide for Foreign Organizations. However, it did not have a continuing professional education program that fully satisfies the standards’ requirements. India has a regulatory accounting body that conducts external quality control reviews, but this does not entirely meet the GAGAS requirement. 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 awards, laws, and regulations.<sup>1</sup>

<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.

The audit objectives were mainly 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 KHPT's internal controls; and (3) determine whether KHPT 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 \$4,075,224 for the period from April 1, 2022, to March 31, 2023.

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

During our desk review, we noted areas of improvement in the audit report and informed the regional controller in a memo dated March 22 2024, to ensure the audit firm addresses these issues in future audit reports.

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>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oinotice\\_ndaa5274@usaid.gov](mailto:oinotice_ndaa5274@usaid.gov).