



Office of Inspector General

U.S. International Development Finance Corporation

June 7, 2022

Mr. Scott Nathan
Chief Executive Officer

Subject: Audit Announcement – India Renewable Energy and Financing Projects Audit (Project DFC-22-04).

House of Representatives Report 116-444, State, Foreign Operations, And Related Programs Appropriations Bill, 2021 (HR Report 116-444), mandated that DFC OIG submit a report to the Committees on Appropriations assessing the integration and efficiency of policies, procedures, and processes of DFC.

After consulting with the Committee on Appropriations, they were interested in DFC OIG completing a follow-up audit similar to the USAID OIG audit of the Overseas Private Investment Corporation's (now DFC) Chile Energy Sector Portfolio completed in 2019 (9-OPC-19-002-P).

The objectives of this follow-up audit will be the same as the USAID OIG audit report published in 2019: to review projects to (1) determine if DFC involved the U.S. private sector and supported local country development in alignment with its mission; (2) assess the inputs, data, and analyses used to assess and approve the projects; and (3) assess the process and internal controls DFC used to identify and mitigate certain risks. This audit will evaluate projects involving India's renewable energy and financing of micro, small and medium enterprises rather than the Chile energy sector.

We have engaged an independent audit firm - RMA Associates - to conduct this audit subject to OIG oversight. RMA Associates will conduct its work in accordance with generally accepted government auditing standards. The work will be performed at DFC's Headquarters in Washington, DC as well as visiting selected projects in India.

The audit will begin in June 2022. We will schedule an entrance conference where we will discuss the objectives, scope, and methodology regarding this project as well as specific items we will require from DFC. If you have any questions or need additional information, please contact me at (202) 408-6246.

Sincerely,

Anthony "Tony" Zake
Inspector General

cc: All Vice Presidents
Chief of Staff
Director of Internal Controls
RMA Associates