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

# MEMORANDUM

**DATE:** November 19, 2025

**TO:** USAID, Deputy Administrator for Management and Resources, Kenneth Jackson

USAID, Acting Chief Financial Officer, Douglas A. Pitkin

**FROM:** Middle East and Eastern Europe Regional Office, Audit Assistant Director, Esther Park /s/

**SUBJECT:** Close-Out Audit of Expenditures Incurred by Egypt Foundation for Integrated Development (El Nidaa), Inter-Community Girls Empowerment Activity, Cooperative Agreement 72026320CA00007, August 1, 2021, to December 31, 2024 (8-263-26-001-R)

This memorandum transmits the close-out audit report on USAID resources managed and expenditures incurred by the Egypt Foundation for Integrated Development (El Nidaa), Inter-Community Girls Empowerment Activity, cooperative agreement 72026320CA00007, August 1, 2021, to December 31, 2024. El Nidaa contracted with the independent audit firm Bakertilly for Financial and Management Services to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have continuing education or external quality control review programs that fully satisfy the standards' requirements. The audit firm explained that professional organizations in Egypt do not offer such quality control review programs. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on El Nidaa's schedule of expenditures; 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 the schedule of expenditures for the period audited, was presented fairly, in all material respects, revenues received, costs incurred, and assets, commodities, and technical assistance directly procured with USAID funding; (2) evaluate El Nidaa's internal controls; and (3) determine whether El Nidaa complied with the award terms and applicable laws and regulations. To answer the audit objectives, the

[1] 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.

audit firm conducted the subject financial audit that covered $3,000,000 from August 1, 2021, to December 31, 2024.

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 period audited. Additionally, the audit firm did not identify any material weaknesses in internal control or any material instances of noncompliance. Based on the audit firm's review, nothing came to its attention that caused it to believe that El Nidaa did not fairly present the cost-sharing schedule, in all material respects, in accordance with the basis of accounting used to prepare the cost-sharing schedule. However, the audit firm noted other matters involving internal control and its operations, as well as compliance with the agreement terms and applicable laws and regulations, which were reported to El Nidaa's management in a separate letter. The management letter was not submitted for our review.

During our desk review, we noted an area for improvement that the audit firm should address in future audit reports. We presented this area in a memo to USAID, dated November 19, 2025.

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.