



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

MEMORANDUM

DATE: July 12, 2022

TO: USAID/Pakistan Mission Director, Reed Jay Aeschliman

FROM: USAID OIG Asia Regional Office, USDH NFA Coordinator, Rhonda M. Horried /s/

SUBJECT: Financial Audit of the Power Transmission System for Wind Project in Sindh Wind Corridor in Pakistan Managed by National Transmission and Dispatch Company Limited, Grant 391-PEPA-ENR-WTL-00, for the Fiscal Year that Ended June 30, 2021 (5-391-22-018-R)

This memorandum transmits the final report on the audit of the schedule of expenditures of USAID awards of the Power Transmission System for Wind Project in Sindh Wind Corridor managed by National Transmission and Dispatch Company Limited (grantee). The Auditor General of Pakistan (Auditor General) stated that it conducted the audit in accordance with International Organization of Supreme Audit Institutions' standards. The Auditor General is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's fund accountability statement; 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 grantee's schedule of expenditures of USAID awards for the period audited was presented fairly, in all material respects; (2) evaluate the grantee's internal controls; (3) determine whether the grantee complied with the award terms and applicable laws and regulations; and (4) assess the status of prior audit recommendations. To answer the objectives, the Auditor General reported that it tested project revenues and expenditures, assessed relevant internal controls and compliance, and followed up on prior recommendations. The audit covered \$7.47 million in USAID revenues and expenditures each, for the fiscal year ending in June 30, 2021.

The Auditor General concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, project revenues and costs incurred under the agreement for the audited period. The Auditor General did not identify any questioned costs, material weaknesses in the internal control system, or material instances of noncompliance. The Auditor General also

¹ We reviewed the Auditor General's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify 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.

noted that the grantee had not addressed prior audit recommendations. In its management letter, the Auditor General identified two deficiencies in internal control/instances of noncompliance.

The report does not include any recommendations.

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”).