



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 31, 2023

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 USAID Awards Managed by Halcrow Pakistan (Pvt) Limited in Pakistan, January 1 to December 31, 2021 (5-391-23-006-R)

This memorandum transmits the final audit report on the following USAID awards managed by Halcrow Pakistan (Pvt) Limited (HPK) in Pakistan:

Award Name (Type)	Award Number	Audit Period
Architect-Engineer Services for the Construction of Schools in Sindh Stage III (indefinite delivery indefinite quantity contract)	72039119D00006/ 72039119F00001 (Task Order)	January 1 – December 31, 2021
Architect-Engineer Services for Gomal Zam Dam Command Area Development Project (indefinite delivery indefinite quantity contract)	72039119D00006/ 72039120F00007 (Task Order)	January 1 – December 31, 2021

Halcrow contracted with the independent certified public accounting firm BDO Ebrahim & Co. Chartered Accountants to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). However, the audit firm disclosed that it did not have a continuing professional education program and external peer review that fully satisfies 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 HPK's schedule of expenditures of USAID awards; the effectiveness of HPK's internal control; or its compliance with the award, laws, and, and regulations.¹

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

The audit objectives were 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 HPK's internal controls; (3) determine whether the HPK complied with awards' terms, including indirect cost requirements, and applicable laws and regulations; and (4) determine whether HPK had taken corrective actions on prior audit recommendations. The audit examined the project's costs of \$1,014,434 for the audited period.

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

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").