



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

MEMORANDUM

DATE: November 24, 2025

TO: USAID, Deputy Administrator for Management and Resources, Kenneth Jackson
USAID, Acting Chief Financial Officer, Douglas A. Pitkin

FROM: USAID OIG Asia Regional Office, Assistant Audit Director, Leila Doulali /s/

SUBJECT: Financial Audit of USAID Resources Managed by American University of Afghanistan Under Cooperative Agreement 72030623CA00001, July 1, 2023, to June 30, 2024 (5-306-26-002-R)

This memorandum transmits the final report on the audit of the American University of Afghanistan Program, managed by American University of Afghanistan (AUAF), Agreement 72030623CA00001, for the period from July 1, 2023, to June 30, 2024. AUAF contracted with the independent firm Avais Hyder Liaquat Nauman & Co. Chartered Accountants 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 professional education and external quality control review programs that satisfied GAGAS requirements. The audit firm indicated that quality control review is not offered by professional organizations in Afghanistan. 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 award, laws, and regulations.¹

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 AUAF's internal controls; (3) determine whether AUAF complied with the award terms and applicable laws and regulations; (4) evaluate the cost-sharing contribution to verify whether it was made and properly recorded by AUAF in compliance with the terms of the agreement; and (5) verify that the indirect cost rate applied is in accordance with the award terms. To answer the audit objectives, the audit firm performed the subject financial audit, covering expenditures totaling \$6,951,615 for the audited period. The audit firm reported a

¹ We reviewed the audit firm'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 work papers; desk reviews are not designed to enable us to directly evaluate the quality of the audit performed.

limitation in scope due to its inability to conduct on-site visits at the AUAF premises, which restricted fieldwork to reviewing documentation and communicating with AUAF remotely.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues, costs incurred and reimbursed, commodities and technical assistance directly procured by USAID for the period audited. The firm did not identify any questioned costs, material weaknesses in internal control or instances of material noncompliance. Furthermore, the audit firm reported that nothing came to its attention that would cause it to believe that AUAF did not fairly present the cost-sharing contributions schedule, in all material respects. The firm also reported that the indirect-cost rate applied by AUAF was in accordance with the award terms. The audit firm issued a management letter as part of the audit report.

The transmittal 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.