



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

MEMORANDUM

DATE: June 29, 2026

TO: USAID, Performing the Duties of Administrator and Chief Operating Officer,
Eric Ueland

USAID, Acting Chief Financial Officer, Douglas A. Pitkin

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

SUBJECT: Audit of the Schedule of Expenditures for Mostaqbal Engineering & Environmental Consultants Under the Jordan Iraq Power Interconnection Activity in Jordan, Task No. 72027820D00019, January 1, 2024, to December 31, 2024 (8-278-26-015-R)

This memorandum transmits the final audit report of the schedule of expenditures for Mostaqbal Engineering & Environmental Consultants under the Jordan Iraq Power Interconnection Activity in Jordan, Task No. 72027820D00019, from January 1, 2024, to December 31, 2024. Mostaqbal contracted with the independent audit firm Baker Tilly 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 an external peer review. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Mostaqbal'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; (2) evaluate Mostaqbal's internal control; and (3) determine whether they complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject audit that covered \$1,006,307 from January 1, 2024, to December 31, 2024.

The audit firm concluded that the schedule of expenditures for the USAID award presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited except for \$22,835 in ineligible questioned costs; identified four material

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.

weaknesses in internal control; and identified no material instances of noncompliance with the award terms and applicable rules and regulations.

Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID determine the allowability of the \$22,835 in questioned costs and recover any amount determined to be unallowable.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to USAID, dated June 29, 2026.

To address the issues identified in the report, we recommend that USAID:

Recommendation 1. Verify that Mostaqbal Engineering & Environmental Consultants corrects the four material weaknesses in internal control detailed on pages 10 through 17 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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 oinotice_ndaa5274@oig.usaid.gov.