



Office of Inspector General

MEMORANDUM

DATE: May 9, 2019

TO: USAID/West Bank and Gaza Mission Director, Monica Stein-Olson

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) USDH NFA Coordinator, Abdoulaye Gueye /s/

SUBJECT: Closeout Audit of the Funds Accountability Statement of Resources Managed by the Palestinian Authority Through the Ministry of Finance and Planning in West Bank and Gaza, Debt Relief Grant Agreement 294-CT-00-17-00001-00, January 19 to March 19, 2017 (8-294-19-020-N)

This memorandum transmits the final report of the closeout audit of the funds accountability statement of resources managed by the Palestinian Authority through the Ministry of Finance and Planning in West Bank and Gaza, Debt Relief Grant Agreement 294-CT-00-17-00001-00, January 19 to March 19, 2017. USAID/West Bank and Gaza contracted with the independent certified public accounting firm Ernst & Young to conduct the audit.

The audit firm states it performed its audit in accordance with generally accepted government auditing standards except that it did not participate in an external quality control review program. The audit firm says that West Bank and Gaza does not offer such a review program. The audit firm 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 controls; or its compliance with the award, laws, 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 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.

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement was presented fairly, in all material respects; (2) evaluate the MoF's internal controls as relates to the agreement and the ILs.; and (3) determine whether MoF complied, in all material respects, with the terms of the agreement and the ILs and applicable laws and regulations, including timely submission of the MoF's bi-weekly reports. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$70,000,000, for the period from January 19 to March 19, 2017.

The audit firm expressed an unmodified opinion on the fund accountability statement and did not identify any question costs. The audit firm did not identify any significant deficiencies or material weaknesses in internal control. The audit firm did not identify any material instances of noncompliance with the award terms and applicable laws and regulations.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to the audit staff during the engagement.

The 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").

Enclosed: a/s