



MEMORANDUM

DATE: September 02, 2019

TO: USAID/West Bank and Gaza, Acting Mission Director, Dana Rose

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

SUBJECT: Closeout Examination of Brothers Company for Contracting's Compliance With Terms and Conditions of Subcontract Under APCO/ArCon Construction and Services LLC, Task Order 294-TO-16-00001, Hebron Southern and Northern Entrance Roads in West Bank and Gaza, May 30, 2016, to July 13, 2017 (8-294-19-037-O)

This memorandum transmits the final report on the closeout examination of Brothers Company for Contracting's compliance with terms and conditions of Subcontract APCO-0056 under Prime APCO/ArCon Construction and Services LLC, Task Order 294-TO-16-00001, Hebron Southern and Northern Entrance Roads in West Bank and Gaza, May 30, 2016, to July 13, 2017. USAID/West Bank and Gaza contracted with the independent certified public accounting firm Deloitte & Touche (M.E), Ramallah, Palestine to conduct the engagement.

The audit firm states that it performed its engagement in accordance with generally accepted government auditing standards (GAGAS), except for not participating in an external quality control review program. The audit firm explained 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 Brothers Company for Contracting's internal controls effectiveness or its compliance with the subcontract, 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 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 engagement performed.

The examination objectives were mainly to: (1) express an opinion on the Brothers Company for Contracting's compliance with the subcontracts terms and conditions related to USAID funding, including testing compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism; (2) evaluate Brothers Company for Contracting's internal controls over compliance; and (3) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the loan guarantee.

To answer the examination objectives, the auditors performed the subject examination engagement that covered the period from May 30, 2016, to July 13, 2017.

The auditors did not identify any material instances of noncompliance with the subcontracts terms, conditions and applicable laws and regulations and did not identify any material weakness in internal controls. The auditors also did not identify any material instances of noncompliance with Executive Order 13224.

The report does not include any recommendations for your action.

We appreciate the assistance extended during the engagement.

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