



MEMORANDUM

DATE: September 29, 2019

TO: USAID/West Bank and Gaza Acting Mission Director, Courtney Chubb

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

SUBJECT: Closeout Fund Accountability Statement Audit of Intrahealth International, Inc, Palestinian Health Capacity Project in West Bank and Gaza, Cooperative Agreement 294-LA-13-00001, July 1, 2018, to January 31, 2019 (8-294-19-119-R)

This memorandum transmits the closeout audit report on Intrahealth, Palestinian Health Capacity Project in West Bank and Gaza, Cooperative agreement 294-LA-13-00001, from July 1, 2018 to January 19, 2019. Intrahealth contracted with the independent certified public accounting firm El Wafa Company, Ramallah, Palestine to conduct the audit.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards, except that the audit firm did not have an external quality control review by an unaffiliated audit organization since no such program is offered by professional organizations in West Bank and Gaza. The audit firm is responsible for the enclosed report and the conclusions expressed in it.

We do not express an opinion on Intrahealth's effectiveness of its internal control; 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 to (1) express an opinion on whether the fund accountability statement for the period from July 1, 2018 to January 31, 2019, was presented fairly, in all material respects; (2) evaluate Intrahealth's internal controls; (3) determine whether Intrahealth complied with award terms and applicable laws and regulations; and (4) reviewed the implementation status of prior period recommendations. The engagement objectives also included testing Intrahealth's compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism.

To answer the audit objectives, the audit firm reported that they examined the fund accountability statement and tested relevant balances, tested internal controls related to project activities, performed tests for compliance and determined the follow up on prior recommendations was no applicable since prior audit report contained no findings. The audit covered \$1,482,598 for the period from July 1, 2018, to January 31, 2019.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The auditors did not identify any questioned costs, material internal control weaknesses, or any material instances of noncompliance with the award terms conditions, and applicable laws and regulations. The auditors also did not identify any material instances of noncompliance with Executive Order 13224.

The report does not contain any recommendation for your action.

We appreciate the assistance extended during the engagement.

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”).