



*Office of Inspector General*

## MEMORANDUM

**DATE:** November 4, 2019

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

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

**SUBJECT:** Fund Accountability Statement Closeout Audit of USAID Resource Managed by the Search for Common Ground, Regional Cooperative Health Initiative Program in West Bank and Gaza, Cooperative Agreement AID-294-A-15-00010, September 25, 2015 to March 31, 2017 (8-294-20-017-R)

This memorandum transmits the final closeout audit report on the fund accountability statement of USAID resource managed by the Search for Common Ground, Regional Cooperative Health Initiative Program in West Bank and Gaza, cooperative agreement AID-294-A-15-00010, for the period from September 25, 2015 to March 31, 2017. The auditee contracted with the independent certified public accounting firm Ernst & Young to conduct the audit. The audit firm states that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have 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 auditor's 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.<sup>1</sup>

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations, including testing the auditee'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 performed the subject closeout audit that covered \$508,317, for the period from September 25, 2015 to March 31, 2017.

---

<sup>1</sup> 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 auditors expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses, or any material instances of noncompliance with the cooperative agreement terms, conditions and applicable laws and regulations. The auditors also did not identify any material instances of noncompliance with Executive Order 13224. Further, the audit firm issued a management letter.

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").