



MEMORANDUM

DATE: December 31, 2019

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Acting Audit Director, Abdoulaye Gueye /s/

SUBJECT: Closeout Fund Accountability Statement Audit of Global Communities, Local Government and Infrastructure Program in West Bank and Gaza, Cooperative Agreement 294-A-00-10-00211-00, April 1, 2016 to February 28, 2017 (8-294-20-030-R)

This memorandum transmits the final report on the closeout fund accountability statement audit of Global Communities, Local Government and Infrastructure Program in West Bank and Gaza, Cooperative Agreement 294-A-00-10-00211-00, from April 1, 2016 to February 28, 2017. Global Communities contracted with the independent certified public accounting firm Talal Abu-Ghazaleh & Co. 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 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 Global Communities' fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

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 Global Communities' internal controls; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. The engagement objectives also included testing Global Communities' compliance with Executive Order 13224 – Blocking Property and

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.

Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism. To answer the audit objectives, the audit firm reviewed Global Communities' incurred costs, tested internal controls, and examined Global Communities' compliance with the agreement terms, laws, and regulations. The audit covered \$13,696,761 for the period from April 1, 2016 to April 30, 2017.

The audit firm issued an unqualified opinion on the fund accountability statement and concluded that it presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The auditors did not identify any material internal control weaknesses or any material instances of noncompliance with the agreement 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 recommendations for your action.

We appreciate the assistance extended during the engagement.

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