



Office of Inspector General

MEMORANDUM

DATE: June 18, 2020

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, John Vernon /s/

SUBJECT: Closeout Audit of the Fund Accountability Statement of American Near East Refugee Aid, Palestinian Community Infrastructure Development Program in West Bank and Gaza, Cooperative Agreement 294-A-13-00005, June 1, 2018, to January 31, 2019 (8-294-20-070-R)

This memorandum transmits the final closeout audit of the fund accountability statement of American Near East Refugee Aid, Palestinian Community Infrastructure Development Program in West Bank and Gaza, cooperative agreement 294-A-13-00005, June 1, 2018, to January 31, 2019. The auditee contracted with the independent certified public accounting firm El Wafa Company to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. However, it did not have an external quality control review program because 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 control; or its compliance with the award, laws, and regulations¹.

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; (3) determine whether the auditee complied with 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 financial audit that covered \$10,889,936 for the period June 1, 2018, to January 31, 2019.

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 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 award terms, conditions and applicable laws and regulations. The auditors also did not identify any material instances of noncompliance with Executive Order 13224. Please note that pages 46 to 47 of the audit report include personally identifiable information.

During our desk review, we noted a minor issue which the audit firm will need to address in future audit reports. We presented this issue in a memo to controller dated June 18, 2020.

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").