



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** November 29, 2022

**TO:** USAID/West Bank and Gaza Mission Director, Amy Tohill-Stull

**FROM:** USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office, Supervisory Auditor, John Vernon /s/

**SUBJECT:** Audit of the Schedule of Expenditures of Akko Center for Arts and Technology, Full Steam Ahead Program in West Bank and Gaza, Cooperative Agreement 72029418CA00001, January 1 to December 31, 2021 (8-294-23-001-N)

This memorandum transmits the final audit report on the schedule of expenditures of Akko Center for Arts and Technology, Full Steam Ahead program in West Bank and Gaza, cooperative agreement 72029418CA00001, from January 1 to December 31, 2021. USAID/West Bank and Gaza contracted with the independent audit firm Suleiman & Co. to conduct the audit. The audit firm stated that it performed its audit in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. However, it did not participate in an external quality control review program because professional organizations in West Bank and Gaza do 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 schedule of expenditures; the effectiveness of its internal control; 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 schedule of expenditures 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 agreement terms and applicable laws and regulations. To answer the audit objectives, the audit

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<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.

firm performed the subject financial audit that covered \$313,186 for the period from January 1 to December 31, 2021.

The auditors expressed a qualified opinion on the fund accountability statement and identified \$438 of ineligible questioned costs. The auditors did not identify any material internal control weaknesses or any material instances of non-compliance with the award terms and applicable laws and regulations. The auditors also identified \$110 of ineligible questioned cost share contributions. The auditors did not test the auditee's compliance with executive order number 13224 as the program falls outside the scope of the mandatory provisions underlying mission order No. 21. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/West Bank and Gaza determine the allowability of the \$548 in questioned costs and recover any amount determined to be unallowable. In addition, although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID/West Bank and Gaza determine if the recipient addressed the issue noted. Further, the audit firm issued a management letter.

The report does not include any recommendations for your action.

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").