



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: April 25, 2024

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

FROM: Middle East and Eastern Europe Regional Office, Audit Assistant Director, Timothy Lamping /s/

SUBJECT: Audit of the Schedule of Expenditures of DAI Global, LLC., Small and Medium Enterprise Assistance for Recovery and Transition Project, Cooperative Agreement 72029421CA00001, September 3, 2021 to December 31, 2022 (8-294-24-016-N)

This memorandum transmits the final audit report of the schedule of expenditures of DAI Global, LLC. locally Incurred costs, Small and Medium Enterprise Assistance for Recovery and Transition project, Cooperative Agreement 72029421CA00001, from September 3, 2021 to December 31, 2022. USAID/West Bank and Gaza contracted with the independent audit firm Deloitte & Touche (M.E.) to conduct the audit. The audit firm stated it performed the audit in accordance with U.S. Government Auditing Standards. However, it did not have an external quality control review program since professional organizations in West Bank and Gaza do not offer such review programs. 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 controls; or its compliance with the award, laws, and regulations.¹

The audit objectives were 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 award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$3,263,801 from September 3, 2021 to December 31, 2022. The audit firm concluded that the schedule of expenditures of USAID's award presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited and did not identify any questioned costs. The audit firm did not identify any material

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.

internal control weaknesses or any material instances of noncompliance with the award's terms, conditions and applicable laws and regulations. The auditors did not identify any instance of noncompliance with Executive Order 13224.

Accordingly, we are not making any recommendations.

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this deficiency in a memo to the controller, dated April 25, 2024.

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”). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oinotice_ndaa5274@usaid.gov.