



Office of Inspector General

MEMORANDUM

DATE: July 24, 2019

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, Abdoulaye Gueye /s/

SUBJECT: Fund Accountability Statement Audit of IntraHealth International, Inc, Palestinian Health Capacity Project in West Bank and Gaza, Cooperative Agreement AID-294-LA-13-00001, July 1, 2017 to June 30, 2018 (8-294-19-095-R)

This memorandum transmits the final audit report on IntraHealth International, Inc, Palestinian Health Capacity Project in West Bank and Gaza, Cooperative Agreement AID-294-LA-13-00001, from July 1, 2017, to June 30, 2018. IntraHealth International, Inc, contracted with the independent certified accounting firm of El Wafa Company, Ramallah, Palestine, to conduct the audit. The audit firm stated that the contract required them to perform the audit in accordance with generally accepted government auditing standards.

The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards, except that it did not participate in an external quality control review program, and did not have a continuing education program that fully satisfy the requirements of chapter 3, paragraphs 3.82 and 3.96 of the auditing standards. The audit firm explained that 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 IntraHealth International, Inc,'s fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

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 audit objectives were to: (1) express an opinion on whether the fund accountability statement for the period from July 1, 2017 to June 30, 2018, was presented fairly, in all material respects; (2) evaluate IntraHealth International, Inc.'s internal controls; (3) determine whether IntraHealth International, Inc. complied with award terms and applicable laws and regulations; and (4) determine if IntraHealth International, Inc. took corrective actions to address prior audit recommendations. The engagement objectives also included testing IntraHealth International, Inc.'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 reported that they examined the fund accountability statement and tested relevant balances, tested internal controls related to project activities, and performed tests for compliance. The audit covered \$2,271,484 for the period from July 1, 2017 to June 30, 2018.

The audit firm concluded that the fund accountability statement 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 award 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.

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”).