



## MEMORANDUM

**DATE:** September 20, 2018

**TO:** USAID/West Bank and Gaza Director, Monica Stein-Olson

**FROM:** Regional Inspector General/Frankfurt, James C. Charlifue /s/

**SUBJECT:** Close-out Examination of International Relief and Development's Compliance With the Terms and Conditions of Task Order AID-294-TO-13-00018, Sanour Arrabeh Well Rehabilitation Project, Under Indefinite Quantity Contract AID-294-I-00-12-00003, Infrastructure Needs Program II in West Bank and Gaza, for the Period October 23, 2013 to May 17, 2016 (8-294-18-018-O)

This memorandum transmits the closeout examination of International Relief and Development's compliance with the terms and conditions of task order AID-294-TO-13-00018, Sanour Arrabeh Well Rehabilitation Project, under indefinite quantity contract AID-294-I-00-12-00003, Infrastructure Needs Program II in West Bank and Gaza, for the Period October 23, 2013 to May 17, 2016. The auditee contracted with the independent certified public accounting firm El Wafa Company to conduct the examination. The contract required the audit firm to perform the examination in accordance with generally accepted government auditing standards.

The audit firm states 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. The audit firm states that 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 effectiveness of its internal control; or its compliance with the award, laws, and regulations<sup>1</sup>.

The examination objectives were mainly to: (1) express an opinion on the contractor's compliance with the task order' terms and conditions; (2) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the contract, and (3) evaluate the contractor's internal controls over compliance. The examination objectives also included testing the contractor's compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism. To answer the examination objectives, the auditors performed the subject examination engagement that covered the period from October 23, 2013, to May 17, 2016.

The auditors did not identify any material internal control weaknesses or any material instances of noncompliance with the task order 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 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").

Enclosed: a/s

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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.