



MEMORANDUM

DATE: March 25, 2019

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Assistant Audit Director, Saiming T. Wan /s/

SUBJECT: Fund Accountability Statement Closeout Audit of Middle East Education Through Technology (MEET), Training Entrepreneurs for Excellence at MEET Program, West Bank and Gaza, Cooperative Agreement AID-294-A-15-00011, January 1 to September 24, 2017 (8-294-19-044-R)

This memorandum transmits the final report on the fund accountability statement closeout audit of MEET under the Training Entrepreneurs for Excellence at MEET program in West Bank and Gaza, cooperative agreement AID-294-A-15-00011, January 1 to September 24, 2017. MEET contracted with Ernst & Young - Middle East to conduct the audit.

The audit firm states 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 since no such program is offered by professional organizations in the 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 MEET's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether fund accountability statement is presented fairly in all material respects; (2) evaluate MEET's internal controls; (3) determine whether MEET complied with the award terms and applicable laws and regulations,

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.

including cost sharing and compliance with Executive Order 13224—Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism; and (4) determine whether MEET has taken adequate corrective action on prior recommendations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$354,429 in expenditures, January 1 to September 24, 2017.

The audit firm expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The auditors did not identify any material internal control weaknesses, but identified one instance of material noncompliance related to lack of branding of USAID-funded equipment. The auditors did not identify any material instances of noncompliance with Executive Order 13224.

As of January 31, 2019, USAID/West Bank and Gaza terminated its foreign assistance activities, and as a result, MEET had its activities terminated and currently has no open awards with USAID. We are not including a procedural recommendation regarding the material noncompliance instance. However, if USAID/West Bank and Gaza considers future awards to MEET, it should ensure that adequate policies and procedures are implemented to address this finding, as detailed on page 16 of Ernst & Young - Middle East report.

The report does not include 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”).