



Office of Inspector General

MEMORANDUM

DATE: November 29, 2018

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

FROM: Assistant Director/Middle East/Eastern Europe Regional Office (Frankfurt),
David Thomanek /s/

SUBJECT: Fund Accountability Statement Audit of Catholic Relief Services (CRS),
“Together for Pediatric Palliative Care (TPPC)” Program in West Bank and Gaza,
Cooperative Agreement AID-294-A-15-00012, September 24, 2015 to
December 31, 2016, (8-294-19-009-R)

This memorandum transmits the final report on the fund accountability statement audit of Catholic Relief Services (CRS), “Together for Pediatric Palliative Care (TPPC)” Program in West Bank and Gaza, Cooperative Agreement AID-294-A-15-00012, from September 24, 2015 to December 31, 2016. The auditee contracted with Deloitte & Touche (M.E.), Ramallah, Palestine, to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

The audit firm states that it performed the audit in accordance with generally accepted government auditing standards except that it did not participate in an external quality control review program that fully satisfies the standards’ requirements and did not have a continuing education program that fully satisfies the requirements of chapter 3, paragraph 3.76 of the auditing standards. 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

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency’s role to impose requirements on its implementing partners and contractors as a management function. [As applicable, include: “This contracted audit, however, was initiated before that date and follows the Guidelines”].

it. We do not express an opinion on Catholic Relief Services fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.²

The audit objectives were mainly to: (1) express an opinion on whether the audit of the fund accountability statement for the period from September 24, 2015 to December 31, 2016 was fairly presented in all material respects; (2) evaluate Catholic Relief Services internal controls; and (3) determine whether Catholic Relief Services complied with the agreement terms and the applicable laws and regulations. The examination objectives also included testing the Catholic Relief Services' 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 auditors performed the subject financial audit that covered \$173,788, for the period from September 24, 2015 to December 31, 2016.

The auditors 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, or any material instances of noncompliance with the agreement 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 our staff and the audit firm's staff 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").

Enclosed: a/s

² 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. [Format note: try to keep footnote content on the same page.]