



MEMORANDUM

DATE: January 22, 2020

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: Closeout Examination on Masoud & Ali and Partners Contracting Company, Subcontract 2016-0001, Under Prime Blumont Engineering Solutions Inc., Gaza Desalination Plant Expansion in West Bank and Gaza, January 1, 2018 to January 31, 2019 (8-294-20-015-O)

This memorandum transmits the closeout examination on Masoud & Ali and Partners Contracting Company's compliance with the terms and conditions of its sub contract 2016-0001, under prime, Blumont Engineering Solutions, Inc., task order 294-TO-16-00008, Gaza Desalination Plant Expansion Project in West Bank and Gaza, from January 1, 2018 to January 31, 2019. USAID/West Bank and Gaza contracted with the independent certified public accounting firm Deloitte & Touche (M.E.) Ramallah, Palestine, to conduct the examination. The audit firm stated that it performed its examination in accordance with U.S. Government Auditing Standards applicable to attestation engagements and the American Institute for Certified Public Accountants Statements on Standards for Attestation Engagements. However, it did not participate in an external quality control review program 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 Masoud & Ali and Partners Contracting Company's internal control effectiveness 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 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 engagement performed.

The examination's objectives were mainly to: (1) express an opinion on Masoud & Ali's compliance with the sub-contract terms and conditions; (2) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the award; (3) testing Masoud & Ali's compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism and (4) compliance with the prohibition on paying Value Added Tax (VAT) with USAID funds. To answer the engagement objectives, the audit firm performed the subject examination engagement that covered the period from January 1, 2018 to January 31, 2019.

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

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