



## MEMORANDUM

**DATE:** January 27, 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 of RCC for General Contracting Company's Compliance of Sub-contract 24043-15-NW-SA005, Local Government and Infrastructure Program in West Bank and Gaza Under Prime Award 294-A-00-10-00211-00, July 11, 2015 to September 24, 2016 (8-294-20-016-O)

This memorandum transmits the final audit report on closeout examination of RCC for General Contracting Company's compliance with terms and conditions of sub-contract 24043-15-NW-SA005, Local Government and Infrastructure Program in West Bank and Gaza under prime, Global Communities, prime award 294-A-00-10-00211-00, July 11, 2015 to September 24, 2016. The auditee contracted with the independent certified public accounting firm of Talal Abu-Ghazaleh & Co, Ramallah, Palestine, to conduct the examination. The audit firm stated that it performed the 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 because 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 RCC for General Contracting Company's internal control effectiveness or its compliance with the award, laws, and regulations<sup>1</sup>.

The examination's objectives were mainly to: (a) determine whether RCC for General Contracting Company complied with the award terms and applicable laws and regulations

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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 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

including compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism and compliance with the prohibition on paying value added tax (VAT) with USAID funds; and (b) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the contract. To answer the audit objectives, the audit firm performed the subject examination that covered the period from July 11, 2015 to September 24, 2016.

The audit firm did not identify any material internal control weaknesses, or any material instances of noncompliance with the contract's terms, conditions and applicable laws and regulations. The auditors did not identify material instances of noncompliance with the Executive Order 13224.

The report does not include any recommendations for your action.

We appreciate the assistance extended during the engagement.

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