



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: February 23, 2023

TO: USAID/West Bank and Gaza Mission Director, Amy Tohill-Stull

FROM: USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office, Assistant Audit Director, David Clark /s/

SUBJECT: Audit of the Schedule of Expenditures of Tsofen High Technology Centers, Tech Bridges Project in West Bank and Gaza, Cooperative Agreement 72029418CA00004, January 1 to December 31, 2021 (8-294-23-008-N)

This memorandum transmits the final audit report on the schedule of expenditures of Tsofen High Technology Centers, Tech Bridges project in West Bank and Gaza, cooperative agreement 72029418CA00004, from January 1 to December 31, 2021. USAID/West Bank and Gaza contracted the independent audit firm Mazars to conduct the audit. The audit firm stated that it performed its audit in accordance with Generally Accepted Auditing Standards and U.S. Government Auditing Standards. However, it did not have an external quality control review program by an unaffiliated audit organization since no such program is offered by professional organizations in 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 the auditee's schedule of expenditures; the effectiveness of its internal controls; or its compliance with the award terms, laws, and regulations.¹

The audit objectives were to: (1) express an opinion on whether the schedule of expenditures for the period audited was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with the award terms and applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$341,204, from January 1 to December 31, 2021.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm did not identify any questioned costs. The audit firm did not identify any

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.

material internal control weaknesses but identified one material instance of noncompliance. The auditee is not subject executive order number 13224, as the program falls outside the scope of the mandatory provisions underlying mission order number 21. Further, although we are not making a recommendation for the significant deficiency noted in the report on pages 16 and 17, we suggest that USAID/West Bank and Gaza determine if the auditee addressed the issue noted. In addition, the audit firm issued a management letter.

To address the issues identified in the report, we recommend that USAID/West Bank and Gaza:

Recommendation I: Verify that Tsofen High Technology Centers corrects the material instance of noncompliance detailed on pages 20 and 21 of the Mazars report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

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”).