



OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

MEMORANDUM

DATE: May 16, 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 Leo Baeck Education Center, Building Shared Communities Program in West Bank and Gaza, Cooperative Agreement 72029419CA00004, January 1, 2021 to December 31, 2021 (8-294-23-020-N)

This memorandum transmits the final audit report of the schedule of expenditures of Leo Baeck Education Center, Building Shared Communities program in West Bank and Gaza, cooperative agreement 72029419CA00004, from January 1, 2021 to December 31, 2021. USAID/West Bank and Gaza contracted with the independent audit firm Mazars to conduct the audit. The audit firm stated that it performed the audit in accordance with U.S. Government auditing standards and Generally Accepted Auditing Standards. However, it did not have an external quality control review program because professional organizations in West Bank and Gaza do not offer such a program. 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, 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 \$275,942, from January 1, 2021 to December 31, 2021.

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.

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 identified no questioned costs, no material weaknesses in internal control, and no instances of material noncompliance. The audit firm said that the program is not subject to mission order number 21 and executive order number 13224, as it falls outside the scope of the mandatory provisions underlying mission order number 21. The audit firm issued a management letter.

During our desk review, we noted an area of improvement which the audit firm will need to address in future audit reports. We presented this area of improvement in a memorandum to the controller dated May 16, 2023.

The report does not include any recommendations for your action.

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”).