



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

### MEMORANDUM

**DATE:** April 22, 2024

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

**FROM:** Middle East and Eastern Europe Regional Office, Audit Director,  
Louis Duncan Jr. /s/

**SUBJECT:** Audit of the Schedule of Expenditures of Family Health International Under Cooperative Agreement 72029421LA00001, Civic Participation and Community Engagement Program in West Bank and Gaza, September 30, 2021, to December 31, 2022 (8-294-24-014-N)

This memorandum transmits the final audit report on the audit of the schedule of expenditures of Family Health International under Cooperative Agreement 72029421LA00001, Civic Participation and Community Engagement program in West Bank and Gaza, from September 28, 2021, to December 31, 2022. USAID/West Bank and Gaza contracted with the independent audit firm Mazars to conduct the audit. The audit firm stated that it performed its audit in accordance with U.S. government Auditing Standards. However, it did not have an external quality control review program that fully satisfy the standards' requirements. The audit firm explained that professional organizations in West bank and Gaza do not offer such a quality control review 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 of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to: (1) express an opinion on whether the schedule of expenditures of USAID award 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 award terms and applicable laws and regulations, including compliance with Executive Order 13224-Blocking Property and Prohibiting Transactions with persons who commit,

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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 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.

threaten to commit, or support terrorism. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$615,178<sup>2</sup> from September 28, 2021, to December 31, 2022.

The audit firm concluded the schedule of expenditures of USAID award presented fairly, in all material respects, program's revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the period under audit and did not identify any questioned costs. Further, the audit firm did not identify any material weaknesses in internal control; or any material instances of noncompliance with the award terms, applicable rules, regulations, or Executive Order 13224.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.<sup>3</sup>

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<sup>2</sup> Out of the total audited amount of \$1,892,473 disclosed in this audit report, \$1,277,295 [representing a sub-awardee's expenditures], was separately audited by the audit firm. The audit report was issued by the Office of Inspector General on February 12, 2024 (report number 8-294-24-005-N). Accordingly, we consider that the net amount covered by this audit report is \$615,178.

<sup>3</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oinotice\\_ndaa5274@usaid.gov](mailto:oinotice_ndaa5274@usaid.gov).