



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

MEMORANDUM

DATE: June 27, 2024

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

FROM: Middle East and Eastern Europe Regional Office, Acting Audit Director, Timothy Lamping /s/

SUBJECT: Closeout Audit of the Schedule of Expenditures of Mazaya Business Services Company, Sub Agreement I7SI8107AU20, Under AECOM Technical Services Inc., USAID West Bank and Gaza Architecture and Engineering Services, January 1, 2018, to January 31, 2019 (8-294-24-021-N)

This memorandum transmits the final closeout audit of the schedule of expenditures of Mazaya Business Services Company, sub-consultancy agreement I7SI8107AU20, under AECOM Technical Services Inc., USAID West Bank and Gaza Architecture and Engineering Services, Indefinite Delivery Indefinite Quantity Contract AID-294-I-16-00001, Task Order AID-294-TO-16-00012, January 1, 2018, to January 31, 2019. USAID/West Bank and Gaza contracted with the independent audit firm Deloitte & Touche (M.E.) 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 schedule of expenditures of USAID awards; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly 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. To answer the audit

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.

objectives, the audit firm was engaged to perform the subject financial audit that should have covered \$1,222,684, from January 1, 2018, to January 31, 2019.

The audit firm was unable to express an opinion on the auditee's statement of expenditures because it could not reach the auditee's management to obtain the required representations regarding the fair presentation and completeness of its financial statement. Accordingly, our transmittal memo will question \$1,222,684 of costs incurred during the audit period.

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

Recommendation I. Determine the allowability of the questioned unsupported costs of \$1,222,684, on pages 11 of the audit report and recover any amount that is unallowable.

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

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.²

² 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.