



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: August 12, 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: Closeout Audit of the Schedule of Expenditures of USAID Award Managed by the Palestinian Ministry of Finance, Debt Relief for East Jerusalem Hospitals Network in West Bank and Gaza, Grant Agreement 294-CT-00-22-00001-00, July 14 to November 13, 2022 (8-294-24-023-N)

This memorandum transmits the final closeout audit of the schedule of expenditures of USAID award managed by the Palestinian Ministry of Finance, Debt Relief for East Jerusalem Hospitals Network in West Bank and Gaza, grant agreement 294-CT-00-22-00001-00, from July 14 to November 13, 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.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, in all material respects, with the agreement terms, implementation letters, applicable laws and regulations, including compliance of the Ministry of Finance's bi-weekly reporting

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.

requirements. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$14,500,000, from July 14, 2022, to November 13, 2022.

The audit firm concluded that the schedule of expenditures of USAID's award presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the award's terms, conditions and applicable laws and regulations.

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.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.