



Office of Inspector General

MEMORANDUM

DATE: November 15, 2018

TO: USAID/West Bank and Gaza Mission Director, Monica Stein-Olson

FROM: Middle East/Eastern Europe Regional Office (Frankfurt), Audit Director,
James C. Charlifue /s/

SUBJECT: Fund Accountability Statement Audit of The Adam Institute for Democracy and Peace, The Return of Public Sphere, “Reclaiming Civil Society’s Role in Conflict Transformation”, Cooperative Agreement AID-294-A-11-00009, October 1, 2012 to September 30, 2013 (8-294-19-004-R)

This memorandum transmits the final audit report on the fund accountability statement of The Adam Institute for Democracy and Peace, The Return of Public Sphere, “Reclaiming Civil Society’s Role in Conflict Transformation”, Cooperative Agreement AID-294-A-11-00009, from October 1, 2012 to September 30, 2013. The auditee contracted with Deloitte & Touche M.E. to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

The audit firm stated that it performed the audit in accordance with generally accepted government auditing standards except that it did not participate in an external quality control review program. The audit firm explained that West Bank and Gaza does not offer such a review program.

The audit firm is responsible for the enclosed report and the stated conclusions expressed in it. We do not express an opinion on the auditee’s fund accountability statement; the effectiveness of its internal control; or its compliance with the contract, laws, and regulations.¹

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 objectives were mainly to: (1) express an opinion on whether the audit of the fund accountability statement for the period from October 1, 2012 to September 30, 2013 was fairly presented in all material respects; (2) evaluate the Adam Institute for Democracy and Peace, internal controls; and (3) determine whether the Adam Institute for Democracy and Peace complied with the contract terms and the applicable laws and regulations. The audit objectives also included testing the Adam Institute for Democracy and Peace's compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism. To answer the audit objectives, the auditors performed the subject financial audit that covered \$456,369 for the period from October 1, 2012 to September 30, 2013.

The auditors expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The auditors did not identify any material internal control weaknesses, or any material instances of noncompliance with the contract terms conditions, and applicable laws and regulations. The auditors also did not identify any material instances of noncompliance with Executive Order 13224.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to our staff and the audit firm's staff during the engagement.

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").

Enclosed: a/s