



Office of Inspector General

MEMORANDUM

DATE: March 14, 2019

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, USDH NFA Coordinator, Abdoulaye Gueye /s/

SUBJECT: Fund Accountability Statement Audit of Hagar: Jewish-Arab Education for Equality, Education for all: Expanding Extended Education in Israeli's Negev Project in West Bank and Gaza, Cooperative Agreement AID-294-A-13-00008, March 1, 2015 to February 29, 2016 (8-294-19-032-R)

Enclosed is the final audit report on the fund accountability statement audit of Hagar: Jewish-Arab Education for Equality, Education for all: Expanding Extended Education in Israeli's Negev project in West Bank and Gaza, cooperative agreement AID-294-A-13-00008, , March 1, 2015 to February 29, 2016. The auditee contracted with the independent certified public accounting firm of 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 states it performed its audit in accordance with generally accepted government auditing standards except that it did not participate in an external quality control review program and did not have a continuing education program that fully satisfies the standards' requirements. The audit firm says that West Bank and Gaza does not offer such a review program. With respect to the continuing education program, the audit firm says that they could not satisfy the standards' requirements because they could not fully obtain the U.S. Government auditing related hours.

The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We do not express an opinion on the auditee's fund accountability statement.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 fund accountability statement for the period from March 1, 2015 to February 29, 2016 was fairly presented, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with applicable laws and regulations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$61,282 for the period from March 1, 2015 to February 29, 2016.

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 agreement terms and applicable laws and regulations.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to the audit 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