



MEMORANDUM

DATE: April 9, 2019

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Assistant Audit Director, Saiming T. Wan /s/

SUBJECT: Costs Representation Statement Closeout Audit of World Learning, Task Order AID-294-TO-13-00008, Master's Scholarship Program (MSP) in West Bank and Gaza, January 1 to September 29, 2017 (8-294-19-048-R)

This memorandum transmits the final report of the cost representation statement closeout audit of World Learning, Task Order AID-294-TO-13-00008, Master's Scholarship Program (MSP) in West Bank and Gaza, January 1, 2017 to September 29, 2017. The auditee contracted with the independent certified public accounting firm Deloitte & Touche (M.E.), Ramallah, Palestine, to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

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, and did not have a continuing education program that fully satisfy the requirements of the auditing standards. The audit firm explained that professional organizations in West Bank and Gaza do not offer the program. The audit firm is responsible for the enclosed report and the stated conclusions expressed in it. We do not express an opinion on World

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, was initiated before that date and follows the Guidelines.

Learning's cost representation statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.²

The audit objectives were to: (1) express an opinion on whether the cost representation statement for the period audited, was presented fairly, in all material respects; (2) Determine if expenditures reported as incurred under the task order are allowable, allocable, and reasonable in accordance with the terms of the task order, (3) evaluate World Learning's internal controls; (4) determine if World Learning's management complied, with the task order terms and applicable laws and regulations; (5) determine if World Learning took corrective actions to address prior audit report recommendations. The cost representation objectives also included testing World Learning'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 audit firm examined the cost representation statement and performed testing on relevant balances, internal controls related to project activities, and compliance. The audit covered \$164,301, January 1, 2017 to September 29, 2017.

The audit firm concluded the cost representation statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The auditors did not identify any material internal control weaknesses, or any material instances of noncompliance with the award 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 during the engagement.

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").

² 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.