



MEMORANDUM

DATE: June 19, 2019

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

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

SUBJECT: Fund Accountability Statement Audit of Caritas Baby Hospital Management of Development of Services at Caritas Baby Hospital in West Bank and Gaza, Cooperative Agreement 294-A-13-00003, March 4, 2014 to March 31, 2015 (8-294-19-076-R)

This memorandum transmits the final audit report on financial audit of Caritas Baby Hospital Management of Development of Services at Caritas Baby Hospital (CBH), Cooperative Agreement 294-A-13-00003, March 4, 2014 to March 31, 2015. CBH contracted with the independent certified public accounting firm El Wafa Company to conduct the audit.

The audit firm states that it performed its audit in accordance with generally accepted government auditing standards except for not participating in an external 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 CBH's fund accountability statement; the effectiveness of its internal control; or its compliance with the agreement terms, laws, and regulations.¹

The audit objectives were mainly to (1) express an opinion on whether the fund accountability

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.

statement for the period audited, was presented fairly, in all material respects; (2) evaluate CBH's internal controls; and (3) determine whether CBH complied with agreement terms and applicable laws and regulations. To answer the audit objectives, the audit firm reviewed the agreement and modifications, tested relevant controls, and, on a sample basis, tested program expenses. The financial audit covered \$716,249 for the period March 4, 2014 to March 31, 2015.

The audit firm concluded the fund accountability statement was presented fairly, in all material respects, for the period audited. Further, the audit did not identify significant deficiencies nor material weaknesses in internal control and did not identify instances of material non-compliance. The auditors noted no issues with compliance related to Executive Order 13224. In addition, the auditors submitted a management letter with the report.

The report does not contain any recommendations.

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").