



MEMORANDUM

DATE: June 25, 2019

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

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

SUBJECT: Audit of the Cost Representation Statement of Al Nasher Technical Services Est.'s Management of the Public Outreach Project in West Bank and Gaza, Contract AID-294-C-12-00006, June 4, 2012, to June 30, 2015 (8-294-19-078-R)

This memorandum transmits the final audit report of the cost representation statement of Al Nasher Technical Services Est.'s Management of the Public Outreach Project in West Bank and Gaza, Contract AID-294-C-12-00006, June 4, 2012, to June 30, 2015. The auditee contracted with the independent certified public accounting firm Talal Abu-Ghazaleh & Co. to conduct the audit.

The audit firm states 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 because West Bank and Gaza does not offer such a review program. 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 cost representation statement; the effectiveness of its internal control; or its compliance with the award, 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 cost representation statement for the period from June 4, 2012, to June 30, 2015 was fairly presented, in all material respects; (2) evaluate Al Nasher Technical Services Est.'s internal controls; and (3) determine whether Al Nasher Technical Services Est. complied with the contract terms and the applicable laws and regulations, including 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 performed the subject financial audit that covered \$1,302,115 for the period from June 4, 2012, to June 30, 2015.

The auditors expressed an unmodified opinion on the cost representation 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.

During our desk review, we noted several issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated June 25, 2019.

Based on the results of the desk review, OIG is not making any recommendations to USAID/West Bank and Gaza.

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”).