



MEMORANDUM

DATE: June 27, 2019

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

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

SUBJECT: Fund Accountability Statement Audit of International Medical Corps (IMC), Gaza 2020: Health Matters in West Bank and Gaza, Cooperative Agreement AID-294-A-16-00001, January 12, 2016 to June 30, 2017 (8-294-19-082-R)

This memorandum transmits the final audit report on the Gaza 2020: Health Matters in West Bank and Gaza, cooperative agreement AID-294-A-16-00001, from January 12, 2016 to June 30, 2017. International Medical Corps (IMC) contracted with the independent certified public accounting firm Deloitte and Touche to conduct the audit. The auditors stated that the contract required them 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 states that it performed its audit in accordance with generally accepted government auditing standards except that the audit firm did not have an external quality control review by an unaffiliated audit organization since no such program is offered by professional organizations in West Bank and Gaza. In addition, the audit firm stated that they did not have a continuing education program the fully satisfied the GAGAS requirements. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and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.

not express an opinion on IMC's fund accountability 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate IMC's internal controls; (3) determine whether IMC complied with award terms and 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; (4) determine whether IMC has taken corrective action on prior audit report recommendations. To answer the audit objectives, the audit firm reported that they reviewed project documentation and procedures, tested internal controls and compliance, and reviewed and tested expense balances. The audit covered \$4,628,116 for the period from January 12, 2016 to June 30, 2017.

The audit firm concluded the fund accountability statement was presented fairly, in all material respects, and did not identify any significant deficiencies or material weaknesses in internal control. The auditors did not identify 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.