



## MEMORANDUM

**DATE:** July 1, 2019

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

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

**SUBJECT:** Closeout Audit of Fund Accountability Statement of USAID Resources Managed by Ein Dor Museum, Under the Non Violence Program in West Bank and Gaza, Cooperative Agreement AID-294-A-15-00014, January 1, to September 20, 2017 (8-294-19-084-R)

This memorandum transmits the final report on the closeout audit of the fund accountability statement of USAID resources managed by Ein Dor Museum, under the Non-Violence Program in West Bank and Gaza, cooperative agreement AID-294-A-15-00014, for the period from January 1, to September 20, 2017. Ein Dor Museum contracted with the independent certified public accounting firm Ernst & Young to conduct the audit.

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 peer review because no such program is offered by professional organizations in the West Bank and Gaza. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Ein Dor Museum's fund accountability statement; the

effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

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 the Ein Dor Museum's internal controls; (3) determine whether Ein Dor Museum has taken adequate corrective action on prior audit report recommendation ;and (4) determine whether Ein Dor Museum complied with award terms and applicable laws and regulations, including compliance with Executive Order 13224 – Blocking Property and Prohibiting Transaction With persons Who commit, Threaten to Commit or Support Terrorism. To answer the audit objectives, the auditors performed the subject audit that covered \$278,639 for the period of January 1, to September 20, 2017.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited, and did not identify any questioned costs. The auditors identified one significant deficiency in internal control. The auditors identified one instance of material noncompliance with the cooperative agreement cost sharing/counterpart contribution. Further, the audit firm issued a management letter.

As of January 31, 2019, USAID/West Bank and Gaza terminated its foreign assistance activities, and as a result, Ein Dor Museum had its activities terminated and currently has no open awards with USAID. RIG/Frankfurt is not including procedural recommendations regarding one significant deficiency in and one material instance. However, if USAID/West Bank and Gaza considers future awards to Ein Dor Museum, it should ensure that adequate policies and procedures are to address these findings, as detailed on pages 16 and 17 of audit report.

The report does not contain any recommendation for your action.

We appreciate the assistance extended to audit staff 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").

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<sup>1</sup> 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.