



MEMORANDUM

DATE: August 28, 2019

TO: USAID/West Bank and Gaza, Acting Mission Director, Dana Rose

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

SUBJECT: Examination of Compliance of USAID Resources Managed by Taawon Palestinian Conflict Resolution Institute in West Bank and Gaza, AID-294-F-16-00001, Partnership for Social Accountability Program, July 1, 2016 to June 30, 2017 (8-294-19-036-O)

This memorandum transmits the final report on Compliance Examination of USAID Resources Managed by Taawon Palestinian Conflict Resolution Institute in West Bank and Gaza, AID-294-F-16-00001, Partnership for Social Accountability Program, July 1, 2016 to June 30, 2017. USAID/West Bank and Gaza contracted with the independent certified public accounting firm Deloitte & Touche (M.E.) to conduct the audit. The contract required the audit firm to perform the engagement in accordance with generally accepted government auditing standards, the AICPA Statements on Standards for Attestation Engagements, and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

The audit firm states that it performed its engagement 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 and did not have a continuing education program that fully satisfies U.S. Government Auditing Standards. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Taawon's Examination of Compliance; the effectiveness of its internal control; or its compliance

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and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

with the award, laws, and regulations.²

The engagement objectives were to (1) perform tests to determine if Taawon complied with the award terms and conditions; (2) evaluate and obtain a sufficient understanding of Taawon's internal controls; and (3) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the award. The compliance also included testing Taawon compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism. To answer the examination objectives, the audit firm reported that they reviewed relevant criteria, program documentation and procedures, and assessed internal controls.

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 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 performed.