



MEMORANDUM

DATE: August 7, 2019

TO: USAID/West Bank & 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: Closeout Audit of the Fund Accountability Statement of International Research and Exchanges Board Inc., Under Pre-Service Teacher Education Activity in West Bank & Gaza, Cooperative Agreement AID-294-A-17-00001, August 25, 2017, to January 31, 2019 (8-294-19-049-N)

This memorandum transmits the final report on the closeout audit of the fund accountability statement of International Research and Exchanges Board Inc., under the Pre-Service Teacher Education Activity in West Bank & Gaza, cooperative agreement AID-294-A-17-00001, for the period from August 25, 2017, to January 31, 2019. The Agency 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 for not participating in an external quality control review, since no such program is offered by professional organizations in the West Bank and Gaza. The auditors state that they participate in the Ernst & Young worldwide internal quality control review program which requires their offices to be subjected, every three years, to an extensive quality control review by partners and managers from other Ernst & Young offices. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the auditee's fund accountability 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 to (1) express an opinion on whether the International Research and Exchange Board's fund accountability statement for the cooperative agreement was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; (3) determine whether the auditee complied with award terms and applicable laws and regulations including Executive Order 13224- Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism; (4) determine whether the auditee correctly charged indirect costs to USAID using an authorized provisional or final indirect cost rate; and (5) determine if the auditee has taken corrective action on prior audit report recommendations. To answer the audit objectives, the audit firm performed the subject audit that covered \$720,066 for the period from August 25 2017, to January 31, 2019.

The audit firm concluded that 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 audit firm did not identify any material weaknesses or significant deficiencies in internal control and any material instance of noncompliance. The audit firm also did not identify any instances of noncompliance with Executive Order 13224.

The report does not contain any recommendation 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").