



MEMORANDUM

DATE: August 27, 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: Fund Accountability Statement Audit of Catholic Relief Services, Together for Pediatric Palliative Care Program in West Bank and Gaza, Cooperative Agreement AID-294-A-15-00012, January 1 to December 31, 2017 (8-294-19-108-R)

This memorandum transmits the final audit report on Catholic Relief Services (CRS), Together for Pediatric Palliative Care Program in West Bank and Gaza, Cooperative Agreement AID-294-A-15-00012, from January 1 to December 31, 2017. CRS contracted with the independent certified public accounting firm Ernst & Young (EY), Ramallah, Palestine to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards (GAGAS).

The audit firm states that it performed its audit in accordance with GAGAS, except that the audit firm did not have an external quality control review program that fully satisfied the requirements set forth in GAGAS. The audit firm is responsible for the enclosed report and the conclusions expressed in it.

We do not express an opinion on CRS'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 fund accountability statement for the period from January 1 to December 31, 2017, was presented fairly, in all material respects; (2) evaluate CRS's internal controls; (3) determine whether CRS complied with award terms and applicable laws and regulations; and (4) reviewed the implementation status of prior period recommendations. The engagement objectives also included testing CRS's 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 reported that they examined the fund accountability statement and tested relevant balances, tested internal controls related to project activities, and performed tests for compliance. The audit covered \$441,479 for the period from January 1 to December 31, 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. The auditors did not identify any questioned costs, material internal control weaknesses, or 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.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated August 27, 2019.

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”).