



MEMORANDUM

DATE: September 16, 2019

TO: USAID/Jordan, Mission Director, Jim Barnhart

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

SUBJECT: Close-out Audit of Al Nasher Technical Service, Under the USAID/Outreach & Communication Project in Jordan, Contract 278-C-14-00005, January 1, 2016 to September 30, 2017 (8-278-19-051-N)

This memorandum transmits the final report on the close-out audit of Al Nasher Technical Service, under the USAID/Outreach & communication project in Jordan, contract 278-C-14-00005, January 1, 2016 to September 30, 2017. The USAID/Jordan contracted with the independent certified public accounting firm Ernst & Young Jordan to conduct the audit. The contract required the audit firm 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 it did not participate in an external quality control review program. The audit firm says that Jordan does not offer such a review program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on auditee's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations. ²

¹ On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients," recognizing the Agency's role to impose requirements on its implementing partners and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

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 perform

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period from January 1, 2016, to September 30, 2017, 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; and (4) determine if the auditee has taken adequate corrective action on prior audit report recommendations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$1,349,391 for the period from January 1, 2016 to September 30, 2017.

The auditors expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The auditors did not identify any material weaknesses or significant deficiencies in internal control. The audit firm did not identify any material instance of noncompliance with the award terms and applicable laws and regulations.

The report does not contain any recommendations for your action.

We appreciate the assistance extended to the audit staff during the engagement.

The 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").