



## MEMORANDUM

**DATE:** September 11, 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:** Closeout Examination of Perfect Contracting Company's Compliance With Terms and Conditions of Subcontract Under APCO/ArCon Construction and Services LLC, Task Order 294-TO-16-00002, Al Jalameh Crossing Improvement and Rehabilitation of Deir Al Ghsoun in West Bank and Gaza, November 28, 2016 to October 31, 2017(8-294-19-040-O)

This memorandum transmits the final report on the closeout examination of Perfect Contracting Company's compliance with terms and conditions of Subcontract APCO-0064 under Prime APCO/ArCon Construction and Services LLC, Task Order 294-TO-16-00002, Al Jalameh Crossing Improvement and Rehabilitation of Deir Al Ghsoun in West Bank and Gaza, November 28, 2016 to October 31, 2017. USAID/West Bank and Gaza contracted with the independent certified public accounting firm Deloitte & Touche (M.E), Ramallah, Palestine to conduct the engagement.

The audit firm states that it performed its engagement in accordance with generally accepted government auditing standards (GAGAS), except for not participating in an external quality control review program. The audit firm explained that West bank and Gaza 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 Perfect Contracting Company's internal controls effectiveness or its compliance with the

subcontract, laws, and regulations.<sup>1</sup>

The examination objectives were mainly to: (1) express an opinion on Perfect Contracting Company's compliance with the subcontracts terms and conditions related to USAID funding, including testing compliance with Executive Order 13224 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism; (2) evaluate Brothers Company for Contracting's internal controls over compliance; and (3) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the subcontract.

To answer the examination objectives, the auditors performed the subject examination engagement that covered the period from November 28, 2016, to October 31, 2017.

The auditors did not identify any material instances of noncompliance with the subcontracts terms, conditions and applicable laws and regulations and did not identify any material weakness in internal controls. The auditors also did not identify any material instances of noncompliance with Executive Order 13224.

The report does not include 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").

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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 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 engagement performed.