



## MEMORANDUM

**DATE:** September 02, 2019

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

**FROM:** USAID OIG Middle East and Eastern Europe Regional Office, USDH NFA Coordinator, Abdoulaye Gueye /s/

**SUBJECT:** Fund Accountability Statement Audit of Gaza 2020: Health Matters, Managed by Cooperative for Assistance & Relief Everywhere, Inc., Sub-award 103049.100.51, Under Prime International Medical Corps. Award AID-294-A-16-00001, January 12, 2016, to June 30, 2017 (Report No. 8-294-19-110-R)

This memorandum transmits the final audit report on the audit of fund accountability statement for sub-award no. 103049.100.51, under prime award no. AID-294-A-16-00001 “Gaza 2020: Health Matters” in West Bank and Gaza, from January 12, 2016, to June 30, 2017. International Medical Corps (prime contractor) contracted with Deloitte & Touche, Ramallah, Palestine to conduct the audit for the sub-award managed by Cooperative for Assistance & Relief Everywhere Inc. (CARE). 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 continuing professional education and external quality control review programs 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 CARE’s fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>1</sup>

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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 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 12, 2016 to June 30, 2017, was presented fairly, in all material respects; (2) evaluate CARE's internal controls; (3) determine whether CARE complied with sub-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; and (4) determine if CARE has taken adequate corrective action on prior audit report recommendations. To answer the audit objectives, the audit firm reported that they assessed and tested the internal controls related to the project, compliance with applicable laws, regulations, the agreement's provisions, and reviewed project expenditures. The audit covered \$846,526 for the period from January 12, 2016 to June 30, 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.

The report does not contain any recommendations for your action.

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 September 02, 2019.

We appreciate the assistance extended during the engagement.

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