



## MEMORANDUM

**DATE:** September 05, 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:** Financial Audit of USAID Resources Managed by Juzoor for Health and Social Development in West Bank under Multiple Agreements, November 1, 2013, to December 31, 2016 (Report No. 8-294-19-111-R)

This memorandum transmits the final audit report on USAID resources managed by Juzoor for Health and Social Development (Juzoor) under the following awards:

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Audit Period</b>	<b>Prime Implementer</b>
Palestinian Health Capacity Project (sub-award)	Sub-award No. 2014-30 under AID-294-LA-13-00001	November 1, 2013 - December 31, 2016	IntraHealth international Inc.
Gaza 202:Health Matters (sub-award)	Sub-award No. 103049.100.52 under AID-294-A-16-00001	February 1, 2016 – December 31, 2016	International Medical Corps

Juzoor contracted with the independent certified public accounting firm Deloitte & Touche, Ramallah, Palestine to conduct the audit. The audit firm stated that the contract required the audit firm to perform the audit in accordance with generally accepted government auditing

standards (GAGAS) and USAID Financial Audit Guidelines for Foreign Organizations.<sup>1</sup> 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 and did not have a continuing education program that fully satisfy GAGAS requirements, as West bank and Gaza does not offer such programs. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Juzoor's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.<sup>2</sup>

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether auditee complied with award terms and applicable laws and regulations including 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 conducted the subject financial audit that covered \$752,760<sup>3</sup> for the period November 1, 2013 to December 31, 2016.

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 audit firm did not identify any question costs, material weaknesses in internal control or instances of material noncompliance. . The auditors also did not identify any material instances of noncompliance with Executive Order 13224. Further, the auditor issued a management letter.

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 controller, dated September 05, 2019.

Accordingly, 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> 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.

<sup>2</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.

<sup>3</sup> \$565,800+\$186,960= 752,760