



MEMORANDUM

DATE: October 28, 2019

TO: USAID/West Bank and Gaza Acting Mission Director, Courtney Chubb

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

SUBJECT: Close-out Examination of Middle East Education Through Technology (MEET) Compliance With Terms and Conditions of Fixed Obligation Grant AID-294-F-14-00001, MEET's Approach to Conflict Management and Mitigation Project, September 5, 2014, to September 4, 2015 (8-294-20-004-O)

This memorandum transmits the final close-out examination report of MEET's compliance with terms and conditions of fixed obligation grant 294-F-14-00001, MEET's Approach to Conflict Management and Mitigation project, from September 5, 2014, to September 4, 2015. MEET contracted with the independent certified public accounting firm PricewaterhouseCoopers to conduct the examination. The audit firm stated that it performed its engagement in accordance with the U.S. Government Auditing Standards and the OIG Guidelines for Financial Audits Contracted by Foreign Recipients¹. However, it did not participate in an external quality control review program since 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 MEET's internal controls effectiveness 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¹ On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients," recognizing the Agency's role to impose requirements on its implementing partners and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. This contracted engagement, however, was initiated before that date and follows the guidelines.

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 report itself and excludes review of the audit firm's supporting working papers; they are not designed to enable us to directly evaluate the quality of the engagement performed.

The examination objectives were mainly to: (1) determine whether the awardee complied with the award terms and conditions, including testing the awardee's compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism; and (2) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the award. To answer the examination objectives, the auditors performed the subject engagement that covered the period from September 5, 2014, to September 4, 2015.

The auditors did not identify any material weaknesses in internal controls but identified two material instance of noncompliance. The auditors did not identify any material instances of noncompliance with Executive Order 13224.

As of January 31, 2019, USAID/West Bank and Gaza terminated its foreign assistance activities, and as a result, MEET had its activities terminated and currently has no open awards with USAID. USAID OIG ME/EE Regional Office is not including a procedural recommendation regarding the material instances of noncompliance. However, if USAID/West Bank and Gaza considers future awards to MEET, it should ensure that adequate policies and procedures are implemented to address these findings, as detailed on pages 9 and 10 of PricewaterhouseCoopers report.

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”).