



MEMORANDUM

DATE: October 22, 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: Fund Accountability Statement Closeout Audit of Local Cost Incurred by Peres Center for Peace and Innovation, under Youth Agribusiness Partnerships Project in West Bank & Gaza Sub-Award NEF 01-20140214-SO1, Prime Near East Foundation Cooperative Agreement AID-294-A-13-00015, November 1, 2014, to August 23, 2016 (8-294-20-008-R)

This memorandum transmits the final report on the fund accountability statement closeout audit of local cost incurred by Peres Center for Peace and Innovation, under Youth Agribusiness Partnerships project in West Bank and Gaza sub-award NEF 01-20140214-SO1, Prime Near East Foundation cooperative agreement AID-294-A-13-00015, November 1, 2014 to August 23, 2016. The auditee contracted with the independent certified public accounting firm PricewaterhouseCoopers to conduct the audit. The audit firm stated that it performed the audit in accordance with generally accepted government auditing standards and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹ However, it did not have an external quality control review program. The audit firm explained that no such program is offered by professional organizations in the West Bank and Gaza. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the 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¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and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. This contracted audit, 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 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 mainly to: (1) express an opinion on whether the fund accountability statement was fairly presented, in all material respects; (2) evaluate the auditee's internal controls; (3) determine whether the auditee complied, in all material respects, with the agreement's terms and applicable laws and regulations and compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism and Restriction on Taxing Foreign Assistance; and (4) determine if the auditee has taken adequate corrective action on prior audit recommendations. To answer the audit objectives, the auditors performed the subject financial audit that covered \$35,009 in USAID funds from November 1, 2014, to August 23, 2016.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award and did not identify any questioned costs. The audit did not identify any material internal control weakness or any material instances of noncompliance with the agreement terms and applicable laws and regulations. The auditors also did not identify any material instances of noncompliance with Executive Order 13224 and Restriction on Taxing Foreign Assistance. Further, the audit firm issued a management letter.

The report does not contain any recommendation for your action.

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