



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: Audit of the Cost Representation Statement of World Learning Under Master's Scholarship Program in West Bank and Gaza, Task Order AID-294-TO-13-00008, September 30, 2013 to December 31, 2015 (8-294-20-014-R)

This memorandum transmits the final audit report of the cost representation statement of World Learning under Master's Scholarship program in West Bank and Gaza, task order AID-294-TO-13-00008, for the period from September 30, 2013 to December 31, 2015. The World Learning contracted with the independent certified public accounting firm El Wafa Company to conduct the audit. The audit firm stated that it performed its audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States. However, it did not participate in an external quality control review program because 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 World Learning's cost representation statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) express an opinion on whether Word Learning's locally incurred costs for the period audited were allowable, reasonable and allocable to the task order; (2) evaluate World Learning's internal controls; and (3) determine if World Learning complied, with the task order 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

¹ 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.

objectives, the audit firm examined the cost representation statement and tested relevant balances, tested internal controls related to project activities, and performed tests for compliance. The audit covered \$450,694 for the period from September 30, 2013 to December 31, 2015.

The audit firm concluded that the cost representation statement presented fairly, in all material respects, program revenues and costs incurred under the task order for the period audited. However, the audit firm identified \$3,154 of immaterial ineligible questioned cost and said that it was subsequently credited to USAID. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the award terms conditions, and applicable laws and regulations. Further, the audit firm issued a management letter.

During our desk review, we noted a minor issue which the audit firm will need to address in future audit reports. We presented this issue in a letter to the controller, dated October 28, 2019.

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").