



MEMORANDUM

TO: USAID/Jordan Mission Director, Jim Barnhart

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

SUBJECT: Audit of USAID Resources Managed by Eco-Consult Under the Hydroponic Green Farming Initiative in Jordan, Cooperative Agreement AID-263-A-13-00004, October 1, 2013 Through June 30, 2017 (8-278-20-011-N)

This memorandum transmits the audit report on USAID resources managed by Eco-Consult in Jordan, under cooperative agreement AID-263-A-13-00004, Hydroponic Green Farming Initiative Project, for the period covering October 1, 2013 through June 30, 2017. USAID Jordan contracted with the independent certified public accounting firm Kawasmy & Partners CO, an affiliate of KPMG in Amman Jordan to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review because no such program is offered by professional organizations in Jordan. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Eco-Consult's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

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 Eco-Consult's internal controls; and (3) determine whether Eco-Consult complied with award terms and applicable laws and regulations. To answer the audit objectives, the audit firm reviewed Eco-Consult's local incurred costs billed to and reimbursed by USAID, tested internal controls, and examined the entities compliance with agreement terms, laws, and regulations. The audit covered \$1,572,698 for the period October 1, 2013 to June 30, 2017.

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.

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 except for \$11,250 in total unsupported questioned costs. Since the questioned costs did not meet the OIG's established threshold of \$25,000 for making a recommendation, we are not making a recommendation. Nevertheless, we suggest that USAID/Jordan's agreement officer determine the allowability of the \$11,250 in questioned costs and recover any amount determined to be unallowable.

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").