



MEMORANDUM

DATE: December 31, 2019

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, Acting Audit Director, Abdoulaye Gueye /s/

SUBJECT: Closeout Examination of APCO/ ArCon Construction & Services LLC. Compliance With Terms and Conditions of Task Order AID-294-TO-16-00009, Reservoirs and Pumping Facilities-Multiple Sites in West Bank and Gaza, December 2, 2016 to January 29, 2019 (8-294-20-011-O)

This memorandum transmits the final report on the closeout examination of APCO/ ArCon Construction & Services LLC. compliance with terms and conditions of Task Order AID-294-TO-16-00009, Reservoirs and Pumping Facilities-Multiple Sites in West Bank and Gaza under indefinite quantity Contract AID-294-I-00-12-00005, Infrastructure Needs Program II, for the period from December 2, 2016 to January 29, 2019. USAID/West Bank and Gaza contracted with the independent certified public accounting firm Deloitte & Touche M.E. to conduct the Examination. The audit firm stated that it performed the examination in accordance with U.S. Government Auditing Standards for attestation engagements and the attestation standards established by the American Institute for Certified Public Accountants. 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 APCO/ ArCon Construction & Services LLC.'s internal control effectiveness or its compliance with the award, laws, and regulations.¹

The audit objectives were mainly to: (1) determine whether the awardee complied with the terms and conditions of the Task Order including compliance with Executive Order 13224 –

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 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 engagement performed.

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 Task Order. To answer the audit objectives, the audit firm performed the subject examination that covered the period from December 2, 2016 to January 29, 2019.

The auditors did not identify any material internal control weaknesses and didn't identify any material instances of noncompliance with the agreement terms, conditions and applicable laws and regulations. The auditors did not identify material instances of noncompliance with Executive Order 13224.

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").