



MEMORANDUM

DATE: January 29, 2020

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: Closeout Examination of Technical Group for General Contracting Company's Compliance With Terms and Conditions of Subcontract 24043-16-NW-SA002, Local Government and Infrastructure Program in West Bank and Gaza, March 29 to August 29, 2016 (8-294-20-017-O)

This memorandum transmits the closeout examination of Technical Group for General Contracting Company's compliance with the terms and conditions of sub contract No. 24043-16-NW-SA002 under prime, Global Communities, cooperative agreement No. 294-A-00-10-00211-00, Local Government and Infrastructure Program in West Bank and Gaza for the period from March 29, 2016 to August 29, 2016. The auditee contracted with the independent certified public accounting firm of Talal Abu-Ghazaleh & Co. to conduct the examination. The audit firm stated that it performed the examination in accordance with U.S. Government Auditing Standards applicable to attestation engagements and the American Institute for Certified Public Accountants Statements on Standards for Attestation Engagements and the OIG guidelines for financial audits contracted by foreign recipients¹. 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 Technical Group or General Contracting Company's internal control 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¹ On June 30, 2017, USAID OIG rescinded its "Guidelines for Financial Audits Contracted by Foreign Recipients," recognizing the Agency's role to impose requirements on its implementing partners and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 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 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.

The examination's objectives were mainly to: (a) determine whether Technical Group for General Contracting Company complied with the award 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; and (b) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the contract. To answer the audit objectives, the audit firm performed the subject examination that covered the period from March 29, 2016 to August 29, 2016.

The audit firm did not identify any material internal control weaknesses, or any material instances of noncompliance with the contract's terms, conditions and applicable laws and regulations. The auditors did not identify material instances of noncompliance with the 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").