



MEMORANDUMs

DATE: March 3, 2020

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

FROM: USAID OIG Middle East and Eastern Europe (ME/EE) Regional Office, USDH NFA Coordinator, John Vernon /s/

SUBJECT: Closeout Audit of the Fund Accountability Statement of Catholic Relief Services, Under Envision Gaza 2020 Project in West Bank and Gaza, Cooperative Agreement AID-294-A-16-00002, October 1, 2017, to January 31, 2019 (8-294-20-019-N)

This memorandum transmits the final report on closeout audit of the fund accountability statement of Catholic Relief Services (CRS), under envision Gaza 2020 project in West Bank and Gaza, cooperative agreement AID-294-A-16-00002, for the period from October 1, 2017, to January 31, 2019. The USAID/West Bank and Gaza contracted with the independent certified public accounting firm Deloitte & Touche M.E to conduct the audit. The audit firm stated that it performed its audit in accordance with the U.S. government auditing standards issued by the comptroller general of the United States and the scope of work included in the service contract signed between Deloitte & Touche (M.E.) and USAID. However, it did not have an external quality control review because no such program is offered by professional organizations in 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 CRS'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 CRS's internal controls; and (3) determine whether CRS complied with award terms and

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.

applicable laws and regulations including testing the contractor's compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions With Person Who Commit, Threaten to Commit, or Support Terrorism. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$4,854,215 for the period from October 1, 2017, to January 31, 2019.

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 and didn't identify any questioned cost. The audit firm didn't identify any material weaknesses in internal control. The audit firm didn't identify any instances of material noncompliance. The audit firm also didn't identify any 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").