



## MEMORANDUM

**DATE:** May 6, 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, John Vernon /s/

**SUBJECT:** Audit of the Fund Accountability Statement of Unistream, Educating Tomorrow's Leaders Today Project in West Bank and Gaza, Cooperative Agreement AID-294-A-16-00008, September 26, 2016 to December 31, 2017 (8-294-20-024-N)

This memorandum transmits the final audit report on the Fund Accountability Statement of Unistream, Educating Tomorrow's Leaders Today Project in West Bank and Gaza, cooperative agreement AID-294-A-16-00008, from September 26, 2016 to December 31, 2017. USAID/West Bank and Gaza contracted with the independent certified public accounting firm Ernst & Young-Middle East to conduct the audit. The audit firm stated that it performed the audit in accordance with U.S. 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 auditee's internal control effectiveness or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were mainly to: (1) express an opinion on whether the fund accountability statement for the period audited was fairly presented, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with applicable laws and regulations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$ 435,412 from September 26, 2016 to December 31, 2017.

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<sup>1</sup> 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 auditors expressed an unmodified opinion on the fund accountability statement, and did not identify any questioned costs. The auditors did not identify any material internal control weaknesses or any material instances of non-compliance with applicable laws and regulations. The auditors did not test the auditee's compliance with Executive Order 13224 as it is not subject to mission order number 21 and executive order number 13224. As of January 31, 2019, USAID/West Bank and Gaza terminated its foreign assistance activities. Unistream has no open awards with USAID. Although we are not making a recommendation for the significant deficiency noted in the report, if USAID/West Bank and Gaza considers future awards to the auditee, we suggest that it determine if it addressed the issue noted.

During our desk review, we noted minor issues which the audit firm would need to address in future audit reports. We presented these issues in a memo to the controller dated May 6, 2020

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").