



MEMORANDUM

DATE: November 23, 2020

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

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

SUBJECT: Closeout Audit of the Fund Accountability Statement of Near East Foundation, Cooperative Agreement 294-A-16-00011, Olive Oil Without Borders III in West Bank and Gaza, January 1, 2018, to January 31, 2019 (8-294-21-005-N)

This memorandum transmits the final closeout audit report on the fund accountability statement of Statement of Near East Foundation, cooperative agreement 294-A-16-00011, Olive Oil Without Borders III in West Bank and Gaza, January 1, 2018, to January 31, 2019. 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 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 fund accountability statement, internal control effectiveness, or its compliance with the award, laws, and regulations.¹

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 \$266,267, from January 1, 2018, to January 31, 2019.

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 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 noncompliance with applicable laws and regulations including compliance with the E.O. 13224. The auditors identified shortfall of \$11,678 in the cost share contribution. Since the shortfall 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/West Bank and Gaza determine the allowability of the \$11,678 in shortfall and recover any amount determined to be unallowable.

The report does not include any recommendations for your action.

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").