



Office of Inspector General

MEMORANDUM

DATE: February 9, 2021

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: Closeout Audit of the Fund Accountability Statement of First Option Project Construction Management Company, Under Multiple Awards in West Bank and Gaza, January 1, 2018 to January 31, 2019 (8-294-21-013-N)

This memorandum transmits the final closeout audit report on the fund accountability statement of the following subawards of First Option Project Construction Management Company under AECOM Technical Services, Inc.

Award Name (Type)	Award Number	Period	Sub implementer
Construction Management Program (task order)	Task order No.6 under Master Service agreement No. I7SI8076AU20	January 1, 2018- January 31, 2019	First Option Project Construction Management Company
The Roads Project (task order)	Task order No.12 under Master Service agreement No. I7SI8076AU20	January 1, 2018- January 31, 2019	First Option Project Construction Management Company

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 U.S. Government Auditing Standards issued by the Comptroller General of the United States. However, it did not have an external quality control review program. The audit firm explained that West Bank and Gaza does not offer such a review program. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We do

not express an opinion on the auditee's fund accountability statement; the effectiveness of its internal controls; 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 presented fairly, in all material respects; (2) evaluate the auditee's internal controls; and (3) determine whether the auditee complied with the award terms and 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 \$ 2,287,492, from January 1, 2018 to January 31, 2019.

The auditors expressed an unmodified opinion on the fund accountability statement and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the agreements terms, conditions and applicable laws and regulations. The audit firm also did not identify any material instances of noncompliance with Executive Order 13224.

During our desk review, we noted minor issues which the audit firm will need to address in future audit reports. We presented these issues in a letter to the controller dated February 9, 2021. Please note that Annex (2) of the audit report titled entity wide financial statements for the year ended December 31, 2018 included personally identifiable information.

The report does not contain 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").

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.