



MEMORANDUM

DATE: April 19, 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: Audit of the Fund Accountability Statement of the Abraham Funds Initiatives, Shared Learning Program in West Bank and Gaza, Cooperative Agreement 72029418CA00002, September 28, 2018 to December 31, 2019 (8-294-21-023-N)

This memorandum transmits the final audit report on the fund accountability statement of Abraham Funds Initiatives, Shared Learning Program Project in West Bank and Gaza, cooperative agreement 72029418CA00002, from September 28, 2018 to December 31, 2019. 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 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 \$332,508 from September 28, 2018 to December 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 instance of non-compliance with award terms and applicable laws and regulations. The auditors did not test the auditee's compliance with executive order number 13224 as the program falls outside the scope of the mandatory provisions underlying mission order No. 21. In addition, although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID/West Bank and Gaza determine if the recipient addressed these issues noted. Further, the audit firm issued a management letter.

The report did 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").