



## OFFICE OF INSPECTOR GENERAL U.S. Agency for International Development

### MEMORANDUM

**DATE:** April 18, 2022

**TO:** USAID/West Bank and Gaza Mission Director, Aler Grubbs

**FROM:** USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office,  
Supervisory Auditor, John Vernon /s/

**SUBJECT:** Closeout Examination of Kids4Peace Compliance With Terms and Conditions of Fixed Amount Award Grant AID-294-F-15-00003, Peace Builders Forum Project in West Bank and Gaza, September 21, 2015, to May 31, 2017 (8-294-22-001-O)

This memorandum transmits the final closeout examination report of Kids4Peace compliance with terms and conditions of fixed amount award grant AID-294-F-15-00003, Peace Builders Forum project in West Bank and Gaza, from September 21, 2015, to May 31, 2017. Kids4Peace contracted with the independent certified public accounting firm Ernst & Young-Middle East to conduct the examination. The audit firm stated that it performed the examination in accordance with the U.S. Government Auditing Standards for attestation engagements and the attestation standards established by the American Institute for Certified Public Accountants. However, it did not have 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 Kids4Peace's internal control effectiveness or its compliance with the award, laws, and regulations.<sup>1</sup>

The examination objectives were mainly to: (1) determine whether the awardee complied with the terms and conditions of the award including compliance with Executive Order 13224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism and (2) provide reasonable assurance of detecting fraud, illegal acts, or violations of provisions of the award. To answer the engagement objectives, the audit

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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 examination 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 engagement performed.

firm performed the subject examination that covered the period from September 21, 2015, to May 31, 2017.

The auditors said that Kids4Peace was in the process of shutting down its office in Washington and was unable to provide them with the supporting documents requested to complete their examination. Accordingly, they could not report on Kids4Peace compliance with the award terms and conditions, including compliance with executive order number 13224. Further, the auditors said that they were unable to determine whether proper books of account were kept and could not report on Kids4Peace internal controls over compliance.

USAID/West Bank and Gaza said that in 2018, another audit firm conducted a review of Kids4Peace compliance with anti-terrorism requirements, which covered the entire duration of the award under examination. USAID/West Bank and Gaza said that Kids4Peace confirmed that corrective actions were taken to address the weaknesses identified in the compliance review report and noted that it has no current or ongoing awards with Kids4Peace.

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”).