



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

MEMORANDUM

DATE: March 29, 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: Audit of the Fund Accountability Statement of Catholic Relief Services Under Envision Gaza 2020 Program in West Bank and Gaza, Cooperative Agreement AID-294-A-16-00002, April 29, 2020 to April 21, 2021 (8-294-22-017-N)

This memorandum transmits the final report on the audit of the fund accountability statement of Catholic Relief Services under Envision Gaza 2020 program in West Bank and Gaza, cooperative agreement AID-294-A-16-00002, from April 29, 2020 to April 21, 2021. 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 its audit in accordance with the U.S. Government Auditing Standards issued by the Comptroller General of the United States. However, it did not have an external quality control review because no such program is offered by professional organizations in West Bank and Gaza. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Catholic Relief Services fund accountability statement; the effectiveness of its internal control; 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 Catholic Relief Services internal controls; and (3) determine whether Catholic Relief Services complied with award terms and applicable laws and regulations, including testing 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

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.

audit firm performed the subject financial audit that covered \$4,256,822 for the period from April 29, 2020 to April 21, 2021.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited and didn't identify any questioned cost. The audit firm didn't identify any material internal control weaknesses or any material instances of noncompliance with the award, laws, regulations, or Executive Order 13224.

During our desk review, we noted a minor issue which the audit firm should address in future audit reports. We presented this issue in a letter to the controller dated March 29, 2022.

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").