



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** February 28, 2023

**TO:** USAID/West Bank and Gaza Mission Director, Amy Tohill-Stull

**FROM:** USAID/OIG Middle East and Eastern Europe (ME/EE) Regional Office, Assistant Audit Director, David Clark /s/

**SUBJECT:** Closeout Audit of the Schedule of Expenditures of USAID Award Managed by the Palestinian Authority, Through the Ministry of Finance in West Bank and Gaza, Debt Relief Grant Agreement 294-CT-00-21-00001-00, September 22 to December 21, 2021 (8-294-23-009-N)

This memorandum transmits the final closeout audit of the schedule of expenditures of USAID award managed by the Palestinian Authority, through the Ministry of Finance (MOF) in West Bank and Gaza, debt relief grant agreement 294-CT-00-21-00001-00, from September 22 to December 21, 2021. USAID/West Bank and Gaza contracted the independent audit firm Mazars to conduct the audit. The audit firm stated that it performed its audit in accordance with Generally Accepted Auditing Standards and U.S. Government Auditing Standards. However, it did not have an external quality control review program by an unaffiliated audit organization since 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 the auditee's schedule of expenditures; the effectiveness of its internal controls; or its compliance with the award, laws, and regulations.<sup>1</sup>

The audit objectives were to: (1) express an opinion on whether the schedule of expenditures 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 compliance with the applicable Implementation Letters and, (4) determine whether the MoF's bi-weekly reports complied with the terms and conditions of the agreement and implementation letters. To answer the audit objectives, the

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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 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 \$10,000,000, from September 22 to December 21, 2021.

The audit firm concluded that the schedule of expenditures of USAID award presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm identified no questioned costs; no material weaknesses in internal control; and no instances of material noncompliance.

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").