



# OFFICE OF INSPECTOR GENERAL

## U.S. Agency for International Development

### MEMORANDUM

**DATE:** March 23, 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:** Audit of the Schedule of Expenditures of Middle East Education Through Technology, Northern Innovators Program in West Bank and Gaza, Cooperative Agreement 294-20-CA-0001, June 26, 2020 to December 31, 2021 (8-294-23-012-N)

This memorandum transmits the final audit report on the schedule of expenditures of Middle East Education Through Technology, Northern Innovators program, cooperative agreement 294-20-CA-0001, from June 26, 2020 to December 31, 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 U.S. Government Auditing Standards and Generally Accepted 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. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$604,458 from June 26, 2020 to December 31, 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

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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.

audited. The audit firm identified no questioned costs. The auditors did not identify any material weaknesses in internal control but identified three instances of material noncompliance with the agreement terms and applicable laws and regulations. The auditors did not test the auditee's compliance with executive order number 13224 as the program is not subject to mission order No. 21. Further, the auditors also mentioned that the auditee took subsequent corrective action to address one of the material instances of noncompliance and the significant deficiency noted in the report on pages 18 and 19 of the report. In addition, the audit firm issued a management letter.

During our desk review, we noted several issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller dated March 23, 2023.

To address the findings in the report, we recommend that USAID/West Bank and Gaza:

**Recommendation I.** Verify that Middle East Education Through Technology corrects the two material instances of noncompliance detailed on pages 22 to 25 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision.

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").