



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

MEMORANDUM

DATE: November 06, 2024

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

FROM: Middle East and Eastern Europe Regional Office, Audit Director, Louis Duncan, Jr. /s/

SUBJECT: Closeout Audit of the Schedule of Expenditures of American Near East Refugee Aid, Palestinian Community Infrastructure Development Program in West Bank and Gaza, Cooperative Agreement 294-A-13-00005, May 21, 2021, to December 31, 2022 (8-294-25-001-N)

This memorandum transmits the final closeout audit report of the schedule of expenditures of American Near East Refugee Aid, Palestinian Community Infrastructure Development Program in West Bank and Gaza, cooperative agreement 294-A-13-00005, from May 21, 2021, to December 31, 2022. USAID/West Bank and Gaza contracted with the independent audit firm Deloitte & Touche (M.E.) to conduct the audit. The audit firm stated it performed the audit in accordance with U.S. Generally Accepted Government Auditing Standards. However, it did not have an external quality control review program since no such review 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.¹

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 Executive Order 13224 - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$6,143,688 from May 21, 2021, to December 31, 2022.

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 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 and did not identify any questioned costs. The audit firm did not identify any material internal control weaknesses or any material instances of noncompliance with the award's terms, conditions and applicable laws and regulations. The auditors did not identify any material instances of noncompliance with Executive Order 13224.

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this deficiency in a memo to the controller dated November 6, 2024.

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"). In addition, USAID OIG has determined that this transmittal memo and the enclosed report are not subject to notification and reporting requirements under Section 5274 of the National Defense Authorization Act.²

² The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to oinotice_ndaa5274@usaid.gov.