



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

### MEMORANDUM

**DATE:** July 18, 2025

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

**FROM:** Middle East and Eastern Europe Regional Office, Acting Audit Director, Esther Park /s/

**SUBJECT:** Close-out Audit of the Schedule of Expenditures of Co-Impact, Shared Workplaces, Shared Society Program in West Bank and Gaza, Cooperative Agreement 72029421CA00010, January 1, 2023, to September 28, 2023 (8-294-25-017-N)

This memorandum transmits the close-out audit of the schedule of expenditures for Co-Impact: The Partnership for a Breakthrough in Arab Employment, Shared Workplaces, Shared Society program, under cooperative agreement 72029421CA00010, January 1, 2023, to September 28, 2023. USAID/West Bank and Gaza contracted with the independent audit firm Mazars to conduct the audit. The audit firm stated it performed its audit in accordance with U.S. Government Auditing Standards. However, it did not have an external quality control review program that fully satisfies the standards' requirements because professional organizations in West Bank and Gaza do not offer such a program. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on the audit firm's schedule of expenditures of USAID awards; the effectiveness of its internal control; 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 of the USAID award for the period audited presents fairly, in all material respects; (2) evaluate Co-Impact's internal controls; (3) determine whether Co-Impact complied, in all material

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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.

respects, with agreement terms, including cost-sharing requirements, and applicable laws and regulations; (4) review cost-sharing contributions to determine if such contributions were provided and disbursed, in accordance with agreement terms; and (5) determine if Co-Impact has taken adequate corrective action on prior audit report recommendations. To answer the audit objectives, the audit firm performed the subject financial audit that covered \$363,859 from January 1, 2023, to September 28, 2023.

The audit firm concluded that the schedule expenditures for the USAID award presented fairly, in all material respects, the program costs incurred under the award for the period audited. The audit firm did not identify any material weaknesses in internal control. However, it identified one material instance of noncompliance—a shortfall of \$86,935 in cost-sharing contributions. Mazars reported that after the program close-out date and completion date of the audit fieldwork, the USAID Agreement Officer approved, through a modification to the agreement, dated October 29, 2024, a reduction in the cost share amount required from Co-Impact. Accordingly, the shortfall of \$86,935 in cost-sharing contributions is no longer required. Mazars reported that proper corrective actions were taken in response to the five prior audit report recommendations.

During our desk review, we noted several areas for improvement which the audit firm should address in future audit reports. We presented these areas in a memo to the controller, dated July 18, 2025.

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.<sup>2</sup>

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<sup>2</sup> The James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 Pub. L. No. 117-263, § 5274. Please direct related inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).