



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

MEMORANDUM

DATE: July 22, 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: Audit of the Schedule of Expenditures of Global Communities, Active Citizenry Activity in West Bank and Gaza, Contract No. 72029422C00001, September 21, 2022, to December 31, 2023 (8-294-25-018-N)

This memorandum transmits the audit of the schedule of expenditures of Global Communities under contract no. 72029422C00001, “Active Citizenry Activity”, from September 21, 2022, to December 31, 2023. USAID/West Bank and Gaza contracted with the independent audit firm Ernst & Young, Middle East, Palestine Branch (EY) 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 since no such program is offered by professional organizations in the West Bank and Gaza. EY 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; the effectiveness of its internal control; or its compliance with the contract, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the schedule of expenditures presents fairly, in all material respects, (2) evaluate the auditee’s internal controls and (3) determine whether the auditee complied, in all material respects, with the contract terms and conditions, including compliance with Executive Order 13224 - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism and the related mission orders including Mission Order 21. To answer the audit

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.

objectives, the audit firm performed the subject financial audit that covered \$2,117,611 from September 21, 2022, to December 31, 2023.

The audit firm concluded that the schedule of expenditures presents fairly, in all material respects. Additionally, the audit firm did not identify any material weaknesses in internal control or any material instances of noncompliance with the contract terms, applicable rules, regulations, Executive Order 13224, or Mission Order 21. However, EY identified a significant deficiency in the internal control structure of the auditee related to the lack of documentation to support procurement procedures. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID/West Bank and Gaza determine if Global Communities addressed the issue noted. Furthermore, the audit firm noted one immaterial internal control deficiency, which was reported to the auditee's management in a separate letter, dated December 12, 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.