



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: December 12, 2025

TO: USAID, Performing the Duties of Administrator and Chief Operating Officer, Eric Ueland
USAID, Acting Chief Financial Officer, Douglas A. Pitkin

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

SUBJECT: Closeout Audit of the Schedule of Expenditures of USAID Award Managed by Ein Dor Museum Under Cooperative Agreement 72029418CA00003, Youth United Against Racism Program in West Bank and Gaza, January 1 to September 27, 2023 (8-294-26-001-N)

This memorandum transmits the final audit report on the schedule of expenditures of USAID award managed by Ein Dor Museum under Cooperative Agreement 72029418CA00003, Youth United Against Racism program, for the period from January 1 to September 27, 2023.

USAID/West Bank and Gaza contracted with the independent audit firm Ernst & Young, Middle East (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 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 auditee's schedule of expenditures of USAID awards; the effectiveness of its internal control; 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 of USAID awards for the period audited, was presented fairly, in all material respects, program revenues and costs incurred; (2) evaluate Ein Dor Museum's internal controls; and (3)

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.

determine whether Ein Dor Museum complied with 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 and cost-sharing requirements. To address the audit objectives, the audit firm conducted a subject financial audit covering \$146,215 from January 1 to September 27, 2023.

The audit firm concluded that the schedule of expenditures of USAID awards presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm did not identify any material weaknesses in internal controls; however, it identified four significant deficiencies. Although we are not making a recommendation for the significant deficiencies noted in the report, we suggest that USAID determine if Ein Dor Museum addressed the issues noted. The audit firm also identified two material instances of noncompliance with the award terms related to the late submission of the mobilization plan and the noncompliance with the cost-sharing contribution budget. EY reported that Ein Dor Museum is not subject to Executive Order 13224. EY reported that nothing came to its attention that caused the auditors to believe that Ein Dor Museum did not fairly present the cost-sharing schedule, in all material respects, in accordance with the basis of accounting used to prepare the schedule.

To address the problems identified in the report, we recommend that USAID:

Recommendation I: Verify that Ein Dor Museum corrects the two instances of material noncompliance detailed on pages 22 to 23 of the audit report.

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 ognitice_ndaa5274@usaid.gov.