PALESTINIAN ENERGY AUTHORITY

ELECTRIC UTILITY MANAGEMENT PROJECT (EUMP)/ASSISTANCE TO THE ENERGY SECTOR, PHASE V

FUNDED BY THE WORLD BANK AND OTHER CO-DONORS

MEMORANDUM OF SUGGESTIONS FOR IMPROVEMENT OF THE INTERNAL CONTROL AND ACCOUNTING SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2015
May 12, 2016

To: Management of
Palestinian Energy Authority (PEA)
Ramallah

Dear Sirs,

We have audited, in accordance with International Standards on Auditing, the financial statements of the Electric Utility Management Project (EUMP)/Assistance to the Energy Sector, Phase V “the Project” funded by the International Development Association (the World Bank) and other co-donors and managed by the Palestinian Energy Authority (PEA) for the year ended December 31, 2015 (on which we have issued our independent auditors' reports thereon dated May 12, 2016). Under International Standards on Auditing, auditors are encouraged to report various matters concerning an entity’s internal control noted during an audit, and are required to report certain of those matters. Matters that are required to be reported are “significant deficiencies in the design or operation of the internal control that, in the auditor’s judgment, could adversely affect the organization’s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.”

As part of our audit of the Project, we considered the internal control of PEA in determining the scope of our audit procedures for the purpose of rendering an opinion on the Project’s financial statements. While our purpose was not to provide assurance on the internal control, no matters came to our attention during the current year’s audit that should be reported to you.

This report is intended solely for the information and use of the Project’s management, and others within PEA.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives during the course of their work.

Sincerely yours,
El Wafa Company

Musa Abu Dieh