



MEMORANDUM

DATE: May 19, 2020

TO: USAID/Dominican Republic Mission Director, Art Brown

FROM: USAID OIG Latin America and Caribbean (LAC) Regional Office, Senior Auditor, John Vernon /s/

SUBJECT: Financial Audit of Instituto Dominicano de Desarrollo Integral, Inc. Under Multiple Awards, in Dominican Republic, 2017-2018 (9-517-20-024-R)

This memorandum transmits the final audit report on Instituto Dominicano de Desarrollo Integral, Inc. (IDDI) under the following awards:

Award Name (Type)	Award Number	Period
Climate Change Implementation and Adaption Measures (cooperative agreement)	AID-517-A-15-00008	January 1 to December 31, 2018
At-Risk Youth Activity/Young Alert (sub-agreement)	AID-517-A-12-00002-0028	January 1 to December 31, 2018
Closeout Audit of the Risk Reduction for Persons with Disabilities in Emergencies Caused by Natural Disasters (grant agreement)	AID-OFDA-G-17-00248	October 01, 2017 to December 31, 2018

IDDI contracted with the independent certified public accounting firm Campusano & Asociados, SRL to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards. However, it did not have an external peer review because such program is not offered in Dominican Republic. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an

opinion on IDDI's fund accountability statement; 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 fund accountability statement for the period audited, was presented fairly, in all material respects; (2) evaluate IDDI's internal controls; (3) determine whether IDDI complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by IDDI in accordance with the terms of the agreement; and (5) determine if IDDI has taken adequate corrective action on prior audit recommendations. To answer the audit objectives, the audit firm reported that they assessed and tested the internal controls related to the project; compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$1,395,627 of USAID expenditures for the audited period.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited.

The audit firm identified three internal control significant deficiencies. In addition, although we are not making a recommendation for significant deficiencies noted in the report, we suggest that USAID/Dominican Republic determine if the recipient addressed the issues noted.

The audit firm identified one instance of material noncompliance with applicable laws, regulations, and agreement terms related to delays in the payment of tax obligations and social security.

The audit firm determined that cost sharing contributions were made and accounted for by IDDI in accordance with the agreement terms. Additionally, the audit firm determined that the recipient has taken adequate corrective actions on prior audit report recommendations.

To address the issues identified in the report, we recommend that USAID/Dominican Republic:

Recommendation 1. Verify that IDDI corrects the one instance of material noncompliance detailed on pages 51 and 52 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach a management decision. We appreciate the assistance extended during the engagement.

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").

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.