



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

MEMORANDUM

DATE: August 30, 2023

TO: USAID/Dominican Republic Mission Director, Rebecca Latorraca

FROM: Latin America and Caribbean (LAC) Regional Office, through Global and Strategic Audits Division (GSAD) Assistant Director, Pamela Hamilton /s/

SUBJECT: Financial Audit of the Civil Society Action for Accountable Security and Justice Program, Managed by Participación Ciudadana in the Dominican Republic, Cooperative Agreement No. AID-517-A-15-00006, October 1, 2020 to September 30, 2021 (9-517-23-017-R)

This memorandum transmits the final audit report on the Civil Society Action for Accountable Security and Justice Program. Participación Ciudadana contracted with the independent audit firm BDO, S.R.L. to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards and the USAID Financial Audit Guide for Foreign Organizations. The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on Participación Ciudadana'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; (2) evaluate the Participación Ciudadana's internal controls; (3) determine whether Participación Ciudadana complied with award terms and applicable laws and regulations; (4) determine if cost-sharing contributions were made and accounted for by Participación Ciudadana in accordance with the terms of the agreement; and (5) determine if Participación Ciudadana 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; assessed and tested compliance with applicable laws, regulations, the agreement's provisions; and reviewed project expenditures. The audit covered \$1,839,057 of USAID expenditures for the audited period.

The audit firm concluded the schedule of expenditures of USAID awards presented fairly, in all

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.

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 control or instances of material noncompliance with applicable laws, regulations, and agreement terms. The audit firm identified one internal control significant deficiency. Although we are not making a recommendation for the significant deficiency noted in the report, we suggest that USAID/Dominican Republic determine if the recipient addressed the issues noted.

The audit firm stated that based on their review, nothing came to their attention that caused them to believe that Participación Ciudadana did not fairly present the cost sharing contributions schedule, in all material respects, in accordance with the basis of accounting used to prepare the cost sharing contributions schedule.

We noted that the schedule of expenditures of USAID awards included budget overruns that exceeded 10 percent of the total budget. We are not making a formal recommendation on this issue; however, we bring this to the Agreement Officer's attention to verify that the recipient addressed the issue noted.

During our desk review, we noted an area for improvement which the audit firm should address in future audit reports. We presented this information in a memo to the controller, dated August 30, 2023.

Based on the results of the desk review, OIG is not making any recommendation to USAID/Dominican Republic.

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.