



MEMORANDUM

DATE: October 30, 2018

TO: USAID/Dominican Republic, Mission Director, Art Brown

FROM: Regional Inspector General/San Salvador, Assistant Director, Brad Moore /s/

SUBJECT: Audit of Civil Society Action for Accountable Justice and Security Cooperative Agreement AID-517-A-15-00006 and Institutional Strengthening of Community Justice Houses Grant Agreement CJSS 2015-01, Managed by Participación Ciudadana, October 1, 2016, to September 30, 2017 (I-517-19-001-R)

This memorandum transmits the final audit report on Civil Society Action for Accountable Justice and Security and Institutional Strengthening of Community Justice Houses. Participación Ciudadana contracted with the independent certified public accounting firm Campusano & Asociados, SRL to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and USAID OIG Guidelines for Financial Audits Contracted by Foreign Recipients.¹

The audit firm states that it performed the audit in accordance with generally accepted government auditing standards except that the audit firm did not have an external peer review. 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 fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.²

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

¹ On June 30, 2017, USAID OIG rescinded its Guidelines for Financial Audits Contracted by Foreign Recipients, recognizing the Agency's role to impose requirements on its implementing partners and contractors as a management function. This contracted audit, however, follows the Guidelines.

² 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.

Participación Ciudadana's internal controls; (3) determine whether Participación Ciudadana complied with award terms and applicable laws and regulations; and (4) 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, compliance with applicable laws, regulations, the agreement's provisions, and reviewed project expenditures. The audit covered \$1,957,463 in USAID funds 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 awards for the period audited.

The audit firm did not identify any material internal control weaknesses or instances of noncompliance with applicable laws, regulations, and agreement terms. The audit firm determined that cost sharing contributions were made and accounted for by the recipient in accordance with the agreement terms. Additionally, the audit firm stated that the prior audit report did not include recommendations.

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

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").