



## MEMORANDUM

**DATE:** January 31, 2019

**TO:** USAID/Dominican Republic Mission Director, Arthur Brown

**FROM:** USAID OIG Latin America and Caribbean (LAC) Regional Office, Assistant Director, Brad Moore /s/

**SUBJECT:** Audit of Instituto Dominicano de Desarrollo Integral Under Multiple Awards, in Dominican Republic, 2017 (I-517-19-025-R)

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

<b>Award Name (Type)</b>	<b>Award Number</b>	<b>Period</b>
Climate Change Implementation and Adaption Measures (cooperative agreement)	AID-517-A-15-00008	January 1 to December 31, 2017
At-Risk Youth Activity/Young Alert (Sub- agreement)	AID-517-A-12-00002-0028	July 3 to December 31, 2017
Closeout Audit of the Youth at At-Risk Youth Activity/Young Alert (Sub- agreement)	AID-517-A-12-00002-0003	January 1 to March 31, 2017
Closeout Audit of the Local Capacity Initiative (Sub- agreement)	AID-517-A-15-00004-05	June 30, 2016 to June 30, 2017

IDDI 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.<sup>1</sup> .

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 that fully complies with GAGAS requirements. 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.<sup>2</sup>

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 agreement terms; 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 projects; compliance with applicable laws, regulations, the agreement's provisions; and reviewed projects' expenditures. The audit covered \$868,578 in 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 one significant internal control deficiency and one material instance of noncompliance with applicable laws, regulations, and agreement terms related to program funds used to pay expenses not related to the program. The audit firm stated that the recipient reimbursed these funds to the program's bank account so we will not include any recommendations related questioned costs, significant internal control deficiencies or instances of material noncompliance.

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.

Based on the results of the desk review, OIG is not making any recommendations 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

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<sup>1</sup> 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.

<sup>2</sup> 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.

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").