

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

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PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

Transmittal Letter

Sir:

Lic. Javier de Jesús Cabreja Polanco
Executive Director
Participación Ciudadana
Wenceslao Alvarez Street No. 8,
Zona Universitaria
Santo Domingo, Dominican Republic

Dear Sir:

In relation to our audit on the fund accountability statement of the projects, under the Programs “*Civil Society Action for Improved Public Sector Performance*” and “*Formation of Young Leaders of Political Parties in the Dominican Republic – Phase II - Nos. 517-A-00-09-00103-00 and 517-A-00-09-00105-00*”, financed with funds from the U.S Agency for the International Development – *USAID – Mission to Dominican Republic*, and managed by ***PARTICIPACION CIUDADANA***, for the period September 1st, 2010 and to September 30, 2011, we inform the following:

I- BACKGROUND

a) Audit Background

On August 31, 2011, our audit firm was contracted by ***PARTICIPACION CIUDADANA*** to perform an audit on the fund accountability statement of the projects, under the Programs “***Civil Society Action for Improved Public Sector Performance***” and “***Formation of Young Leaders of Political Parties in the Dominican Republic***” Phase II – Nos. ***517-A-00-09-00103-00 and 517-A-00-09-00105-00***, financed with funds from the U.S. Agency for International Development –***USAID-Mission to Dominican Republic***, and managed by ***PARTICIPACION CIUDADANA***, for the period from September 1st, 2010 and to September 30, 2011.

b) Background of Project 517-A-00-09-00103-00

In October 22, 2008, the U.S. Agency for International Development (USAID) subscribed cooperative agreement No. 517-A-00-09-00103-00 with Participación Ciudadana, for the implementation of the Program “*Civil Society Action for Improved Public Sector Performance*” financed with funds of *USAID Mission to Dominican Republic*, and managed by *PARTICIPACION CIUDADANA*, for the period October 22, 2008 to April 30, 2012. From this budgeted amount, US\$4,169,696 corresponds to USAID and US\$1,128,591 corresponds to Participación Ciudadana and the co-executors.

Modification made to this grant agreement:

<i>Number</i>	<i>Date</i>	<i>Detail</i>
1	12/21/2009	Increase obligated amount of US\$1,350,800 to US\$1,750,800
2	06/21/2010	Increase obligated amount of US\$1,750,800 to US\$2,850,800
3	02/15/2011	Increase obligated amount of US\$2,850,800 to US\$3,394,600
4	07/29/2011	Increase obligated amount of US\$3,394,600 to US\$3,705,600
5	10/27/2011	Increase obligated amount of US\$3,705,600 to US\$4,169,696 Extend the period of effective date performance from April 30 2012 Extend funds obligated hereunder available for programs expenditures for the estimated period October 22, 2008 to April 30, 2012. Transfer budgetary items Approved specified key personnel (Project Director, Technical Coordinator and Justice Activities Coordinator)

c) Background of Project 517-A-00-09-00105-00

On December 1, 2008, The U.S Agency of International Development (USAID) suscribed the cooperative agreement No. 517-A-00-09-00105-00 with Participación Ciudadana, to implement Program “*Formation of Young Leaders of Political Parties in the Dominican Republic*” –*Phase II-*, financed with funds from *USAID Mission to Dominican Republic*, and managed by *PARTICIPACION CIUDADANA*, for the period from December 1, 2008 to March 31, 2012. From the budgeted amount, US\$2,400,000 corresponds to USAID and US\$650,011 corresponds to Participación Ciudadana.

Modification made to this grant agreement:

<i>Number</i>	<i>Date</i>	<i>Detail</i>
1	12/01/2008	Cooperative Agreement signed
2	06/08/2010	Increase to US\$2,613,000 contribution by USAID y US\$650,679 contribution by Participación Ciudadana.
3	11/19/2010	Increase obligated amount of US\$1,200,000 to US\$1,904,000
4	09/19/2011	Increase obligated amount of US\$1,904,000 to US\$2,016,322 Extend funds obligated hereunder available for programs expenditures to November 30, 211
5	10/20/2011	Increase obligated amount of US\$2,016,322 to US\$2,316,322 Extend funds obligated hereunder available for programs expenditures to march 31, 2012

d) Budget of Project 517-A-00-09-00103-00

The life-of-project budget is of US\$4,169,696, contributed by **USAID**, Participación Ciudadana, and the other executors will contribute with US\$1,128,590, as costs sharing. According Modification Number 5 dated October 27, 2011, made an amendment to transfers between budgetary items.

The budget for the implementation of this activity is as follows:

<u>Item</u>	<u>Justice US\$</u>	<u>Transparency US\$</u>	<u>Total US\$</u>
Personnel	608,278	377,847	986,125
Supplementary benefits	175,839	119,305	295,144
Justice Sector Activities	1,114,690	-	1,114,690
Transparency Sector Activities	-	1,405,368	1,405,368
Operative expenses and equipment	196,197	137,172	333,369
Audit	15,000	20,000	35,000
USAID Contribution	2,110,004	2,059,692	4,169,696

e) Budget of Project 517-A-00-09-00105-00

The budget to be contributed by **USAID** during the life of the Project is of US\$2,400,000. **Participación Ciudadana**, will contribute with US\$650,011, as cost sharing. But in date of June 8, 2010 with the modification Number 2, made an amendment to increase the contribution of USAID to US\$ 2,613,000 and Participación Ciudadana to US\$ 650,679 as a cost sharing contribution.

<u>Item</u>	<u>US\$</u>
Personnel	1,066,678
Equipment	17,038
Administrative expenses	171,203
Activities	1,358,081
Total USAID funds	2,613,000

f) Periods of Execution

The Project No. 517-A-00-09-00103-00 was initiated in October 22, 2008 and will be ended by April 30, 2012, meanwhile the Project No. 517-A-00-09-00105-00 began at December 1, 2008 and will be ended by March 31, 2012.

g) Objectives of the Projects

Objective of Project 517-A-00-09-00103-00 is the improved organized citizen participation in the implementation of key policy reforms, generating demand for transparency and exercising government oversight. The activities to be performed under this agreement in the areas of transparency and justice will contribute to this objective. The responsibility for the execution of the project is shared with Participación Ciudadana – PC -in relation to transparency and with Fundación Institucionalidad y Justicia –FINJUS-, in relation to justice. They will contribute in the preparation of the proposals, especially in matters related with strengthening of civil society and in the design of monitoring systems and evaluation of the impact of this information.

PC-FINJUS Consortium is ruled under an inter-institutional agreement where responsibilities of each institution before the program and USAID are defined, to keep communication with other participating institutions in a punctual way: to supervise team behavior, coordination and performance of each member, among others.

The objective of Project 517-A-00-09-00105-00 is to contribute to the modernization of political leadership and the party system in the Dominican Republic, specifically their institutionalism, internal democracy, managerial transparency and accountability, strengthening the presence of youth in politics. At the end of the Program, young leaders of political parties and civil society organizations, whose age range between 18 and 45 years, trained by the Program, contribute to the strengthening of their organizations' institutionalism, internal democracy, transparency and accountability.

II- OBJECTIVES

The objective of this engagement is to conduct a financial audit of the USAID resources managed by the Participación Ciudadana under Programs “*Civil Society Action for Improved Public Sector Performance*” and “*Formation of Young Leaders of Political Parties in the Dominican Republic – Phase II*”, Nos. *517-A-00-09-00103-00* y *517-A-00-09-00105-00*, respectively, for the period from September 1st, 2010 to September 30, 2011, in accordance with U.S. Government Auditing Standards issued by the U.S. Government Accountability Office and the USAID Office of Inspector General “Guidelines for Financial Audits Contracted by Foreign Recipients”.

The financial audit includes the specific audit of all the recipient's USAID-funded programs.

Audit of USAID funds

Our audit of funds provided by USAID was performed in accordance with U.S. Government Auditing Standards, and consequently included those tests of the accounting records as deemed necessary under the circumstances, with the objective of:

- A. Express an opinion on whether the fund accountability statement for the USAID-funded programs presents fairly, in all material respects, revenues received, costs incurred, and commodities directly procured by USAID during the period from September 1st, 2010 to September 30, 2011 in conformity with the terms of the agreements and generally accepted accounting principles of the cash basis.

- B. Evaluate and obtain a sufficient understanding of the internal control of Participación Ciudadana in relation to USAID-funded programs, assess control risk and identify reportable conditions, including material weaknesses in the internal control. This evaluation includes the internal control related to require contributions of cost sharing.
- C. Perform tests to determine if Participación Ciudadana has complied, in all material respects, with agreement terms and applicable laws and regulations related with USAID-funded programs.
- D. Determine if Participación Ciudadana has taken adequate corrective actions on prior audit report recommendations.

We designed audit steps and procedures in accordance with U.S. Government Auditing Standards, Chapter 4, to provide reasonable assurance of detecting situations or transactions in which fraud or illegal acts have occurred or are likely to have occurred. If such evidence exists, we will contact RIG/San Salvador Office and will exercise due professional care in pursuing indications of possible fraud and illegal acts so as not to interfere with potential future investigations or legal proceeding, or both.

Review of Cost Sharing

To determine whether contributions of cost sharing were provided and accounted for by the recipient in accordance with the terms of the agreement.

III- SCOPE AND AUDIT PROCEDURES

The material audit procedures applied during our review were:

A. Fund Accountabilty Statement

We examined the Fund Accountability Statement for USAID program including the budgeted amounts by category and major items; the revenues received from USAID/Dominican Republic for the period from September 1st, 2010 to September 30, 2011, the costs reported by Participación Ciudadana as incurred during that period, and the commodities directly procured by USAID/Dominican Republic for Participación Ciudadana's use.

1. We examined direct and indirect costs billed to and reimbursed by USAID/Dominican Republic and costs incurred but pending reimbursement by USAID/Dominican Republic, identifying and quantifying any questioned costs. All costs that were not supported with adequate documentation or that were not in accordance with the agreement terms were reported as questioned. Questioned costs that were pending reimbursement by USAID/Dominican Republic were identified in the sections of findings and in the notes to the fund accountability statement as not reimbursed by USAID.
2. We examined accounting and Project ledgers to determine whether costs incurred were properly recorded and paid. We reconciled direct costs billed to and reimbursed by USAID to the project and general accounting ledgers.
3. We reviewed the procedures used to control funds, including their channeling to contracted financial institutions or other implementing entities. We reviewed the bank accounts and the control of those bank accounts and performed positive confirmation of balances, as necessary.

4. We determined whether advances of funds were justified with documentation, including reconciliations of funds advanced, disbursed and available. We ensured that all funding received from USAID/Dominican Republic were appropriately recorded in the project's accounting records and that those records were periodically reconciled with information provided by USAID/Dominican Republic.
5. We determined whether Project incomes and reimbursements, if any, representing recoveries of direct and indirect costs, were recorded as incomes or credits in the cost accounts of the Project.
6. We reviewed procurement procedures and service contracts to determine whether sound commercial practices were used, including competition, reasonable prices, adequate quality controls and quantities received.
7. We reviewed direct salary charges and determined if salary rates were reasonable for the positions, in accordance with those approved by USAID/Dominican Republic and supported by appropriate payroll records. This examination included:
 8. To determine if overtime was charged to the Project and whether it is allowable under the terms of the agreement.
 9. To determine if fringe benefits received by the employees were in accordance with the terms of the agreement.
10. We examined travel and transportation charges to determine whether they were adequately supported and approved.
11. We verified commodities whether procured by the recipient of directly procured by USAID/Dominican Republic for the project's use. We determined if:
 - (a) They were accounted for;
 - (b) Control procedures exist and have been place in operation to adequately safeguard the commodities; and
 - (c) Commodities were used for intended purposes as established in the agreement.
12. We reviewed technical assistance and services procured by the beneficiary, and those directly procured by USAID/Dominican Republic for the beneficiary's use. We determined if the technical assistance and the services were:
 - a) Used for their intended purposes in accordance with the terms of the project,
 - b) Adequately documented by the beneficiary as required by the terms of the agreement; and
 - c) Properly accounted for.
13. We examined whether the process of biddings and the adjudication of subprojects to contractors were in accordance with the policies and procedures established in the contractual law of Participación Ciudadana.
14. We reviewed periodical technical reports issued by the teams assigned to agreed works, and also observed television, radio and written publications performed as justification of the investment for the Project execution.

B. Internal Control

We examined and evaluated the beneficiary's internal control in relation to USAID/Dominican Republic projects to obtain an understanding of the design of policies and control procedures and to determine whether they have been placed in operation.

1. We obtained an understanding of the internal control in order to plan the audit and to determine the nature, opportunity and reach of the audit tests to be performed.
2. We assessed inherent risk and control risk, and determined the combined risk to prevent or detect material weaknesses.
3. We summarized the risk assessments for each assertion in the audit documentation under the following categories:
 - a) Existence or occurrence;
 - b) Integrity;
 - c) Rights and obligations;
 - d) Valuation or distribution; and
 - e) Presentation and disclosure.
4. We evaluated the control environment, the adequacy of the accounting system and the control procedures. We emphasized the policies and procedures that pertain to the recipient's ability to record, process, summarize and report financial data consistent with the assertions embodied in each account of the fund accountability statement. Our evaluation included, but not was limited to the following:
 - a) To ensure that charges to the program were proper and supported;
 - b) The management of cash on hand and in bank accounts;
 - c) Procurement of goods and services;
 - d) Management of inventory;
 - e) Management of personnel functions such as timekeeping, salaries and benefits;
 - f) Management and disposition of commodities purchased by the projects; and
 - g) To ensure compliance with agreement terms and applicable laws and regulations that collectively have a material impact on the fund accountability statement.
5. It is included in the study and evaluation other policies and procedures that may be relevant if they pertain to data used by us when applying policies and procedures that pertain to non-financial data used in analytical procedures.

C. Compliance with Agreement Terms and Applicable Laws and Regulations

In planning and conducting the tests of compliance, we took in consideration the following:

- 1) We identified the agreement terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the fund accountability statement.

- 2) We listed all standard and program-specific provision contained in the agreements;
- 3) We assessed the inherent and control risk that material noncompliance could occur for each of the compliance requirements listed in 1) (a);
- 4) We determined the nature, timing and extent of audit steps and procedures to test for errors, fraud, and illegal acts that provide reasonable assurance of detecting both intentional and unintentional instances of noncompliance with agreement terms and applicable laws and regulations that could have a material effect on the fund accountability statement. This must be based on the risk assessment in 1.b above;
- 5) We prepared a summary in the audit documentation identifying each of the specific compliance requirements included in the review, the results of the inherent, control and (detection) risk assessments for each compliance requirement, the audit steps used to test for compliance with each of the requirements base don the risk assessments, and the results of the compliance testing for each requirement. The summary was cross-indexed to detailed audit documentation that adequately supports the facts and conclusion contained in the summary document.
- 6) We determined if payments were made in accordance with agreement terms and applicable laws and regulations.
- 7) We determined if funds were expended for purposes not authorized o not in accordance with applicable agreement terms.
- 8) We identified cost not considered appropriated, classifying and explaining why these costs were questioned.
- 9) We determined whether commodities directly procured by USAID/Dominican Republic were not accounted for not been used for agreement purposes.
- 10) We determined if any technical assistance directly procured by USAID/Dominican Republic has not been accounted for or not used for the purposes in accordance with the agreements.
- 11) We determined whether those who received services and benefits were eligible to receive them.
- 12) We determined whether recipient's financial reports and claims fro advances and reimbursements contain information supported in books and records.

D. Schedule of Cost Sharing

We examined the Schedule of cost sharing to determine if contributions were performed and accounted for in accordance with the terms of the agreements and Project's needs.

The reportable conditions and findings of internal control related to the provision and the accounting for of the contributions of cost sharing were presented as findings at the internal control report. Any contribution of cost sharing not provided by the beneficiary accordingly to the terms of the agreements and to the project requirements was questioned at the schedule of cost sharing as payable to the beneficiary, Any contribution of cost sharing not accounted for in books in accordance to the terms of the agreements was questioned as not supported expense. Every questioned cost was briefly described in the notes to the schedule of cost sharing and crossed indexed to the corresponding finding in the compliance report.

E. Follow up on Prior Audit Recommendations

We reviewed the status of actions taken on findings and recommendations reported in prior audits.

IV- AUDIT RESULTS

1. Fund Accountability Statement

We examined the fund accountability statement of grant agreements Nos. 517-A-00-09-00103-00 and 517-A-00-09-00105-00 between *PARTICIPACION CIUDADANA* and **USAID**, for the period from September 1st, 2010 to September 30, 2011 and our unquestioned opinion is presented in pages nos. 11 and 12 of this report.

2. Internal Control

Our evaluation determined that *PARTICIPACION CIUDADANA* has the ability to record incomes and disbursements pertaining to grant agreements No. 517-A-00-09-00103-00 and 517-A-00-09-00105-00 between *PARTICIPACION CIUDADANA* and **USAID**.

3. Compliance with Agreement Terms and Applicable Laws and Regulations.

Our examination determined **PARTICIPACION CIUDADANA's** compliance with agreement terms and applicable laws and regulations related to **USAID** programs.

We like to indicate that as a result from the Project sub-executors' technical reports we noted a positive development in scopes and effects.

V- REVIEW OF COST SHARING RESULTS

We examined the Schedule of Cost Sharing of grant agreements Nos. 17-A-00-09-00103-00 and No. 517-A-00-09-00105-00 between *PARTICIPACION CIUDADANA* and **USAID**. In our examination it was determined that the contributions of cost sharing were performed and accounted for in accordance with agreement terms and Project needs.

VI- FOLLOW UP OF PREVIOUS AUDIT RECOMMENDATIONS

In the audit last year not note deficiencies in internal control, or no-compliance with laws concerning the cooperative agreements.

VII- MANAGEMENT COMMENTS

This report was delivered to **PARTICIPACION CIUDADANA** and discussed in a meeting in February 28, 2012. **PARTICIPACION CIUDADANA**'s management expressed its conformity on the fund accountability statement's opinion and on the structure of internal control and compliance with agreement terms, laws and applicable regulations.



Santo Domingo, Dominican Republic.
January 16, 2012

Certified Public Accountants
I. C. P. A. R. D. Record No. 71





FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

Independent Auditors’ Report on the Fund Accountability Statement

Sir:

Lic. Javier de Jesús Cabreja Polanco
Executive Director

Participación Ciudadana

Wenceslao Alvarez Street, No. 8,
Zona Universitaria
Santo Domingo, Dominican Republic

We have audited the fund accountability statement of *Participación Ciudadana*, of funds provided by U.S. Agency for International Development, Mission to Dominican Republic (USAID/Dominican Republic) for the Programs “*Civil Society Action for Improved Public Sector Performance*” and “*Formation of Young Leaders of Political Parties in the Dominican Republic –Phase II- Nos. 517-A-00-09-00103-00 and 517-A-00-09-00105-00*”, for the period from September 1st, 2010 to September 30, 2011. The Fund Accountability Statement is a responsibility of Participación Ciudadana’s management. Our responsibility is to express an opinion on the Fund Accountability Statement based on our audit.

Except for what is expressed in the next paragraph, our audit on the fund accountability statement was performed in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States of America. These standards require us to plan and perform an audit to obtain reasonable assurance whether the fund accountability statement is free of material misstatements. An audit involves the examination, based on selective tests, of evidence about the amounts and disclosures in the Fund Accountability Statement. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Fund Accountability Statement. We believe that our audit provides a reasonable basis for our opinion.

Our audit firm has not been an object of a quality control external review by an unaffiliated audit organization, as it is established by the Government Audit Standards, paragraphs 3.50 and 3.55, chapter 3. This review is not required by the organizations ruling Dominican Republic accounting firms.

We accept this deviation of the financial audit requirements established by the Government Auditing Standards, but we must inform that our firm participates at the quality control of the international office Leading Edge Alliance, which requires that every three years our office receives a quality control review performed by the affiliated offices.

In our opinion, the accompanying fund accountability statement presents reasonably, in all material respects, program's incomes, incurred costs and reimbursements, commodities and technical assistance directly procured by **USAID** for the period from September 1st, 2010 to September 30, 2011, in accordance to agreement terms and in conformity with the accounting basis described in Note.

As established by the U.S. Government Auditing Standards, we have also delivered our reports dated January 16, 2012, about our consideration on the **PARTICIPACION CIUDADANA**'s internal control on the financial reports and our tests of compliance with certain laws and regulations. These reports are an integral part of our audit performed in accordance to U.S. Government Auditing Standards and should be read in conjunction to the independent auditor report when considering the results of or audit.

The purpose of this report is to inform **PARTICIPACION CIUDADANA** and **USAID**. However, upon released by **USAID**, this report is a matter of public record and its distribution is not limited.



Certified Public Accountants
I. C. P. A. R. D. Record No. 71

Santo Domingo, Dominican Republic
January 16, 2012.



PARTICIPACION CIUDADANA

FINANCIAL AUDIT FOR THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-A-00-09-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II", NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTIEMBRE 30, 2011.

FUND ACCOUNTABILITY STATEMENT

(Expressed in U.S. Dollars)

	<u>Budget of the project</u>	<u>Executed in the period</u>	<u>Questioned Costs</u>		<u>Notes</u>
			<u>Ineligible</u>	<u>Not supported</u>	
INCOMES					
<u>Agreement of Cooperation</u>					
NUM 517-A-00-09-00103-00 TRANSPARENCY	2,059,693	682,992	-	-	
NUM 517-A-00-09-00103-00 JUSTICE	2,110,003	736,539	-	-	
	4,169,696	1,419,531			Note 3
NUM 517-A-00-09-00105-00	2,613,000	910,271	-	-	Note 3
	6,782,696	2,329,802			
LESS, EXPENSES:					
<u>Personnel to implement activities</u>					
NUM 517-A-00-09-00103-00 TRANSPARENCY	497,152	120,257	-	-	Note 4
NUM 517-A-00-09-00103-00 JUSTICE	784,117	304,004	-	-	Note 4
	1,281,269	424,261			
NUM 517-A-00-09-00105-00	1,066,678	291,975	-	-	Note 4
Sub-total	2,347,947	716,236			
<u>Equipment</u>					
NUM 517-A-00-09-00105-00	17,038	3,772	-	-	
Sub-total	17,038	3,772			Notes 4 and 6
<u>Administrative expenses</u>					
NUM 517-A-00-09-00103-00 TRANSPARENCY	137,172	40,517	-	-	Note 4
NUM 517-A-00-09-00103-00 JUSTICE	196,197	55,466	-	-	Note 4
	333,369	95,983			
NUM 517-A-00-09-00105-00	171,203	60,071	-	-	Note 4
Sub-total	504,572	156,054			
<u>Activities of the project</u>					
NUM 517-A-00-09-00103-00 TRANSPARENCY	1,405,368	512,863	-	-	Note 4
NUM 517-A-00-09-00103-00 JUSTICE	1,114,690	411,868	-	-	Note 4
	2,520,058	924,731			
NUM 517-A-00-09-00105-00	1,358,081	533,899	-	-	Note 4
Sub-total	3,878,139	1,458,630			
<u>Audit</u>					
NUM 517-A-00-09-00103-00 TRANSPARENCY	20,000	5,030	-	-	Note 4
NUM 517-A-00-09-00103-00 JUSTICE	15,000	5,030	-	-	Note 4
Sub-total	35,000	10,060			
Total disbursements	6,782,696	2,344,752	-	-	
Balance of the agreements	-	(14,950)	-	-	Note 5
Assistance provided by USAID	-	-	-	-	
Total questioned costs			-	-	

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT

NOTE 1--BACKGROUND

a) Background of Project 517-A-00-09-00103-00

In October 22, 2008, the U.S. Agency for International Development (USAID) subscribed cooperative agreement No. 517-A-00-09-00103-00 with Participación Ciudadana, for the implementation of the Program “*Civil Society Action for Improved Public Sector Performance*” financed with funds of *USAID Mission to Dominican Republic*, and managed by *PARTICIPACION CIUDADANA*, for the period October 22, 2008 to April 30, 2012. From this budgeted amount, US\$4,169,696 corresponds to USAID and US\$1,128,591 corresponds to Participación Ciudadana and the co-executors.

Modification made to this grant agreement:

<i>Number</i>	<i>Date</i>	<i>Detail</i>
1	12/21/2009	Increase obligated amount of US\$1,350,800 to US\$1,750,800
2	06/21/2010	Increase obligated amount of US\$1,750,800 to US\$2,850,800
3	02/15/2011	Increase obligated amount of US\$2,850,800 to US\$3,394,600
4	07/29/2011	Increase obligated amount of US\$3,394,600 to US\$3,705,600
5	10/27/2011	Increase obligated amount of US\$3,705,600 to US\$4,169,696
		Extend the period of effective date performance from April 30 2012
		Extend funds obligated hereunder available for programs expenditures for the estimated period October 22, 2008 to April 30, 2012.
		Transfer budgetary items
		Approved specified key personnel (Project Director, Technical Coordinator and Justice Activities Coordinator)

b) Background of Project 517-A-00-09-00105-00

On December 1, 2008, The U.S Agency of International Development (USAID) suscribed the cooperative agreement No. 517-A-00-09-00105-00 with Participación Ciudadana, to implement Program “*Formation of Young Leaders of Political Parties in the Dominican Republic*” –*Phase II-*, financed with funds from *USAID Mission to Dominican Republic*, and managed by *PARTICIPACION CIUDADANA*, for the period from December 1, 2008 to March 31, 2012. From the budgeted amount, US\$2,400,000 corresponds to USAID and US\$650,011 corresponds to Participación Ciudadana.

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 1--BACKGROUND--Continuation

Modification made to this grant agreement:

<i>Number</i>	<i>Date</i>	<i>Detail</i>
1	12/01/2008	Cooperative Agreement signed
2	06/08/2010	Increase to US\$2,613,000 contribution by USAID y US\$650,679 contribution by Participación Ciudadana.
3	11/19/2010	Increase obligated amount of US\$1,200,000 to US\$1,904,000
4	09/19/2011	Increase obligated amount of US\$1,904,000 to US\$2,016,322 Extend funds obligated hereunder available for programs expenditures to November 30, 211
5	10/20/2011	Increase obligated amount of US\$2,016,322 to US\$2,316,322 Extend funds obligated hereunder available for programs expenditures to March 31, 2012

c) Budget of Project 517-A-00-09-00103-00

The life-of-project budget is of US\$4,169,696, contributed by **USAID**, Participación Ciudadana, and the other executors will contribute with US\$1,128,590, as costs sharing. According Modification Number 5 dated October 27, 2011, made an amendment to transfers between budgetary items.

The budget for the implementation of this activity is as follows:

<i>Item</i>	<i>Justice</i> <i>US\$</i>	<i>Transparency</i> <i>US\$</i>	<i>Total</i> <i>US\$</i>
Personnel	608,278	377,847	986,125
Supplementary benefits	175,839	119,305	295,144
Justice Sector Activities	1,114,690	-	1,114,690
Transparency Sector Activities	-	1,405,368	1,405,368
Operative expenses and equipment	196,197	137,172	333,369
Audit	15,000	20,000	35,000
USAID Contribution	2,110,004	2,059,692	4,169,696

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 1--BACKGROUND--Continuation

d) Budget of Project 517-A-00-09-00105-00

The budget to be provided by USAID for the life of the Project is of US\$2,613,000. *Participación Ciudadana* will provide US\$650,679, as costs sharing. In date 4 June 8, 2010 with the modification number 2, made an amendment to increase the contribution of USAID to US\$2,613,000

<u>Item</u>	<u>US\$</u>
Personnel	1,066,678
Equipment	17,038
Administrative expenses	171,203
Activities	1,358,081
Total USAID funds	<u><u>2,613,000</u></u>

e) Execution Periods

Project No. 517-A-00-09-00103-00 was initiated in October 22, 2008 and will be terminated in April 30, 2012, meanwhile No. 517-A-00-09-00105-00 began on December 1, 2008 and will be terminated in March 31, 2012.

f) Objectives of the Projects

Objective of Project 517-A-00-09-00103-00 is the improved organized citizen participation in the implementation of key policy reforms, generating demand for transparency and exercising government oversight. The activities to be performed under this agreement in the areas of Transparency and Justice will contribute to this objective. The execution of this Project is shared by Participación Ciudadana –PC-, in relation to transparency and Fundacion Institucionalidad y Justicia –FINJUS-, in relation to justice. They will contribute in the preparation of the proposals, especially in matters related with strengthening of civil society and in the design of monitoring systems and evaluation of the impact of this information.

PC-FINJUS Consortium is ruled under an inter-institutional agreement where responsibilities of each institution before the program and USAID are defined, to keep communication with other participating institutions in a punctual way; to supervise team behavior, coordination and performance of each member, among others.

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTE 1--BACKGROUND--Continuation

The objective of Project 517-A-00-09-00105-00 is to contribute to the modernization of political leadership and the party system in the Dominican Republic, specifically their institutionalism, internal democracy, managerial transparency and accountability, strengthening the presence of youth in politics.

At the end of the Program, young leaders of political parties and civil society organizations, whose age range between 18 and 45 years, trained by the Program, contribute to the strengthening of their organizations' institutionalism, internal democracy, transparency and accountability.

NOTE 2--ACCOUNTING POLICIES

The fund accountability statement was provided by *PARTICIPACION CIUDADANA* of projects under the Programs “*Civil Society Action for Improved Public Sector Performance*” and “*Formation of Young Leaders of Political Parties in the Dominican Republic – Phase II – Nos. 517-A-00-09-00103-00 and 517-A-00-09-00105-00*”, financed with *USAID- Mission to Dominican Republic*'s funds, and managed by *PARTICIPACION CIUDADANA*, for the period from September 1st, 2010 to September 30, 2011. The significant accounting policies, adopted by *PARTICIPACION CIUDADANA*'s management are summarized as follows:

- a) **Accounting Basis:** *PARTICIPACION CIUDADANA* uses an accounting basis in cash to prepare the Fund Accountability Statement, which is a comprehensive accounting basis that differs from the Generally Accepted Accounting Principles. When using the cash basis incomes are recognized when received and costs and expenses are recognized when paid.
- b) **Currency:** The funds received by Participación Ciudadana are record in DR\$ and the fund accountability statement and the Schedule of Cost Sharing are expressed in US\$. The exchange rate used was determined dividing amounts received in Dominican pesos between its equivalents in dollars received during the period. (See Note 3)
- c) **Budget of the Programs:** The budget of the program shown in the fund accountability statement presents incomes and disbursements approved by USAID for the accomplishment of the Project during the period of execution.
- d) **Disbursements:** The disbursements are identified by categories of the budgets based in activities performed in each Project.
- e) **Physical Verification of the Project:** As part of the procedures of our audit we made sure of identifying that the beneficiaries of the projects correspond to the persons located in these places, and also to refer the obtained reports from the sub-executors of field works against books and to determine the benefits given to the agreed zones by these projects.

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMAS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-1-00-09-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II" NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 3--INCOMES

The detail of incomes received from Project 517-A-00-09-00103-00, during the period from September 1st, 2010 to September 30, 2011 and confirmed by USAID (Dominican Republic) is as follows:

<u>Date</u>	<u>Value US\$</u>	<u>Exchange Rate</u>	<u>Value DR\$</u>
09/10/2010	270,334	36.90	9,975,335
10/13/2010	92,732	37.10	3,440,354
11/08/2010	22,909	37.31	854,749
12/06/2010	83,078	37.31	3,099,616
01/20/2010	38,262	37.31	1,427,547
02/17/2011	207,302	37.52	7,777,965
03/07/2011	59,058	37.74	2,228,839
04/05/2011	111,851	37.74	4,221,266
05/22/2011	72,724	37.74	2,744,594
05/27/2011	86,077	37.74	3,248,556
07/01/2011	122,866	37.95	4,662,773
08/03/2011	152,781	37.95	5,798,046
08/29/2011	99,557	37.95	3,778,196
	<u>1,419,531</u>	<u>37.51790979</u>	<u>53,257,836</u>

During the period Participación Ciudadana transferred to Fundación Institucionalidad y Justicia -FINJUS- the amount of RD\$21,946,532 (US\$584,961), for the execution of the activities of justice agreed in the project.

The detail of incomes received for project 517-A-00-09-00105-00, during the period from September 1st, 2010 to September 30, 2011 and confirmed by USAID (Dominican Republic), is as follows:

<u>Fecha</u>	<u>Value US\$</u>	<u>Exchange Rate</u>	<u>Value RD\$</u>
09/09/2010	142,646	36.90	5,263,653
09/13/2010	41,679	36.90	1,537,944
10/18/2010	56,885	37.31	2,122,377
03/12/2010	66,584	37.31	2,484,252
12/22/2010	36,219	37.31	1,351,339
01/27/2011	29,369	37.31	1,095,753
02/17/2011	57,447	37.52	2,155,409
03/16/2011	40,217	37.74	1,517,805
04/28/2011	44,325	37.74	1,672,811
05/16/2011	130,549	37.74	4,926,936
06/16/2011	55,273	37.95	2,097,601
07/17/2011	80,305	37.95	3,047,560
08/22/2011	128,773	37.95	4,886,938
	<u>910,271</u>	<u>37.52770109</u>	<u>34,160,378</u>

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMAS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-1-00-09-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II" NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 4--DISBURSEMENTS

The detail of disbursements in accordance to the programs' executors during the period, is as follows:

	<i>Budget of the period</i>	<i>Executed USAID</i>	<i>Available 09/30/2011</i>
<u>Personnel to implement the activities</u>			
517-A-00-09-00103-00-TRANSPARENCY	329,140	120,257	208,883
517-A-00-09-00103-00-JUSTICE	256,507	304,004	(47,497)
	<u>585,647</u>	<u>424,261</u>	<u>161,386</u>
517-A-00-09-00105-00	300,431	291,975	8,456
Sub-total	<u>886,078</u>	<u>716,236</u>	<u>169,842</u>
<u>Equipment</u>			
517-A-00-09-00105-00	509	3,772	(3,263)
Sub-total	<u>509</u>	<u>3,772</u>	<u>(3,263)</u>
<u>Administrative expenses</u>			
517-A-00-09-00103-00-TRANSPARENCY	36,721	40,517	(3,796)
517-A-00-09-00103-00-JUSTICE	81,994	55,466	26,528
	<u>118,715</u>	<u>95,983</u>	<u>22,732</u>
517-A-00-09-00105-00	46,188	60,071	(13,883)
Sub-total	<u>164,903</u>	<u>156,054</u>	<u>8,849</u>
<u>Activities of the project</u>			
517-A-00-09-00103-00-TRANSPARENCY	468,937	512,863	(43,926)
517-A-00-09-00103-00-JUSTICE	735,323	411,868	323,455
	<u>1,204,260</u>	<u>924,731</u>	<u>279,529</u>
517-A-00-09-00105-00	458,824	533,899	(75,075)
Sub-total	<u>1,663,084</u>	<u>1,458,630</u>	<u>204,454</u>
<u>Audit</u>			
517-A-00-09-00103-00-TRANSPARENCY	5,043	5,030	13
517-A-00-09-00103-00-JUSTICE	5,043	5,030	13
Sub-total	<u>10,086</u>	<u>10,060</u>	<u>26</u>
TOTAL	<u>2,724,660</u>	<u>2,344,752</u>	<u>379,908</u>

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II -, NOS. 517-A-00-09-00103-00 AND 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FROM THE PERIOD SEPTEMBER 1ST, 2010 TO SEPTIEMBRE 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT --Continuation

NOTE 4--DISBURSEMENTS--Continuation

The detail of disbursements by budgeted items of Agreement 517-A-00-09-00103-00 during the period, is as follows:

Agreement 517-A-00-09-00103-00	Transparency Activities		Justice Activities		Total	
	RD\$	US\$	RD\$	US\$	RD\$	US\$
<u>Personnel to implement activities</u>						
Cordinators and technicians	3,027,038	80,682	9,779,102	260,652	12,806,140	341,334
Social benefits	1,484,753	39,575	1,626,482	43,352	3,111,235	82,927
	<u>4,511,791</u>	<u>120,257</u>	<u>11,405,584</u>	<u>304,004</u>	<u>15,917,375</u>	<u>424,261</u>
<u>Administrative expenses</u>						
Travels	346,215	9,228	-	-	346,215	9,228
Computer, Laptops, UPS	74,098	1,975	65,722	1,752	139,820	3,727
Local Rent	-	-	466,839	12,443	466,839	12,443
Power, water and waste	327,404	8,727	484,088	12,903	811,492	21,630
Telephone, fax and internet	277,279	7,391	546,352	14,562	823,631	21,953
Office maintenance	150,218	4,004	194,328	5,180	344,546	9,184
Equipment maintenance	70,724	1,885	36,766	980	107,490	2,865
Expendable office material	270,841	7,219	159,218	4,244	430,059	11,463
Software fee	-	-	49,198	1,311	49,198	1,311
Web Page	-	-	29,600	789	29,600	789
Insurance policy	3,343	88	-	-	3,343	88
Bank charges	-	-	48,841	1,302	48,841	1,302
	<u>1,520,122</u>	<u>40,517</u>	<u>2,080,952</u>	<u>55,466</u>	<u>3,601,074</u>	<u>95,983</u>
<u>Project activities</u>						
<u>To promote conscience and access to transparency reforms and presentation of accounts</u>						
<u>To generate the level of civil conscience</u>						
Citizens Campaign	923,729	24,621	-	-	923,729	24,621
Regional integrity conferences	719,783	19,185	-	-	719,783	19,185
National day of civic education	4,000	106	-	-	4,000	106
Mobilization of civil society action against corruption and impunity.	879,471	23,441	-	-	879,471	23,441
Table dialogue on transparency and corporate social responsibility	336,501	8,969	-	-	336,501	8,969
International Conference for transparency and integrity	279,832	7,459	-	-	279,832	7,459
Table Transparency and Integrity in D: N., Santiago, La Romana, Barahona and San Francisco de Macorís	98,993	2,639	-	-	98,993	2,639
Meetings	2,500	66	-	-	2,500	66
Improving citizen access to information on the performance of public institutions to promote increased public demand.	385,606	10,278	-	-	385,606	10,278
	<u>3,630,415</u>	<u>96,764</u>	<u>-</u>	<u>-</u>	<u>3,630,415</u>	<u>96,764</u>
<u>Provide technical input on reforms that improve the performance of government institutions to ensure transparency and accountability.</u>						
Support the process of implementing the Law on Procurement and Contracting	489,720	13,053	-	-	489,720	13,053
Contribute to technical proposals for more effective implementation of Law Access to Public Information.	96,559	2,574	-	-	96,559	2,574
Contribute new laws promoting transparency in public administration	67,622	1,802	-	-	67,622	1,802
	<u>653,901</u>	<u>17,429</u>	<u>-</u>	<u>-</u>	<u>653,901</u>	<u>17,429</u>

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II -", NOS. 517-A-00-09-00103-00 AND 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FROM THE PERIOD SEPTEMBER 1ST, 2010 TO SEPTIEMBRE 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 4--DISBURSEMENTS--Continuation

	<i>Transparency Activities</i>		<i>Justice Activities</i>		<i>Total</i>	
	<i>RD\$</i>	<i>US\$</i>	<i>RD\$</i>	<i>US\$</i>	<i>RD\$</i>	<i>US\$</i>
<u>Exercising oversight of the implementation of institutional reforms related to transparency and accountability.</u>						
Promote effective citizen monitoring the implementation of the law on free access to public information	958,928	25,559	-	-	958,928	25,559
Promote effective monitoring of the implementation of procurement and contract law.	793,352	21,146	-	-	793,352	21,146
Monitor the implementation of the Civil Service Act.	177,115	4,721	-	-	177,115	4,721
Promote follow-up to the transparency of state and strengthen the capacity of social control CSO.	120,951	3,224	-	-	120,951	3,224
Contribute to the strengthening of CSO, s to follow up allegations of corruption.	2,833,114	75,514	-	-	2,833,114	75,514
	4,883,460	130,164	-	-	4,883,460	130,164
<u>Develop ability to build coalitions and act in concert to advocate for reform of transparency and accountability, implementing and monitoring the performance of selected institutions.</u>						
Develop the ability to build coalitions	7,903,474	210,659	-	-	7,903,474	210,659
<u>Promoting Access to information</u>						
Monthly roundtable	250,905	6,688	-	-	250,905	6,688
<u>Technical contributions</u>						
consulting assistance	181,000	4,824	-	-	181,000	4,824
<u>Design and monitoring of indicators</u>						
	628,578	16,754	-	-	628,578	16,754
<u>Anti-corruption initiatives</u>						
	1,109,806	29,581	-	-	1,109,806	29,581
<u>IMPLEMENTATION ACTIVITIES OF JUSTICE</u>						
<u>Promoting Access to Information</u>						
Awareness and promotion campaign	-	-	575,040	15,327	575,040	15,327
Creating spaces	-	-	235,140	6,267	235,140	6,267
Seminar on access to information	-	-	21,775	580	21,775	580
	-	-	831,955	22,174	831,955	22,174
<u>Effective access to information</u>						
Actions to establish a compliance index of access to justice information system	-	-	14,437	385	14,437	385
<u>Access to Information Processes</u>						
Final publication and presentation of the diagnosis of the main problems in the selection, promotion and disciplinary processes in the judiciary and public prosecutor and 5 workshops for dissemination to the general public networks.	-	-	813,008	21,670	813,008	21,670
<u>Access to Information History</u>						
Promoting the observatory building up	-	-	1,200,900	32,009	1,200,900	32,009
Implementation observatory on the justice sector transparency	-	-	724,894	19,321	724,894	19,321
	-	-	1,925,794	51,330	1,925,794	51,330
<u>Communication and Promotion</u>						
Quarterly Newsletter	-	-	551,396	14,697	551,396	14,697
<u>Promotion Mechanism</u>						
Design and materials development	-	-	360,184	9,600	360,184	9,600
Citizen monitoring	-	-	293,074	7,812	293,074	7,812
	-	-	653,258	17,412	653,258	17,412

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II -", NOS. 517-A-00-09-00103-00 AND 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FROM THE PERIOD SEPTEMBER 1ST, 2010 TO SEPTIEMBRE 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 4--DISBURSEMENTS--Continuation

	<i>Transparency Activities</i>		<i>Justice Activities</i>		<i>Total</i>	
	<i>RD\$</i>	<i>US\$</i>	<i>RD\$</i>	<i>US\$</i>	<i>RD\$</i>	<i>US\$</i>
<u>Investigation of Claims</u>						
Expert group meetings	-	-	55,398	1,477	55,398	1,477
Socialization activities	-	-	54,091	1,442	54,091	1,442
Latin American Seminar on Criminal Law	-	-	171,304	4,566	171,304	4,566
Design and implementation of training	-	-	390,000	10,395	390,000	10,395
Annotated Constitution	-	-	486,085	12,956	486,085	12,956
Materials on aspects of the constitution	-	-	373,583	9,957	373,583	9,957
The 2nd national prison census	-	-	1,346,084	35,878	1,346,084	35,878
Support	-	-	283,725	7,562	283,725	7,562
Development and publication of annual accounts	-	-	247,695	6,602	247,695	6,602
Sectoral support and assistance networks	-	-	394,813	10,523	394,813	10,523
Support the creation of a community network	-	-	493,106	13,143	493,106	13,143
Accompaniment and performance of proposed plans	-	-	339,759	9,056	339,759	9,056
Selection process of new organs	-	-	4,479,667	119,401	4,479,667	119,401
Indicators	-	-	40,140	1,070	40,140	1,070
Developing proactive agenda, SC	-	-	214,487	5,717	214,487	5,717
	-	-	9,369,937	249,745	9,369,937	249,745
<u>Technical contributions</u>						
Establishment of expert group	-	-	455,000	12,128	455,000	12,128
Socialization activities	-	-	23,985	639	23,985	639
Design strategy for the approval of the new penal code and implementation of required activities (workshops, meetings, seminars, cross-consultation to legislators).	-	-	53,275	1,420	53,275	1,420
NGOs training lawyers	-	-	210,000	5,598	210,000	5,598
Technical assistance actions	-	-	46,704	1,245	46,704	1,245
	-	-	788,964	21,030	788,964	21,030
<u>Promotion Coalition</u>						
Support	-	-	126,700	3,377	126,700	3,377
<u>There is a Red</u>						
Developing the strategy	-	-	150,746	4,018	150,746	4,018
Recruitment of experts	-	-	170,036	4,532	170,036	4,532
Indicators Monitoring System	-	-	56,212	1,498	56,212	1,498
	-	-	376,994	10,048	376,994	10,048
Total project activities	19,241,539	512,863	15,452,443	411,868	34,693,982	924,731
Audit	188,700	5,030	188,700	5,030	377,400	10,060
Total of Agreement	25,462,152	678,667	29,127,679	776,368	54,589,831	1,455,035

Exchange rate: 37.51790979

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II -, NOS. 517-A-00-09-00103-00 AND 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FROM THE PERIOD SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 4--DISBURSEMENTS-Continuation

The detail of disbursements by budgeted items of the Agreement 517-A-00-09-00105-00 during the period, is as follows:

<u>PARTICIPACION CIUDADANA</u>	<i>Values in DR\$</i>	<i>Values in US\$</i>
<u>Personnel to implement activities</u>		
Salaries and wages	8,794,550	234,348
Social benefits	2,162,622	57,627
	<u>10,957,172</u>	<u>291,975</u>
<u>Equipment</u>		
Office equipment	5,568	149
Computers	135,981	3,623
	<u>141,549</u>	<u>3,772</u>
<u>Administrative expenses</u>		
Travels	50,100	1,335
Local rent	497,929	13,268
Power, water and waste	497,929	13,268
Telephone, fax and internet	682,990	18,200
Office maintenance	17,951	478
Equipment maintenance	8,946	238
Expendable office material	136,358	3,634
Insurances	11,742	313
Audit	350,400	9,337
	<u>2,254,345</u>	<u>60,071</u>
<u>Activities of the project</u>		
Graduation ceremony and Guidelines	384,378	10,243
Courses	6,909,689	184,122
Technical asistence staff	450,400	12,002
Technical asistence Facilitators	1,377,250	36,700
Technical asistence mentoring, internships, courses	828,400	22,074
Meetings and dialogues graduates	1,623,841	43,271
Promotion actions and publications, press	300,000	7,994
Website update and maintenance	87,192	2,323
Publications and forms	597,351	15,918
Coordination of activities	1,786,219	47,597
Monitoring and Evaluation System	2,456,758	65,465
Asstistence technical assistance to political parties	3,067,077	81,728
Meetings	167,443	4,462
	<u>20,035,998</u>	<u>533,899</u>
Total	<u>33,389,064</u>	<u>889,717</u>

Exchange rate: **37.52770109**

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMAS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-1-00-09-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II" NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO THE FUND ACCOUNTABILITY STATEMENT--Continuation

NOTE 5--BALANCE OF THE AGREEMENTS

The balance of the agreements as of September 30, 2011, is as follows:

	<i>Value</i>	
	<u>DR\$</u>	<u>US\$</u>
Balance of the agreements as of August 31, 2010	303,982	8,704
Balance of the agreements as of September 30, 2011	(560,679)	(14,950)
Available as of September 30, 2011	<u>(256,697)</u>	<u>(6,246)</u>
Detail of available as of september 30, 211		
Cash on hand and current accounts:		
Petty cash--Participación Ciudadana-Transparency	13,000	347
Pety Cash-Participación Ciudadana-Leaders Formation	15,000	400
Pety Cash - Finjus - Justice	5,000	133
Banco BHD-Participación Ciudadana-Transparency	1,293,702	34,482
Banco Popular - Finjus - Justice	821,452	21,895
Banco Popular - Finjus - Unibe - Justice	77,204	2,058
Banco BHD-Participación Ciudadana-Leaders Formation	3,336,691	88,913
Total of cash and current accounts	5,562,049	148,228
Accounts receivable-Transparency	739,058	19,699
Accounts receivable-Leaders Formation	126,489	3,371
Accounts payable-Transparency	(1,546,099)	(41,210)
Accounts payable-Justice	(2,281,111)	(60,801)
Accounts payable-Leaders Formation	(2,322,354)	(61,884)
Accruals payable-Trasparency	(219,458)	(5,849)
Accruals payable-Justice	(77,323)	(2,061)
Accruals payable-Leaders Formation	(237,948)	(6,341)
Currency exchange adjustments	-	602
Total Accounts receivable and payable	<u>(5,818,746)</u>	<u>(154,474)</u>
Available as of September 30, 2011	<u>(256,697)</u>	<u>(6,246)</u>

The exchange rate applied for each agreement was determined as calculation in Note 3

At September 30, 2011 are included in the accounts of collections to pay, interest earned outstanding to reimburse to USAID by agreement 514-A-00-00103-00 for US\$2,061 (DR\$77,323) by FINJUS, and US\$1,467 (DR\$55,052) by Participación Ciudadana, while from the agreement 517-A-00-00105-00 by amount of US\$1,022 (RD\$38,366) by Participación Ciudadana Of these values, Participación Ciudadana will refund all to USAID, less US\$250 that they could use at its administrative costs for each project.

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-A-00-09-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II", NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO FUND ACCOUNTABILITY STATEMENT--Continuation

NOTES 6 - COMMODITIES ACQUIRED WITH PROJECT FUNDS

ACQUIRED EQUIPMENT INCLUDED IN THE CATEGORY OF ADMINISTRATIVE EXPENSES OF TRANSPARENCY ACTIVITIES AGREEMENT 517-A-00-09-00103-00

PARTICIPACION CIUDADANA

	<i>Values in</i>	
	<u>DR\$</u>	<u>US\$</u>
<u>EQUIPMENT</u>		
2 computers Dell Vostro 230 MT intel PDC 5400, 2.7 GHZ 2MG L2 FZRQNM1.	45,377	1,210
2 Monitors flat Dell 19" CN-0D176P-64180-05J-4AR	11,603	309
UPS APC 1500 VA S3B1026X21674	7,918	211
Calculator sharp EL2630 III S/N 8D012037	2,700	72
Air conditioning Keeprite 12,000 BTU 2	6,500	173
	<u>74,098</u>	<u>1,975</u>

ACQUIRED EQUIPMENT INCLUDED IN THE CATEGORY OF TRANSPARENCY ACTIVITIES OF AGREEMENT 517-A-00-09-00103-00

	<i>Values in</i>	
	<u>DR\$</u>	<u>US\$</u>
<u>EQUIPMENT</u>		
Monitor AOC 22" ACVB102000796	<u>6,429</u>	<u>171</u>

ACQUIRED EQUIPMENT INCLUDED IN THE CATEGORY OF ADMINISTRATIVE EXPENSES OF JUSTICE ACTIVITIES AGREEMENT 517-A-00-09-00103-00

FINJUS

EQUIPMENT

	<i>Values in</i>	
	<u>DR\$</u>	<u>US\$</u>
7 Monitors AOC 19" (18.5) LCD 1344 X 768 TFT	35,040	934
5 USB 8 GB fhash date traveler kinton rojas (DT101G278GB).	3,482	93
Laptop dell 1568 core duo 2/M350 2.27, 6GM de RAM, 500 GM, windows 7, 64 bit, screen 15.4 "	27,200	725
	<u>65,722</u>	<u>1,752</u>

Exchange rate: **37.51790979**

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-A-00-09-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II", NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO FUND ACCOUNTABILITY STATEMENT--Continuation

NOTES 6 - COMMODITIES ACQUIRED WITH PROJECT FUNDS-- Continuation

The detail of acquired commodities in Agreement 517-A-00-09-00105-00 during the period, is as follows:

<u>PARTICIPACION CIUDADANA</u>	<i>Values in</i>	
	<u>DR\$</u>	<u>US\$</u>
<u>EQUIPMENT</u>		
3 Computers (NE) dell vostro 230 slim tower PDC/2.7GHZ/ 320GB / DVO/ W7P-XPP.	67,367	1,795
Monitors flat Dell 19" E1910H, black.	5,568	149
Laptop HP/ compaq mini 102 N270/ 1.6 GHZ/ 1GHZ	15,496	413
Laptop Dell vostro 1710 CDD/1.8/ 2GB/CBO / WCHB	37,345	995
2 Metal file import Mercury-gray 4-drawer w / legal folders 8.5 "x 11"	15,774	420
	<u>141,550</u>	<u>3,772</u>

Exchange rate: **37.52770109**



FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

Independent Auditors Report on the Cost Sharing Shedule

Sir:

Lic Javier de Jesús Cabreja Polanco
Executive Director
Participación Ciudadana
Wenceslao Alvarez Street No. 8,
Zona Universitaria
Santo Domingo, Dominican Republic

Sir:

We have examined the Schedule of cost sharing of *Participación Ciudadana*, of funds provided from the U.S. Agency for International Development, Mission Dominican Republic (USAID/Dominican Republic) for the Programs “*Civil Society Action for Improved Public Sector Performance*” and “*Formation of Young Leaders of Political Parties in the Dominican Republic – Phase II – Nos. 517-A-00-09-00103-00 and 517-A-00-09-00105-00*”, for the period from September 1st, 2010 to September 30, 2011. Our examination was performed in accordance with the standards established by the American Institute of Certified public Accountants (AICPA). The purpose of our examination was to determine if the schedule of cost sharing is presented in accordance with the accounting basis described in Note A. We also considered the internal controls related to the provision and accounting of the contributions of costs sharing.

A review mainly consists of interviews to beneficiary’s personnel and the application of analytical procedures to the financial information. A review has a more limited scope than a test, which objective is to express an opinion on the Schedule of cost sharing. Therefore, we did not express an opinion.

Based in our examination, there was no evidence that make us believe that **PARTICIPACION CIUDADANA**, is not reasonably presenting the schedule of cost sharing, in all material respects, accordingly to the accounting basis used to prepare the schedule of cost sharing.

This report is intended to inform **PARTICIPACION CIUDADANA** and the **U.S Agency for the International Development (USAID)**. However, once released by USAID, this report is a matter of public record and its distribution is not limited.

Certified Public Accountants
I. C. P. A. R. D. Record No. 71

Santo Domingo, Dominican Republic
January 16, 2012



PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-A-00-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC--PHASE II" NO. 517-00-09-00105-00, FINANCED WITH FUNDS OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

SCHEDULE OF COST SHARING CONTRIBUTIONS

(Expressed in U.S. Dollars)

	<i>Budget of the project</i>	<i>Executed during the period</i>	<i>Questioned Costs</i>		<i>Notes</i>
			<i>Ineligible</i>	<i>Not supported</i>	
<u>Personnel to implement Activities</u>					
517-A-00-09-00103-00-PC -TRANSPARENCY	144,768	112,982	-	-	
517-A-00-09-00103-00-JUSTICE	293,121	92,164			
	<u>437,889</u>	<u>205,146</u>	-	-	
NUM 517-A-00-09-00105-00	168,552	111,209			
Sub-total	<u>606,441</u>	<u>316,355</u>			
<u>Equipment</u>					
NUM 517-A-00-09-00105-00	32,000	6,547	-	-	
Sub-total	<u>32,000</u>	<u>6,547</u>	-	-	
<u>Administrative expenses</u>					
517-A-00-09-00103-00-PC -TRANSPARENCY	53,400	1,787	-	-	
517-A-00-09-00103-00-JUSTICE	151,200	48,300			
	<u>204,600</u>	<u>50,087</u>			
NUM 517-A-00-09-00105-00	79,868	41,402	-	-	
Sub-total	<u>284,468</u>	<u>91,489</u>	-	-	
<u>Activities of the project</u>					
517-A-00-09-00103-00-PC -TRANSPARENCY	344,101	236,538	-	-	
517-A-00-09-00103-00-JUSTICE	142,000	-			
	<u>486,101</u>	<u>236,538</u>			
NUM 517-A-00-09-00105-00	370,259	1,003,608	-	-	
Sub-total	<u>856,360</u>	<u>1,240,146</u>			
Total disbursements	<u>1,779,269</u>	<u>1,654,537</u>	<u>-</u>	<u>-</u>	

The approved budget for cost sharing does not include budget lines for its application.

The budget presented for budget lines has been calculated on the basis of applying the percentage of the disbursement item between the amount disbursed.

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS "CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE" NO. 517-A-00-09-00103-00, AND "FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC - PHASE II", NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

SCHEDULE OF COST SHARING CONTRIBUTIONS--Cumulative Executed

(Expressed in U.S. Dollars)

	<i>Budget of the project</i>	<i>Cumulative Executed</i>	<i>Available 09/30/2011</i>	<i>%</i>
Personnel to implement activities				
517-A-00-09-00103-00-PC -TRANSPARENCY	144,768	264,206	(119,438)	182.50
517-A-00-09-00103-00-JUSTICE	293,121	272,812	20,309	93.07
	<u>437,889</u>	<u>537,018</u>	<u>(99,129)</u>	<u>122.64</u>
517-A-00-09-00105-00 PC --FORMATION OF LEADERS	168,552	322,074	(153,522)	191.08
Sub-total	<u>606,441</u>	<u>859,092</u>	<u>(252,651)</u>	<u>141.66</u>
Equipment				
517-A-00-09-00105-00 PC --FORMATION OF LEADERS	32,000	20,471	11,529	63.97
Sub-total	<u>32,000</u>	<u>20,471</u>	<u>11,529</u>	<u>63.97</u>
Administrative expenses				
517-A-00-09-00103-00-PC -TRANSPARENCY	48,000	5,293	42,707	11.03
517-A-00-09-00103-00-JUSTICE	156,600	142,300	14,300	90.87
	<u>204,600</u>	<u>147,593</u>	<u>57,007</u>	<u>72.14</u>
517-A-00-09-00105-00 PC --FORMATION OF LEADERS	79,868	103,354	(23,486)	129.41
Sub-total	<u>284,468</u>	<u>250,947</u>	<u>33,521</u>	<u>88.22</u>
Activities of the project				
517-A-00-09-00103-00-PC -TRANSPARENCY	299,101	846,005	(546,904)	282.85
517-A-00-09-00103-00-JUSTICE	187,000	169,916	17,084	90.86
	<u>486,101</u>	<u>1,015,921</u>	<u>(529,820)</u>	<u>208.99</u>
517-A-00-09-00105-00 PC --FORMATION OF LEADERS	370,259	1,691,409	(1,321,150)	456.82
Sub-total	<u>856,360</u>	<u>2,707,330</u>	<u>(1,850,970)</u>	<u>316.14</u>
	<u>1,779,269</u>	<u>3,837,840</u>	<u>(2,058,571)</u>	<u>215.70</u>

PARTICIPACION CIUDADANA

FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

NOTES TO THE COST SHARING SCHEDULE

NOTE A--CURRENCY

The amounts presented in the Schedule of costs sharing are in U.S. dollars (US\$). The transactions in Dominican pesos (DR\$) were exchanged into U.S. dollars at the average exchange rate used by USAID for the disbursements during the period from September 1st, 2010 to September, 2011.

The Schedule of Cost sharing was prepared based on records maintained at the project's offices, located at ***PARTICIPACION CIUDADANA*** and ***FINJUS***.

NOTE B--BUDGET OF THE PROGRAM

When performing the audit of the Project Cost Sharing to be provided by the beneficiary, we identified that in the execution of Agreement 517-A-00-09-00103-00, ***PARTICIPACION CIUDADANA*** has provided US\$1,115,504 of an approved budget of US\$488,639, ***FINJUS*** with US\$545,278 of a budget of US\$530,321 and ***UNIBE*** with US\$39,750 of a budget of US\$56,000.

While in the Agreement 517-A-00-09-00105-00 ***PARTICIPACION CIUDADANA*** has provided US\$2,137,308 of a budget of US\$650,679.

NOTE C--PHYSICAL VERIFICATION OF THE PROJECT

As part of our program of physical review of the audit, we examined publications, watched taped television programs, and examined reports on shop works and round tables meetings, Web visuals, stipulated in both projects. As a result of this verification we crossed references the information acquired in the field with the books, determining the magnitude of the objectives of the projects and the impact of its execution in the community.



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Piso, PO Box 1465 Tel.: (809) 537-7775-76 * Fax: (809) 530-1288
E-mail: campusanoyasoc@codetel.net.do
Santo Domingo, Dominican Republic
RNC-101-56287-2

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FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

Independent Auditors’ Report on Internal Control

Sir:

Lic Javier de Jesús Cabreja Polanco

Executive Director

Participación Ciudadana

Wenceslao Alvarez Street No. 8,

Zona Universitaria

Santo Domingo, Dominican Republic

Dear Sir:

We have examined the fund accountability statement of *Participación Ciudadana*, of funds provided by U.S. Agency for International Development, Mission to Dominican Republic (USAID/Dominican Republic) for the Programs “*Civil Society Action for Improved Public Sector Performance*” and “*Formation of young Leaders of Political Parties in the Dominican Republic – Phase II*” – Nos. 517-A-00-09-00103-00 and 517-A-00-09-00105-00, for the period from September 1st, 2010 to September, 2011, respectively, and we have issued our report dated January 16, 2012. We have also examined the schedule of costs sharing, separately.

Except for not having an external review on quality control performed by an unaffiliated audit organization, as it is described in the third paragraph of the report on the Fund Accountability Statement, our audit was performed in accordance to U.S. Government Audit Standards, issued by the Comptroller General of the United States of America. When planning and performing our audit we considerate the organization internal control on the financial information (Internal Control) as the basis to design our audit procedures and to express an opinion on the Fund Accountability Statement, but not with the purpose of expressing an opinion on the effectiveness of the organization internal control. However, we did not express an opinion on the effectiveness of the internal control of the organization.

A deficiency of internal control exists when the design and operation of a control does not permit management or employees, in the normal course of their assigned functions, to prevent or detect mistakes opportunely. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s Fund Accountability Statement will not be prevented or detected on a timely basis.

Our consideration of the internal control was limited to the purpose described in the first paragraph and was not designed to identify every internal control deficiencies that could be deficiencies, significant deficiencies or significant weaknesses. We did not identify any deficiency in the internal control as significant weakness, in conformity with the precedent paragraph.

This report is prepared to inform ***PARTICIPACION CIUDADANA and U.S. Agency for International Development (USAID/Dominican Republic)***. However, upon released by USAID, this report is a matter of public record and its distribution is not limited.



***Certified Public Accountants
I. C. P. A. R. D. Record No. 71***

Santo Domingo, Dominican Republic
January 16, 2012





FINANCIAL AUDIT OF THE FUND ACCOUNTABILITY STATEMENT FOR THE PROGRAMS “CIVIL SOCIETY ACTION FOR IMPROVED PUBLIC SECTOR PERFORMANCE” NO. 517-A-00-09-00103-00, AND “FORMATION OF YOUNG LEADERS OF POLITICAL PARTIES IN THE DOMINICAN REPUBLIC – PHASE II” NO. 517-A-00-09-00105-00, FINANCED WITH FUNDS FROM THE U.S. AGENCY FOR THE INTERNATIONAL DEVELOPMENT (USAID) FOR THE PERIOD FROM SEPTEMBER 1ST, 2010 TO SEPTEMBER 30, 2011.

Independent Auditors’ Report on Compliance

Sir:

Lic. Javier de Jesús Cabreja Polanco

Executive Director

Participación Ciudadana

Wenceslao Alvarez Street No. 8,

Zona Universitaria

Santo Domingo, Dominican Republic

Dear Sir:

We examined the fund accountability statement of **Participación Ciudadana**, of funds provided by the U.S. Agency for International Development, Mission to Dominican Republic (USAID/Dominican Republic) for the Programs **“Civil Society Action for Improved public Sector Performance” and “Formation of Young Leaders of Political Parties in the Dominican Republic – Phase II –”, Nos. 517-A-00-09-00103-00 y 517-A-00-09-00105-00**, for the period from September 1st, 2010 to September 30, 2011, and issued our report dated January 16, 2012. We also examined the schedule of cost sharing separately.

Except for not conducting an external quality control review by an unaffiliated audit organization, as described in our opinion on the fund accountability statement, our audit was performed in accordance to U.S. Government Audit Standards, issued by the Comptroller General of the United States of America. These standards require to plan and perform the audit to obtain a reasonable assurance that the fund accountability statement is free of significant distortions resulting from violations to the terms of the agreement and laws and regulations that have a direct and material effect on the determination of the amounts in the fund accountability statement.

The compliance with the terms of the agreements and with laws and applicable regulations to grant agreements of, is the responsibility of the Executive Direction of **PARTICIPACION CIUDADANA**. To obtain a reasonable assurance that the fund accountability statement is free of material distortions, we performed compliance tests with certain terms of the agreement, laws and regulations. However, our objective was not to express an opinion on the general compliance with those clauses. Therefore, we did not express such opinion. We also performed compliance with certain terms of the agreements and applicable laws and regulations to contributions of costs sharing.

The results of our tests did not reveal instances of noncompliance that require to be informed under the U.S. Government Audit Standards.

This report is intended to inform ***PARTICIPACION CIUDADANA and U.S. Agency of International Development (USAID)***. However, upon released by USAID, this report is a matter of public record and its distribution is not limited.



Santo Domingo, Dominican Republic
January 16, 2012

Certified Public Accountants
I. C. P. A. R. D. Record No. 71

