

FINANCIAL STATEMENT
FROM OCTOBER 1ST, 2014
UNTIL SEPTEMBER 30, 2015

(CLOSE-OUT AUDIT)

**PROGRAM "SUSTAINABILITY AND EXPANSION OF COMMUNITY
JUSTICE HOUSE"**

Cooperative Agreement
AID-517-A-12-00007
And
AID-517-A-15-00006

BETWEEN
US AGENCY FOR
INTERNATIONAL DEVELOPMENT
(USAID)
AND
PARTICIPACIÓN CIUDADANA



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**FINANCIAL AUDIT TO THE COOPERATIVE AGREEMENT
AID-517-A-12-00007 and AID-517-A-15-00006,
MANAGED BY PARTICIPACIÓN CIUDADANA OF THE PROGRAM**

**FOR THE PERIOD OCTOBER 1, 2014 UNTIL SEPTEMBER 30, 2015
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GUZMAN TAPIA PKF



June 15, 2016

Executive Summary

This report presents the result of our Financial Audit performed to the Cooperative Agreement AID-517-A-12-00007 and AID-517-A-15-00006, (managed by Participación Ciudadana and FINJUS) for the period **October 1, 2014 until September 30, 2015 (Close-out audit for AID-517-A-12-00007 ending in August 09, 2015)**.

Background

Participación Ciudadana is a civic, not partisan movement, for pressuring, and bonding the social field with the public powers and the political parties.

1- Sustainability and Expansion of Community Justice House (C.A. # AID-517-A-12-00007).

As of September 14, 2012, the Agency of United States for International Development (USAID), in Dominican Republic, approved a cooperative agreement to Participación Ciudadana (PC), for the amount of US\$1,350,000, as donation for the program “Sustainability and Expansion of Community Justice House”. The period of execution of the project ranges from 14 September 2012 to 09 August 2015. The counterpart for the project is for the amount of US\$450,000, which includes made by the Municipalities of Santiago, Santo Domingo Oeste, La Vega, San Francisco de Macorís and the public prosecutor's Office to the House community justice program, as well as donated hours, from internships of students, are coming from different universities, to benefit the Program of Casa Comunitaria de Justicia.

Program Objectives

The objective of the program is to contribute to the development of a culture of peace, through the implementation of alternate methods for conflict resolution, the access to justice and citizen security. Facilitate the access to justice, the respect for human rights and citizen security through the sustainability and expansion of the program “Community Houses of Justice in the Northern, Eastern and Southern regions and in Santo Domingo”.

Cost-Sharing Contributions

Cost-sharing contributions amount to 25% of total program costs during the life of the agreement.

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Program Budget

LINES	YEARS 1	YEARS 2	YEARS 3	TOTAL
Labor	204,276	209,460	209,460	623,196
Fringe Benefits	48,689	49,481	95,021	193,191
Equipment	8,590	-	-	8,590
Other direct costs	48,216	48,216	48,216	144,648
Activities	136,229	134,659	97,487	368,375
Audit	4,000	4,000	4,000	12,000
Total Contribution of USAID	450,000	445,816	454,184	1,350,000
Total Partner Contribution (Cost Sharing)	150,000	148,605	151,395	450,000
Total	600,000	594,421	605,579	1,800,000

Amendment No. 5

On March 23, 2015, there was a **fifth amendment** to adjust the exchange rate of the original agreement from RD\$39.08/USD\$1 to RD\$44.13/USD\$1.

2- Sustainability and Expansion of Community Justice Houses (C.A. # AID-517-A-15-00006).

As of June 22, 2015, the Agency of United States for International Development (USAID), in Dominican Republic, approved an award to Participación Ciudadana (PC), for the amount of US\$6,400,000, to provide support for a program in civil society action for accountable justice and security. The period of execution of the project ranges from June 22, 2015 to June 21, 2018. The counterpart for the project is for the amount of US\$960,000.

Program Objectives

- a) Improve public awareness of crime and criminal justice;
- b) Increase access and availability of information and support resources for victims and witnesses;
- c) Increase use of the Dominican Freedom of Information Act (FOIA) and related legislation to exert social control actions and monitor criminal justice system's actors, including the police; and,
- d) Encourage the increment of contributions from social organizations in adopting reforms in the criminal justice and public safety systems.

Cost-Sharing Contributions

Cost-sharing contributions amount to 15% of total program costs during the life of the agreement.

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for the period October 1, 2014 until September 30, 2015

Program Budget

The budget in the schedule of Cooperative Agreement to the Dominican Republic's local currency by the total amount of US\$6,400,000.

Cost Category	From 6/19/2015 to 6/18/2016 (US\$)	From 6/19/2016 to 6/18/2017 (US\$)	From 6/19/2017 to 6/18/2018 (US\$)	Totals (US\$)
1. Total Direct Costs	\$1,712,924	\$2,220,313	\$1,713,081	\$5,646,318
2. Total Indirect Costs/Overhead	\$242,343	\$250,728	\$260,612	\$753,682
Total Estimated Amount (USAID)	\$1,955,267	\$2,471,040	\$1,973,693	\$6,400,000
Cost Share (Non-Federal)	\$293,290	\$370,656	\$296,054	\$960,000
Total Program Amount	\$2,248,557	\$2,841,696	\$2,269,747	\$7,360,000

Indirect Costs

As shown in the budget, the partner can charge specific costs of the program to this line without any given rate.

Audit Objectives

The objective of this engagement is to conduct a financial audit of the Cooperative Agreement **AID-517-A-12-00007** and **AID-517-A-15-00006**, from October 1, 2014 until September 30, 2015 in accordance with U.S. Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States and USAID Guidelines for Financial Audits Contracted by Foreign Recipients, and accordingly included such tests of documentation, accounting records and internal control and other auditing procedures as deemed necessary under the circumstances.

The financial audit includes (1) a specific audit of all the recipient's USAID-funded programs. The total amount of all USAID-funded programs is US\$ 2,409,451, corresponding to the period **October 1, 2014 until September 30, 2015** and the counterpart contribution is US\$ 444,685.

The fund accountability statement is the basic financial statement to be audited that presents the recipient's revenues, costs incurred, cash balance of funds provided by USAID, and commodities directly procured by USAID for the recipient's use. The fund accountability statement should be reconciled to the USAID funds included in the general purpose financial statements by a note to the financial statements or the fund accountability statement.

All currency amounts in the fund accountability statement, cost sharing/counterpart contributions schedule, and the report findings, if any, must be stated in U.S. dollars. We should indicate the exchange rate(s) used in the notes to the fund accountability statement.

Perform an audit of the indirect cost rate(s) if the recipient has been authorized to charge indirect costs to USAID using provisional rates and USAID has not yet negotiated final rates with the recipient.

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The specific objectives of the financial audits for fund accountability statement are to:

- Express an opinion on whether the fund accountability statement for the Program funded by USAID presents fairly, in all material respects, revenues received, costs incurred, and commodities and technical assistance directly procured by USAID for the period October 1, 2014 until September 30, 2015 in conformity with the terms of the agreement and generally accepted accounting principles or other comprehensive basis of accounting described in Note 1 to the fund accountability statement (including the cash receipts and disbursements basis and modifications of the cash basis);
- Evaluate and obtain a sufficient understanding of the internal control of Participacion Ciudadana related to the SUSTAINABILITY AND EXPANSION OF COMMUNITY JUSTICE HOUSE Program, assess control risk, and identify deficiencies that are considered to be reportable conditions, including material internal control weaknesses. This evaluation includes the internal control related to required cost-sharing contributions;
- Perform tests to determine whether Participacion Ciudadana complied, in all material respects, with agreement terms and applicable laws and regulations related with the USAID-funded program. Express positive assurance on the items examined and negative assurance on those that were not examined. Identify, as applicable, all material instances of noncompliance and all illegal acts that have occurred or are likely to have occurred;
- Determine if Participacion Ciudadana has taken adequate corrective actions on prior audit report recommendations (if applicable).

We design 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 must contact the USAID and should exercise due professional care in pursuing indications of possible fraud and illegal acts so as not to interfere with potential future investigations or legal proceedings.

The specific objectives of the financial audits for Cost Sharing are to:

The audit has determined whether cost sharing/counterpart contributions were provided and accounted for by the recipient in accordance with the terms of the agreements. We reviewed the cost sharing/counterpart contributions schedule to determine if the schedule is fairly presented in accordance with the basis of accounting used by the recipient to prepare the schedule. We questioned all cost sharing/counterpart contributions that are either ineligible or unsupported costs. In addition, for audits of agreements that present a cost sharing/counterpart budget on an annual basis and for close-out audits of awards that present cost sharing/counterpart budgets on a life-of-project basis, we will review the cost sharing/counterpart schedule to determine if cost sharing/counterpart contributions were provided by the recipient in accordance with the terms of the agreement.

Audit scope

We used the following steps as the basis for preparing audit programs. They are not considered all-inclusive or restrictive in nature and do not relieve the auditor from exercising due professional care and judgment. The steps should be modified to fit local conditions and specific program design, implementation procedures, and agreement provisions which may vary from program to program. Any limitations in the scope of work must be communicated as soon as possible to the USAID/DR office.

A. Pre-Audit Steps

Following is a list of documents applicable to different USAID programs. We reviewed the applicable documents considered necessary to perform the audit:

1. We obtained and review the cooperative agreement No. 517-A-12-00007 between USAID and PARTICIPACIÓN CIUDADANA.
2. The sub agreements between PARTICIPACION CIUDADANA and other implementing entities, as applicable.
3. Contracts and subcontracts with third parties, if any.
4. The budgets, implementation letters, and written procedures approved by USAID.
5. USAID Automated Directives System Chapter 636 – “Program Funded Advances”.
6. OMB Circular A-122 "Cost Principles for Nonprofit Organizations" (2 CFR Part 230).
7. Mandatory Standard Provisions for Non-U.S. Nongovernmental Grantees (USAID Automated Directives System, Chapter 303 Internal Mandatory References).
8. Standard Provisions Annex for Agreements with Foreign Governments (USAID Automated Directives System, Chapter 350 and Series 200).
9. All program financial and progress reports; and charts of accounts, organizational charts; accounting systems descriptions; procurement policies and procedures; and receipt, warehousing and distribution procedures for materials, as necessary to successfully complete the required work.
10. Previous audits and financial reviews, that directly relate to the objectives of the audit.

B. Fund Accountability Statement

We examined the fund accountability statement for resources provided by the U.S. Agency for International Development (USAID) managed by PARTICIPACION CIUDADANA, under Cooperative Agreement No. 517-A-12-00007 and AID-517-A-15-00006 including the budgeted amounts by category and major items; the revenues received from USAID for the period covered by the audit; the costs reported by the recipient as incurred during that period; and the commodities directly procured by USAID for the recipient's use. The fund accountability statement included all PARTICIPACIÓN CIUDADANA assistance funds

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identified by each specific program or agreement. The revenues received from USAID less the costs incurred, after considering any reconciling items, must reconcile with the balance of cash-on-hand or in bank accounts. The fund accountability statement does not include cost sharing/counterpart contributions provided from the recipient's own funds or in-kind. However, a separate cost sharing/counterpart contributions schedule has been included and reviewed to determine whether cost sharing/counterpart contributions were provided and accounted for in accordance with the terms of the agreement.

We prepared the fund accountability statement from the books and records maintained by the recipient, but the recipient accepted the responsibility for the statement's accuracy before the audit commences.

The opinion on the fund accountability statement complied with Statement on Auditing Standard SAS No. 62 (AU623). The fund accountability statement must separately identify those revenues and costs applicable to each specific USAID agreement. We evaluate program implementation actions and accomplishments to determine whether specific costs incurred are allowable, allocable, and reasonable under the agreement terms, and applicable cost principles, and to identify areas where fraud and illegal acts have occurred or are likely to have occurred as a result of inadequate internal control. At a minimum, we did the following:

1. We reviewed direct and indirect costs billed to and reimbursed by USAID and costs incurred but pending reimbursement by USAID, identifying and quantifying any questioned costs. All costs that are not supported with adequate documentation or are not in accordance with the agreement terms are reported as questioned. Questioned costs that are pending reimbursement by USAID are identified in the notes to the fund accountability statement as not reimbursed by USAID
2. We reviewed general and program ledgers to determine whether costs incurred were properly recorded, and we reconciled the direct costs billed to and reimbursed by USAID with the general and program ledgers.
3. Review procedures used to control funds, including their channeling to contracted financial institutions or other implementing entities. Review the bank accounts and the controls on those bank accounts. Perform 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 by PARTICIPACION CIUDADANA from USAID was

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appropriately recorded in their accounting records and that those records were periodically reconciled with information provided by USAID.

5. We determined whether program income was added to funds used to further eligible program objectives, to finance the non-federal share of the program, or deducted from program costs, in accordance with USAID regulations or the terms and conditions of the agreement.
6. Review procurement procedures to determine whether sound commercial practices including competition were used, reasonable prices were obtained, and adequate controls were in place over the qualities and quantities received.
7. We reviewed direct salary charges to determine whether salary rates were reasonable for that position, in accordance with those approved by USAID when USAID approval is required, and supported by appropriate payroll records. We determined if overtime was charged to the program and whether it was allowable under the terms of the agreement. We determined whether allowances and fringe benefits received by employees were in accordance with the agreement and applicable laws and regulations.
8. Review travel and transportation charges to determine whether they are adequately supported and approved. Travel charges that are not supported with adequate documentation or not in accordance with agreements and regulations must be questioned in the fund accountability statement.
9. Review commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.) whether procured by the recipient or directly procured by USAID for the recipient's use. Determine whether commodities exist or were used for their intended purposes in accordance with the terms of the agreements, and whether control procedures exist and have been placed in operation to adequately safeguard the commodities. As part of the procedures to determine if commodities were used for intended purposes, we performed end-use reviews for an appropriate sample of all commodities based on the control risk assessment. End-use reviews may include site visits to verify that commodities exist or were used for their intended purposes in accordance with the terms of the agreements. The cost of all commodities whose existence or proper use in accordance with the agreements cannot be verified must be questioned in the fund accountability statement. (We determine the cost of commodities based on supporting documentation available from the recipient or PARTICIPACION CIUDADANA, as appropriate.)

10. Review technical assistance and services procured by the recipient. We determine whether technical assistance and services were used for their intended purposes in accordance with the terms of the agreements. The cost of technical assistance and services not properly used in accordance with terms of the agreements must be questioned in the fund accountability statement.

11. We reviewed unliquidated advances to the recipient and pending reimbursements by USAID. Also, we ensured that all assets (inventories, fixed assets, commodities, etc.) procured with program funds were disposed of in accordance with the terms of the agreement.

C. Cost Sharing/Counterpart Contributions Schedule

We reviewed the cost sharing/counterpart contributions schedule to determine whether the cost sharing/counterpart contributions were provided and accounted for by PARTICIPACION CIUDADANA in accordance with program needs and the terms of the agreement.

Our audit test of the cost sharing/counterpart contributions included, among others:

- To determine whether the cost sharing/counterpart contributions were provided and accounted in accordance with program and terms of the agreement.
- Review of the cost sharing/counterpart contributions schedule to determine if schedule presents fairly in accordance with the basis of accounting used by the recipient to prepare the schedule.

D. Internal Controls

We obtained a sufficient understanding of the entity and its environment, including its internal control, to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. In obtaining this understanding, we understood the design of the internal control related to PARTICIPACION CIUDADANA / USAID programs and determine whether they have been placed in operation. The U.S. Government Accountability Office's Standards for Internal Control in the Federal Government (GAO/AIMD-00-21.3.1; 1999) may prove helpful in assessing recipient internal control. The internal control are described in the audit documentation.

We prepared the report required by the *Guidelines*, identifying any significant deficiencies or material weaknesses in the design or operation of internal control. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency,

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or combination of deficiencies, in internal control that is less severe than a material weakness that is important enough to merit attention by those charged with governance. Any significant deficiencies or material weaknesses must be set forth in the report as "findings". Any other matters related to internal control – such as suggestions for improving operational or administrative efficiency or internal control, or control deficiencies that are not significant deficiencies or material weaknesses – may be reported in a separate management letter to the recipient and referred to in the report on internal control.

The major internal control components studied and evaluated included, but are not limited to, the controls related to each revenue and expense account on the fund accountability statement. We, as independent auditors, did the following:

1. Obtain a sufficient understanding of the internal control structure to plan the audit and to determine the nature, timing and extent of tests to be performed.
2. Assess inherent risk and control risk, and determine detection risk. Inherent risk is the susceptibility of an assertion, such as an account balance, to a material misstatement that could be material, either individually or when aggregated with other misstatements, assuming there are no related controls. Control risk is the risk that a misstatement that could occur in a relevant assertion and that could be material, either individually or when aggregated with other misstatements, will not be prevented or detected on a timely basis by the entity's internal control.
3. Summarize the risk assessments for each assertion in a single document included in the audit documentation. The risk assessments should consider the following broad categories under which each assertion should be classified: (a) classes of transactions and events for the period under audit (occurrence, completeness, accuracy, cutoff, and classification), (b) account balances at the period end (existence, rights, obligations, completeness, valuation, and allocation), and (c) presentation and disclosure (occurrence, rights, obligations, completeness, classification, understandability, accuracy, and valuation). At a minimum, the audit documentation identify the name of the account or assertion, the account balance or the amount represented by the assertion, the assessed level of inherent risk (high, moderate, or low), the assessed level of control risk (high, moderate, or low), the combined risk (high, moderate, or low), and a description of the nature, extent, and timing of the tests performed based on the combined risk. Summary audit documentation is cross-indexed to the supporting audit documentation that contains the detailed analysis of the fieldwork. The control risk was evaluated at the maximum level (high).

We assess control risk at the maximum level for assertions related to material account balances, transaction classes, and disclosure components of financial statements when such assertions are significantly dependent upon computerized information systems, we describe in the audit documentation the basis for such conclusions by addressing (i) the ineffectiveness of the design and/or operation of controls, or (ii) the reasons why it would be inefficient to test the controls.

4. Evaluate the control environment, the adequacy of the accounting systems, and control procedures. Emphasize 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. This should include, but not be limited to, the control systems for:
 - A. Ensuring that charges to the program are proper and supported;
 - B. Managing cash on hand and in bank accounts (Program's bank reconciliations);
 - C. Procuring goods and services;
 - D. Managing inventory and receiving functions;
 - E. Managing personnel functions such as timekeeping, salaries, and benefits;
 - F. Managing and disposing of commodities (such as supplies, materials, vehicles, equipment, food products, tools, etc.) purchased either by the recipient or directly by USAID;
 - G. Ensuring compliance with agreement terms and applicable laws and regulations that collectively have a material impact on the fund accountability statement.
 5. Evaluate internal control established to ensure compliance with cost sharing/counterpart contribution requirements, if applicable, including both provision and management of the contributions.
 6. Include in the study and evaluation, other policies and procedures that may be relevant if they pertain to data, we use in applying auditing procedures. This may include, for example, policies and procedures that pertain to non-financial data that the auditor uses in analytical procedures.
- E. Compliance with Agreement Terms and Applicable Laws and Regulations**

The purpose of our procedures was to determine the compliance with the signed agreement and applicable laws and regulations and we determine which could have direct and material effect on the fund accountability statement related to the USAID-funded program.

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In planning and conducting the tests of compliance, we reviewed the following:

1. Identify the agreement terms and pertinent laws and regulations and determine which of those, if not observed, could have a direct and material effect on the fund accountability statement. We also did the following:
 - A. Listed all standard and program-specific provisions contained in the agreements that cumulatively, if not observed, could have a direct and material effect on the fund accountability statement;
 - B. Assessed the inherent and control risk that material noncompliance could occur for each of the compliance requirements listed in paragraph 1.a. above;
 - C. 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 is based on the risk assessment described in paragraph b.1 above;
 - D. Prepare a single summary in the audit documentation that identifies 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 based on the risk assessment, and the results of the compliance testing for each requirement. The summary document was cross-indexed to detailed audit documentation that adequately supports the facts and conclusions contained in the summary document.
2. Determine if payments have been made in accordance with agreement terms and applicable laws and regulations.
3. Determine if funds have been expended for purposes not authorized or not in accordance with applicable agreement terms.
4. Identify any costs not considered appropriate, classifying and explaining why these costs are questioned.
5. We determined whether commodities, whether procured by the recipient or directly procured by USAID for the recipient's use, exist or were used for their intended

purposes in accordance with the terms of the agreement. If not, the cost of such commodities must be questioned.

6. Determine whether any technical assistance and services, whether procured by PARTICIPACION CIUDADANA or directly procured by USAID for recipients' use, were used for their intended purposes in accordance with the agreement.
7. Determine if the amount of cost sharing funds was calculated and accounted for as required by the agreements or applicable cost principles.
8. Determine if the cost sharing/counterpart contribution funds were provided according to the terms of the agreements and quantify any shortfalls.
9. Determine whether those who received services and benefits were eligible to receive them.
10. Determine whether the recipient's financial reports (including those on the status of cost sharing/counterpart contributions) and claims for advances and reimbursement contain information that is supported by the books and records.
11. Determine whether the recipient held advances of USAID funds in interest-bearing accounts, and whether the recipient remitted to USAID any interest earned on those advances, with the exception of up to \$250 a year that the recipient may retain for administrative expenses.

F. Follow-Up on Prior Audit Recommendations

We reviewed the status of actions taken on findings and recommendations reported in prior audits (if applies) of PARTICIPACIÓN CIUDADANA - funded programs.

G. Other Audit Responsibilities

We also performed the following steps:

1. We hold entrance and exit conferences with the recipient. USAID was notified of these conferences.
2. During the planning stages of an audit, we communicated information to the audited regarding the nature and extent of planned testing and reporting on compliance with

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laws and regulations and internal control over financial reporting. Such communication stated that we do not plan to provide opinions on compliance with laws and regulations and internal control over financial reporting. This communication was prepared in the form of an engagement letter.

3. Institute quality control procedures to ensure that sufficient appropriate evidence is obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under audit. While we may use their standard procedures for ensuring quality control, those procedures must, at a minimum, ensure that:
 - Audit reports and audit documentation are reviewed by us, preferably at the partner level, who was not involved in the audit. This review is documented;
 - All quantities and monetary amounts involving calculations are footed and cross-footed; and
 - All factual statements, numbers, conclusions and monetary amounts are cross-indexed to supporting audit documentation.
5. Obtain a management representation letter in accordance with AICPA SAS No. 85 (AU333) signed by the recipient's management.
6. Determine the actual indirect cost rates for the year if the recipient has used provisional rates to charge indirect costs to USAID.

1- Audit Results

a- *Comments on the Fund Accountability Statement*

In our opinion, the fund accountability statement for the *Sustainability and Expansion of Community Justice House Program*, Cooperative Agreement No. **517-A-12-00007** and **AID-517-A-15-00006**, managed by PARTICIPACION CIUDADANA and FINJUS presents fairly, in all material respects, Program revenues received, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the period **October 01, 2014 to September 30, 2015**, in accordance with the terms of the agreement and in conformity with the basis of accounting described in Note 1. We have delivered a report with an unqualified opinion on June 15, 2016.

b- *Comments on the Cost Sharing Statement*

Based on our review, the Sustainability and Expansion of Community Justice Houses Program, Cooperative Agreement No. **517-A-12-00007** and **AID-517-A-15-00006**, managed by PARTICIPACION CIUDADANA and FINJUS presented the cost-sharing contributions for the period **October 01, 2014 to September 30, 2015** in accordance with the terms of the agreement. We have delivered a report with an unqualified opinion on June 15, 2016.

c- *Comments on the Internal Control Structure*

In planning our audit, we considered the internal control of PARTICIPACION CIUDADANA in order to determine our auditing procedures for the purpose of expressing our opinion on the fund accountability statement and not to provide assurance on internal control. Our review and assessment of internal control did not disclose any material departures that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants (AICPA). Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the recipient's ability to record, process, summarize, and report financial data consistent with the assertions of management in the fund accountability statement and cost-sharing schedule. Our tests concluded that **PARTICIPACIÓN CIUDADANA** holds the necessary ability to register the accounting transactions of the projects according to signed agreement of the Cooperative Agreement **AID-517-A-12-00007** and **AID-517-A-15-00006**.

d- *Comments on the Compliance of the Agreement Terms and Applicable Laws and Regulations*

As part of obtaining reasonable assurance about whether the fund accountability statement is free of material misstatement, we performed tests of PARTICIPACION CIUDADANA's compliance with certain provisions of agreement terms and laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

Material instances of noncompliance are failures to follow requirements or violations of agreement terms and laws and regulations that cause us to conclude that the aggregation of misstatements resulting from those failures or violations is material to the fund accountability statement and the cost-sharing schedule.

The results of our tests disclosed no material instances of noncompliance by PARTICIPACION CIUDADANA that are required to be reported here under U.S. Government Auditing Standards, for the period **October 01, 2014 to September 30, 2015**.

e- *Comments on the Indirect cost rate*

The cooperative Agreement **AID-517-A-15-00006** was authorized to charge specific indirect costs without any given rate, in accordance with the schedule budget, it allocates for the first year the top of US\$242,343.

f- *Status of prior Audits Recommendations*

In the prior audit period of October 1, 2013 to September 30, 2014 for AID-517-A-12-00007, there were no questioned costs. There is no prior audit for AID-517-A-15-00006.

2- Management's Comments

The report was previously discussed with the management of **PARTICIPACIÓN CIUDADANA** and on **June 15 2016**, they expressed their agreement with our opinions of the Fund Accountability Statement, Cost Sharing Statement and the reports on the Internal Control Structure, Compliance and Indirect Costs allocations.



GUZMAN TAPIA PKF



June 15, 2016

Independent Auditor's Report on the Fund Accountability Statement

To the Board of Directors of
Participación Ciudadana.

We have audited the fund accountability statement for resources provided by the U.S. Agency for International Development (USAID), under Cooperative Agreement No. **517-A-12-00007** and **AID-517-A-15-00006**, managed by PARTICIPACIÓN CIUDADANA and FINJUS of the program "Sustainability and Expansion of Community Justice House ", in Santo Domingo for the period **October 1st, 2014 until September 30, 2015 (Close-out audit for AID-517-A-12-00007 ending in August 09, 2015)**. The fund accountability statement is the responsibility of PARTICIPACION CIUDADANA's management. Our responsibility is to express an opinion on the fund accountability statement based on our audit.

Except as discussed in the following paragraph, we conducted our audit of the fund accountability statement in accordance with U.S. Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not have an external quality control review by an unaffiliated audit organization as required by Chapter 3, paragraphs 3.50 and 3.55 of U.S. *Government Auditing Standards*, since no such program is offered by professional organizations in *Dominican Republic*. We believe that the effects of this departure from U.S. *Government Auditing Standards* is not material because we participate in the PKF International internal quality control review program which requires our office to be subjected, every three years, to an extensive quality control review by partners and managers from other affiliate offices.

In our opinion, the fund accountability statement for resources provided by the U.S. Agency for International Development (USAID) for the Program, managed by PARTICIPACION CIUDADANA and FINJUS, under Cooperative Agreement No. 517-A-12-00007 and AID-517-A-15-00006, Sustainability and Expansion of Community Justice

Financial Audit to the Cooperative Agreement
AID-517-A-12-00007 and **AID-517-A-15-00006**, managed by Participación Ciudadana
for the period October 1, 2014 until September 30, 2015

To the Board of Directors of
Participación Ciudadana.

House Program, for the period **October 01, 2014 to September 30, 2015** presents fairly, in all material respects, Program revenues, costs incurred and reimbursed, and commodities and technical assistance directly procured by USAID for the period then ended in accordance with the terms of the agreement and in conformity with the basis of accounting described in Note 1 a) to the fund accountability statement.

In accordance with U.S. *Government Auditing Standards*, we have also issued our reports dated June 15, 2016, on our consideration of **Participación Ciudadana**'s internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. Those reports are an integral part of an audit performed in accordance with U.S. *Government Auditing Standards* and should be read in conjunction with this Independent's Auditor's Report in considering the results of our audit.



This report is intended for the information of **Participación Ciudadana** and U.S. Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

PARTICIPACIÓN CIUDADANA
FUND ACCOUNTABILITY STATEMENT
FROM OCTOBER 1, 2014 UNTIL SEPTEMBER 30, 2015
Expressed in US\$

<u>INCOME</u>	TOTAL BUDGET	ACCUMULATED BALANCE	PERIODS BUDGET	CURRENT BALANCE	QUESTIONED COSTS		REFERENCE (FINDINGS NOTES)
					INELIGIBLES	UNSUPPORTED	
Cooperative AID-517-A-12-00007- Balance as of September 30th 2014				50,544			
Cooperative AID-517-A-12-00007	1,350,000	1,290,951	454,184	457,160			Note 6
Cooperative AID-517-A-15-00006	6,400,000	131,241	1,955,267	131,241			Note 10
Total	7,750,000	1,422,192	2,409,451	638,945	-	-	
<u>COSTS INCURRED</u>	-	-	-				
Labor							
Cooperative AID-517-A-12-00007	623,196	603,250	209,460	205,368			Note 2
Cooperative AID-517-A-15-00006	1,439,433	78,377	456,891	78,377			Note 10
Fringe benefits							
Cooperative AID-517-A-12-00007	193,191	195,725	95,021	105,655			Note 2
Cooperative AID-517-A-15-00006	526,833	10,030	167,222	10,030			Note 10
National Travel							
Cooperative AID-517-A-15-00006	141,733	668	40,189	668			Note 10
Supplies							
Cooperative AID-517-A-15-00006	25,200	2,456	8,400	2,456			Note 10

PARTICIPACIÓN CIUDADANA
FUND ACCOUNTABILITY STATEMENT
FROM OCTOBER 1, 2014 UNTIL SEPTEMBER 30, 2015
Expressed in US\$
(Continued)

<u>INCOME</u>	TOTAL BUDGET	ACCUMULATED BALANCE	PERIODS BUDGET	CURRENT BALANCE	QUESTIONED COSTS		REFERENCE (FINDINGS NOTES)
					INELIGIBLES	UNSUPPORTED	
Other direct costs							
Cooperative AID-517-A-12-00007	144,648	107,107	48,216	45,672			Note 2
Cooperative AID-517-A-15-00006	3,035,667	6,746	802,160	6,746			Note 10
Equipment							
Cooperative AID-517-A-12-00007	8,590	26,517	-	17,393			Note 9
Cooperative AID-517-A-15-00006	65,285	7,747	65,285	7,747			Note 10
Contractual							
Cooperative AID-517-A-15-00006	939,000	-	340,000	-			Note 10
Activities							
Cooperative AID-517-A-12-00007	368,375	340,911	97,487	121,731			Note 2
Indirect Costs							
Cooperative AID-517-A-15-00006	226,849	12,434	75,121	12,434			Note 10
Audit							
Cooperative AID-517-A-12-00007	12,000	18,238	4,000	8,907			
Total Cooperative AID-517-A-12-00007	1,350,000	1,291,747	454,184	504,725	-	-	
Total Cooperative AID-517-A-15-00006	6,400,000	118,459	1,955,267	118,459	-	-	
	7,750,000	1,410,206	2,409,451	623,184	-	-	
Available Funds				15,761			

PARTICIPACIÓN CIUDADANA
FUND ACCOUNTABILITY STATEMENT – CASH FLOW
FROM OCTOBER 1, 2014 UNTIL SEPTEMBER 30, 2015
Expressed in US\$

QUESTIONED COSTS

<u>INCOME</u>	CURRENT BALANCE	INELIGIBLES	UNSUPPORTED	REFERENCE (FINDINGS NOTES)
Convenio AID-517-A-12-00007- Balance inicial 30 Septiembre 2014	50,544			
Convenio AID-517-A-12-00007	457,160			
Convenio AID-517-A-15-00006	131,241			
Total	638,945			
<u>COSTS INCURRED</u>				
Total Cooperative AID-517-A-12-00007	504,725			
Total Cooperative AID-517-A-15-00006	118,459			
	623,184			
Available Funds	15,761			
<u>Accounts receivable</u>				
Cooperative AID-517-A-12-00007	(139)			
Cooperative AID-517-A-15-00006	(83)			
<u>Accounts Payable</u>				
Cooperative AID-517-A-12-00007	3,965			
Cooperative AID-517-A-15-00006	8,222			
<u>Accumulations and retentions payable</u>				
Cooperative AID-517-A-15-00006	1,980			
<u>Exchange Rate Variation</u>				
Cooperative AID-517-A-15-00006	912			
Cooperative AID-517-A-12-00007	(2,979)			
Available Funds in Bank - Net	27,639			
<u>Balance Banks Cooperative AID-517-A-12-00007</u>	3,827			
<u>Balance in Banks Cooperative AID-517-A-15-00006</u>	23,813			
	27,639			

**NOTES TO THE FINANCIAL FUND ACCOUNTABILITY STATEMENT
AS OF SEPTEMBER 30, 2015**

1. Organization and Summary of the Accounting Policies

Participacion Ciudadana is a nonpartisan civic movement, pressure, coordination and linkage of social sphere with the public authorities and political parties. It is in order to promote participation within civil society and to encourage the participation of citizens in order to achieve the political, institutional and democratic reforms required by the Dominican Republic and a social fair and balanced development, making rational and efficient use of resources.

Currently it has 500 registered members, including 28 municipalities and the National District, part of various working committees.

The fund accountability statement has been prepared in accordance with independent government auditing requirements issued by the Comptroller General of the United States. The most important accounting policies adopted by management are set out below:

a) Basis of the accounting record and presentation of the fund accountability:

The Fund Accountability Statement is prepared using the cash receipts and disbursements basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. On basis, revenue is recognize when received rather than earned, and disbursements are recognized when paid rather than when incurred.

The accounting basis differs of the Participacion Ciudadana, which is the accrual method, whereby transactions and other events are recognized when they occur (and not when collected or paid in cash or equivalent). Thereby, the transactions and other events are booked in the accounting records and recognized in the financial statements of the periods to which they are related.

b) Currency use to present the statements:

The amounts presented in the Fund Accountability Statement are in Dollars from the United State of America. The average exchange rate used is **US\$44.61** for each **US\$1.00**.

c) Commodities (supplies, materials, vehicles, equipment. Food products, etc):

The disbursements done for the acquisition of commodities are considered to be expenses of the program and they are maintained at historical cost, without reducing its value, due to depreciation based on their estimated useful lives.

d) Cost Sharing:

Cost Sharing contribution budget funds are the equivalent of 25% and 15% for the sub agreement, of the total program costs during the life of the agreement. The cost sharing/counterpart contribution were provided and registered in accordance with the term of the agreement.

e) Questioned Costs:

According to requirements of USAID, the costs charged on the Program, to be permissible must meet the following criteria:

- Reasonable: Refers to those costs that do not exceed the budget, which would be incurred by an ordinary person and prudently in the normal course of work.
- Assignable Costs: refers to those costs that are necessary for the donation.
- Permissible Costs: Those costs that are of conformity with any limit imposed by the donation.

There are two categories of questionable costs:

- Questioned Costs: Are those not distributable or permissible in accordance with the agreement terms and applicable laws and regulations, or are considered not reasonable in the circumstances.
- Undocumented Costs: Are those not adequately supported by the implementing agency, and that exceed the budgeted items.

Program History

During its past 18 years exercising democracy, the Dominican Republic has promoted important processes for State reform. Since 1994 work is being done to redefine the main governmental institutions, to consolidate the electoral processes, the expansion of individual rights, the re- definition of our economic integration, as well as the steps to change the Judicial Branch into an independent public power. The great difficulties to access and attain justice generate, in many civic sectors, the conviction that their fundamental rights are unprotected, a situation that could become the breeding ground for human rights violations, cases of lynching and non-governance, as well as the emergence of illegal groups selling protection.

In light of this social reality, broad sectors of society are suffering a lack of security, which is shown in the violence against women, the family and in the communities, without discriminating social sectors. Dominican society, a product of institutional weakness and

impacted by the current global social and economic crisis, lacerates, confuses and makes young people even more vulnerable, forcing them to face or coexist with social evils such as: domestic violence, crime, drug traffic, promiscuity and drug addiction, in a social setting of poverty and exclusion.

The programs to prevent violence and to care for young people are very limited in scope, and those that were ever implemented responded to specific needs losing their effectiveness once their objective was reached and their activities ended.

In this sense, the Community Houses of Justice, whose characteristics enable their sustainability through time, as demonstrated by their six years in operation, proposes to develop youth initiatives that include training, promotion of conflict resolution through alternative methods and their integration into citizenship-building organizations. We are seeking to develop a young generation who can stay away from violence and crime, who become promoters of change in favor of their communities. To influence decisively in changing this scenario and to make a progressive contribution to the integration of the justice institutions, the municipality and the civil society with the communities, Participacion Ciudadana's project will contribute to the consolidation of peace, governance and rule of law in the vulnerable areas of the country, which entails a wide collaboration with the strengthening of democracy and the Rule of Law.

Program Objectives

- Main Objective

Contribute to the development of a culture of peace, through the implementation of alternate methods for conflict resolution, the access to justice and citizen security.

- Project Objective

Facilitate the access to justice, the respect for human rights and citizen security through the sustainability and expansion of the program Community Houses of Justice in the Northern, Eastern and Southern regions and in Santo Domingo.

2. Important items in the Fund Accountability Statement

The following items are the most material expenses included in the Fund Accountability Statement.

Account	Amount	Concepts
610101	205,368	Salaries (i)
610102	105,655	Fringe Benefits (ii)
6102	45,672	Other direct costs(iii)
6103	121,731	Activities (iv)

- (i) Paid salaries for the staff working for the program. The total paid employees goes up to 17 persons.

Financial Audit to the Cooperative Agreement
AID-517-A-12-00007 and **AID-517-A-15-00006**, managed by Participación Ciudadana
for the period October 1, 2014 until September 30, 2015

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- (ii) Social security, pension plans and other benefits, for the employees, paid to the local authorities, due to local regulations, and indicated in the signed program (budget line). The fringe benefits covered up to 17 persons, all working for the program.
 - (iii) Includes utilities, communication rent and office materials.
 - (iv) Includes Institutional Strengthening, training, sustainability and publications.

3. Cost-Sharing Contributions

Cost-sharing contributions amount to 25% of total program costs during the life of the agreement.

4. Program Budget

The budget of the Program for the period October 01, 2014 to September 30, 2015 amounted to US\$1,350,000, and is presented as follows:

LINES	YEARS 1	YEARS 2	YEARS 3	TOTAL
Labor	204,276	209,460	209,460	623,196
Fringe Benefits	48,689	49,481	95,021	193,191
Equipment	8,590	-	-	8,590
Other direct costs	48,216	48,216	48,216	144,648
Activities	136,229	134,659	97,487	368,375
Audit	4,000	4,000	4,000	12,000
Total Contribution of USAID	450,000	445,816	454,184	1,350,000
Total Partner Contribution (Cost Sharing)	150,000	148,605	151,395	450,000
Total	600,000	594,421	605,579	1,800,000

5. Budget Compliance:

During the examination of the agreement's budget execution and comparing them with the real amounts, we were not able to observe material variations from the items exceeding the amount permitted by the USAID without authorization. According to our findings there were no changes throughout the project. We proceeded to verify all the proper documentation and according to our findings, there was no evidence of any violation of the signed agreement, specifically the clause 3.4 referring to the variations of the budget.

Financial Audit to the Cooperative Agreement
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6. USAID Transfers

During the period October 01, 2014 to September 30, 2015, USAID made the following transfers of funds:

Transaction Date	Description	Amount Received in US Dollars
10/23/2014	Transfer Received	12,941.30
10/23/2014	Transfer Received	24,072.07
11/26/2014	Transfer Received	65,621.10
1/8/2015	Transfer Received	31,683.38
2/3/2015	Transfer Received	47,337.21
2/23/2015	Transfer Received	34,474.47
4/7/2015	Transfer Received	43,383.17
4/28/2015	Transfer Received	42,429.53
5/15/2015	Transfer Received	38,280.00
7/27/2015	Transfer Received	0.08
7/27/2015	Transfer Received	116,937.66
		USD\$ 457,159.97

7. Cash

Participacion Ciudadana maintains a separate bank account to manage funds received from USAID, which earn interest. At the close out of AID-517-A-12-00007, these accounts were closed and the remaining funds for accounts payable were transferred to PC.

8. Interest

The income from interest, earned between October 1, 2014 and September 30, 2015 was RD\$8,006, equivalent to US\$180. It does not exceed the amount of US\$250, per year applicable for reimbursement as established by the guidelines, but PC did return those funds after periods end.

9. Equipment

Equipment acquired for the agreement totaled RD\$1,147,409.94, equivalent to an historical cost of US\$26,517. After the close out of this agreement, all of these equipment's were transferred to PC after authorized by USAID. The detail of the equipment, purchase with USAID Funds for the entire life of the project is presented below:

CODE	EQUIPMENT DESCRIPTION	ADQ. DATE	COST USD\$
Office Furniture			
1247	Mesa de Conferencia	04-Feb-13	124.54
1248	Silla Visita ISO	04-Feb-13	125.59
1249	Silla Visita Prisma	04-Feb-13	132.13

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CODE	EQUIPMENT DESCRIPTION	ADQ. DATE	COST USD\$
1250 A	Sillón Gerencial Infiniti	04-Feb-13	162.09
1254	Calculadora SHARP	23-Apr-13	78.49
1255	Silla Visita	05-Jun-13	141.29
1256	Silla Visita Prisma	05-Jun-13	340.13
1257	Archivo	05-Jun-13	174.43
1258	Archivo	05-Jun-13	174.43
1259	Credenza	05-Jun-13	162.80
1260	Credenza	05-Jun-13	162.80
1264	Copiadora CANON	12-Jun-13	1,355.01
1265	Copiadora CANON	12-Jun-13	1,355.01
1269	Escritorio	08-Aug-13	102.04
1270	Credenza	08-Aug-13	219.78
1271	Sillón	08-Aug-13	191.00
1272	Archivo	08-Aug-13	102.04
	Total 2013		5,103.59
1305	Counter	23-Apr-14	490.48
1347	Sillas	28-Apr-15	25.78
1348	Sillas	28-Apr-15	25.78
1349	Sillas	28-Apr-15	25.78
1350	Sillas	28-Apr-15	25.78
1351	Sillas	28-Apr-15	25.78
1352	Sillas	28-Apr-15	25.78
1353	Sillas	28-Apr-15	25.78
1354	Sillas	28-Apr-15	25.78
1355	Sillas	28-Apr-15	25.78
1356	Sillas	28-Apr-15	25.78
1357	Sillas	28-Apr-15	25.78
1358	Sillas	28-Apr-15	25.78
1359	Sillas	28-Apr-15	25.78
1360	Sillas	28-Apr-15	25.78
1361	Sillas	28-Apr-15	25.78
1362	Sillas	28-Apr-15	25.78
1363	Sillas	28-Apr-15	25.78
1364	Sillas	28-Apr-15	25.78
1365	Sillas	28-Apr-15	25.78
1366	Sillas	28-Apr-15	25.78
1367	Sillas	28-Apr-15	25.78
1368	Sillas	28-Apr-15	25.78
1369	Sillas	28-Apr-15	25.78
1370	Sillas	28-Apr-15	25.78
1371	Sillón	28-Apr-15	110.18
1372	Sillón	28-Apr-15	110.18
1373	Sillón	28-Apr-15	110.18

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CODE	EQUIPMENT DESCRIPTION	ADQ. DATE	COST USD\$
1374	Sillón	28-Apr-15	110.18
1375	Sillón	28-Apr-15	110.18
1376	Sillón	28-Apr-15	110.18
1377	Sillón	28-Apr-15	110.18
1378	Sillón	28-Apr-15	84.40
1379	Sillón	28-Apr-15	84.40
1380	Sillón	28-Apr-15	84.40
1381	Sillón	28-Apr-15	84.40
1382	Sillón	28-Apr-15	84.40
1383	Sillón	28-Apr-15	84.40
1384	Sillón	28-Apr-15	84.40
1385	Silla	28-Apr-15	26.90
1386	Silla	28-Apr-15	26.90
1387	Silla	28-Apr-15	26.90
1388	Silla	28-Apr-15	26.90
1389	Silla	28-Apr-15	26.90
1390	Silla	28-Apr-15	26.90
1391	Silla	28-Apr-15	26.90
1392	Escritorio	28-Apr-15	87.42
1393	Escritorio	28-Apr-15	87.42
1394	Escritorio	28-Apr-15	87.42
1395	Escritorio	28-Apr-15	87.42
1396	Escritorio	28-Apr-15	87.42
1397	Escritorio	28-Apr-15	94.26
1398	Escritorio	28-Apr-15	94.26
1399	Escritorio	28-Apr-15	94.26
1400	Escritorio	28-Apr-15	94.26
1401	Escritorio	28-Apr-15	94.26
1402	Counter	28-Apr-15	222.15
1403	Counter	28-Apr-15	222.15
1404	Credenza	28-Apr-15	178.32
1405	Mesa Redonda	31-Mar-15	75.12
1406	Silla	31-Mar-15	18.52
1407	Silla	31-Mar-15	18.52
1408	Escritorio	31-Mar-15	126.65
1418	Fotocopiadora	09-Jun-15	844.50
1431	Cámara	30-Jun-15	214.70
1432	Cámara	30-Jun-15	214.70
1433	Sillón	02-Jul-15	121.68
	Total 2015		5,334.44
Total Office Furniture			10,928.51

Computer Equipment

1233	CPU	20-Dec-12	464.08
1234	CPU	20-Dec-12	464.08

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CODE	EQUIPMENT DESCRIPTION	ADQ. DATE	COST USD\$
1235	CPU	20-Dec-12	464.08
1236	CPU	20-Dec-12	464.08
1237	Monitor	20-Dec-12	182.78
1238	Monitor	20-Dec-12	182.78
1239	Monitor	20-Dec-12	182.78
1240	Monitor	20-Dec-12	182.78
	Total 2013		2,587.41
1331	CPU	28-Apr-15	591.72
1332	CPU	28-Apr-15	591.72
1333	Impresora	28-Apr-15	276.69
1334	Impresora	28-Apr-15	276.69
1335	LAPTOP	28-Apr-15	691.68
1336	LAPTOP	28-Apr-15	691.68
1337	LAPTOP	28-Apr-15	691.68
1338	LAPTOP	28-Apr-15	691.68
1339	Monitor	28-Apr-15	136.68
1340	Monitor	28-Apr-15	136.68
1341	Pantalla	28-Apr-15	89.91
1342	Pantalla	28-Apr-15	89.91
1345	UPS	28-Apr-15	53.76
1346	UPS	28-Apr-15	53.76
1409	Impresora	16-Apr-15	325.04
	Total 2015		5,389.31
Total Computer Equipment			7,976.72

Other Equipment

1241	Abanico	15-Jan-13	52.36
1242	Abanico	15-Jan-13	52.36
1243	Abanico	15-Jan-13	52.36
1244	Abanico	15-Jan-13	52.36
1245	Abanico	15-Jan-13	52.36
1246	Abanico	15-Jan-13	52.36
1251	Abanico	15-Apr-13	129.34
1252	Abanico	15-Apr-13	129.34
1253	Abanico	15-Apr-13	129.34
1267	Cámara Digital	30-Jun-13	240.39
	Total 2013		942.58
1343	Proyector	28-Apr-15	698.43
1344	Proyector	28-Apr-15	698.43
1410	Abanico	16-Apr-15	190.54
1411	Abanico	16-Apr-15	112.08
1412	Inversor	28-Apr-15	738.98
1413	Inversor	28-Apr-15	738.98
1414	Inversor	28-Apr-15	738.98
1419	Inversor	16-Jun-15	387.54

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CODE	EQUIPMENT DESCRIPTION	ADQ. DATE	COST USD\$
1420	Teléfonos (3 uds)	16-Jun-15	236.51
1421	Teléfonos (3 uds)	16-Jun-15	236.51
1422	Teléfonos (3 uds)	16-Jun-15	236.51
1423	Teléfonos (3 uds)	16-Jun-15	236.51
1424	Teléfonos (2 uds)	16-Jun-15	157.68
1425	Teléfonos (2 uds)	16-Jun-15	157.68
1426	Teléfonos (2 uds)	16-Jun-15	157.68
1427	Teléfonos (3 uds)	16-Jun-15	236.51
1428	Teléfonos (3 uds)	16-Jun-15	236.51
1429	Teléfonos (3 uds)	16-Jun-15	236.51
1430	Teléfonos (3 uds)	16-Jun-15	236.51
	Total 2015		6,669.10
Total Other Equipment			7,611.67

Total Equipments

26,516.90

10. Participacion Ciudadana- Program Activities (Subrecipients)

PARTICIPACION CIUDADANA was granted an award (AID-517-A-15-00006) to provide support for a program with civil society action for accountable justice and security (FINJUS), which will receive transfers of funds from the implementing unit, manage its own bank accounts and accounting, and have an independent administration. The following is the Award Budget, including local cost financing items:

Cost Category	From 6/19/2015 to 6/18/2016 (US\$)	From 6/19/2016 to 6/18/2017 (US\$)	From 6/19/2017 to 6/18/2018 (US\$)	Totals (US\$)
1. Total Direct Costs	\$1,712,924	\$2,220,313	\$1,713,081	\$5,646,318
2. Total Indirect Costs/Overhead	\$242,343	\$250,728	\$260,612	\$753,682
Total Estimated Amount (USAID)	\$1,955,267	\$2,471,040	\$1,973,693	\$6,400,000
Cost Share (Non-Federal)	\$293,290	\$370,656	\$296,054	\$960,000
Total Program Amount	\$2,248,557	\$2,841,696	\$2,269,747	\$7,360,000

Financial Audit to the Cooperative Agreement
AID-517-A-12-00007 and **AID-517-A-15-00006**, managed by Participación Ciudadana
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As of September 30, 2015, a summary of the principal operations carried out is presented as follows:

List of funds transferred as of September 30, 2015:

Date	Description	Amount received in US Dollars
8/27/2015	Transfer received	131,241
		US\$ 131,241

List of costs incurred as of September 30, 2015:

	Participación Ciudadana	FINJUS	Total
Labor	37,483	40,894	78,377
Fringe benefits	4,731	5,300	10,030
National Travel	668	-	668
Equipment	-	7,747	7,747
Supplies	1,268	1,189	2,456
Contractual	-	-	-
Other Direct Costs	4,237	2,509	6,746
Indirect Costs**	4,358	8,076	12,434
	52,745	65,714	118,459

**A detail of the Indirect Costs is presented below:

	Participación Ciudadana	FINJUS
Electricity/Water/garbage	2,707	1,790
Office maintenance	1,651	2,405
Rental of Locales	---	3,619
Accounting system maintenance	---	262
Equipment maintenance	---	---
Vehicle Maintenance	---	---
Webpage Maintenance	---	---
	USD\$ 4,358	USD\$ 8,076

Financial Audit to the Cooperative Agreement
AID-517-A-12-00007 and **AID-517-A-15-00006**, managed by Participación Ciudadana
for the period October 1, 2014 until September 30, 2015

GUZMAN TAPIA PKF



June 15, 2016

Independent Auditor's Report on the Cost Sharing Statement

To the Board of Directors of
Participación Ciudadana.

We have reviewed the accompanying cost sharing/counterpart contributions schedule of the Participación Ciudadana, of the Cooperative Agreement **AID-517-A-12-00007** and **AID-517-A-15-00006**, managed by Participación Ciudadana and FINJUS of the program "Sustainability and Expansion of Community Justice House ", in Santo Domingo for the period **October 1st, 2014 until September 30, 2015** (Close-out audit for AID-517-A-12-00007 ending in August 09, 2015).

Our review was conducted in accordance with standards established by the American Institute of Certified Public Accountants (AICPA). The purpose of our review was to determine if the cost sharing/counterpart contributions schedule is fairly presented in accordance with the basis of accounting described in note 1 to the cost sharing/counterpart contributions schedule. We also considered internal control related to the provision of and accounting for cost sharing/counterpart contributions.

A review consists principally of inquiries of recipient personnel and analytical procedures applied to financial data. It is substantially more limited in scope than an examination, the objective of which is to express an opinion on the cost sharing/counterpart contributions schedule. Accordingly, we do not express such an opinion.

Based on our review, the accompanying cost sharing/counterpart contributions schedule of the Participación Ciudadana, of the Cooperative Agreement **AID-517-A-12-00007** and **AID-517-A-15-00006** from **October 1, 2014 until September 30, 2015**, did fairly present the cost sharing/counterpart contributions schedule, in all material respects, in accordance with the basis of accounting used to prepare the cost sharing/counterpart contributions schedule.



This report is intended for the information of **Participación Ciudadana** and U.S. Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

**PARTICIPACIÓN CIUDADANA
COST SHARING STATEMENT**
FROM OCTOBER 1, 2014 UNTIL SEPTEMBER 30, 2015
Expressed in US\$

<u>INCOME IN-KIND</u>	<u>TOTAL BUDGET</u>	<u>ACCUMULATED BALANCE</u>	<u>PERIODS BUDGET</u>	<u>CURRENT BALANCE</u>	<u>QUESTIONED COSTS</u>		<u>REFERENCE (FINDINGS NOTES)</u>
					<u>INELIGIBLES</u>	<u>UNSUPPORTED</u>	
Cooperative AID-517-A-12-00007	450,000	1,395,037	151,395	805,239	(a)		
Cooperative AID-517-A-15-00006	960,000	-	293,290	-	(b)		
Total	1,410,000	1,395,037	444,685	805,239	-	-	
<u>SHARED COSTS INCURRED IN-KIND</u>				-	-		
Cooperative AID-517-A-12-00007	450,000	1,395,037	151,395	805,239			
Cooperative AID-517-A-15-00006	960,000	-	293,290	-			
	1,410,000	1,395,037	444,685	805,239	-	-	

Available Funds

(a) *It corresponds to the contributions made by the Municipalities of Santiago, Santo Domingo Oeste, La Vega, San Francisco de Macorís and the public prosecutor's Office to the House community justice program. These institutions assume social responsibility by contributing, to the extent of their wishes and possibilities, with services to the citizens, personal attention, equipment, grants, educational activities and maintenance. The donated hours, from internships of students, are coming from different universities, to benefit the Program of Casa Comunitaria de Justicia.*

(b) *For the first 3 months period, there was no Shared Costs.*

PARTICIPACIÓN CIUDADANA
COST SHARING STATEMENT – CASH FLOW
FROM OCTOBER 1, 2014 UNTIL SEPTEMBER 30, 2015
Expressed in US\$

<u>INCOME – IN KIND</u>	CURRENT BALANCE	QUESTIONED COSTS		REFERENCE (FINDINGS NOTES)
		INELIGIBLES	UNSUPPORTED	
Cooperative AID-517-A-12-00007	805,239			
Cooperative AID-517-A-15-00006	-			
Total	805,239			
<u>COSTS INCURRED – IN KIND</u>				
Total Cooperative AID-517-A-12-00007	805,239			
Total Cooperative AID-517-A-15-00006	-			
	805,239			
Available Funds	-			

NOTES TO THE COST SHARING STATEMENT

1. Organization and Summary of the Accounting Policies

The accompanying cost-sharing schedule was prepared for the purpose of complying with Cooperative Agreement No. 517-A-12-00007 and award AID-517-A-15-00006, between the U.S. Agency for International Development (USAID) and PARTICIPACION CIUDADANA. The significant accounting policies adopted by management in the preparation of the cost-sharing schedule are summarized as follows:

a) Basis of the accounting record and presentation of the fund accountability::

The Cost Sharing Statement is prepared using the cash receipts and disbursements basis, which is a comprehensive basis of accounting other than generally accepted accounting principles. On basis, revenue is recognize when received rather than earned, and disbursements are recognized when paid rather than when incurred.

The accounting basis differs of the PARTICIPACION CIUDADANA, which is the accrual method, whereby transactions and other events are recognized when they occur (and not when collected or paid in cash or equivalent). Thereby, the transactions and other events are booked in the accounting records and recognized in the financial statements of the periods to which they are related.

b) Currency use to present the statements:

The amounts presented in the Cost Sharing Statement are in Dollars from the United State of America. The average exchange rate used is **US\$44.61** for each **US\$1.00**.

2. Budget Compliance:

During the examination of the agreement's budget execution and comparing them with the real amounts, we were not able to observe material variations from the items exceeding the amount permitted by the USAID without authorization. According to our findings there were no changes throughout the project. We proceeded to verify all the proper documentation and according to our findings, there was no evidence of any violation of the signed agreement, specifically the clause 3.4 referring to the variations of the budget.

Cost Sharing contribution budget funds are the equivalent of 25% for AID-517-A-12-00007 and 15% for AID-517-A-15-00006 of the total program costs during the life of the agreement. The cost sharing/counterpart contribution were provided and registered in accordance with the term of the agreement.

GUZMAN TAPIA PKF



June 15, 2015

Independent Auditor's Report on the Internal Control Structure

*To the Board of Directors of
Participación Ciudadana.*

We have audited the Fund Accountability Statement of the Financial Statement of Participación Ciudadana of the Cooperative Agreement **AID-517-A-12-00007** and **AID-517-A-15-00006**, managed by Participación Ciudadana and FINJUS of the program "Sustainability and Expansion of Community Justice House ", in Santo Domingo for the period October 1st, 2014 until September 30, 2015 (Close-out audit for AID-517-A-12-00007 ending in August 09, 2015). We also reviewed the separate cost sharing/counterpart contributions schedule for the Cooperative Agreement AID-517-A-12-00007 and AID-517-A-15-00006 from **October 1, 2014 until September 30, 2015**.

Except for an external quality control review by an unaffiliated audit organization as required by Chapter 3, paragraphs 3.50 and 3.55 of U.S. *Government Auditing Standards*, since no such program is offered by professional organizations in *Dominican Republic*. We believe that the effects of this departure from U.S. *Government Auditing Standards* is not material because we participate in the PKF International internal quality control review program which requires our office to be subjected, every three years, to an extensive quality control review by partners and managers from other affiliate offices. We conducted our audit in accordance with U.S. *Government Auditing Standards* issued by the Comptroller General of the United States. In planning and performing our audit, we considered the entity's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Financial Audit to the Cooperative Agreement
AID-517-A-12-00007 and **AID-517-A-15-00006**, managed by Participación Ciudadana
for the period October 1, 2014 until September 30, 2015

To the Board of Directors of
Participación Ciudadana (PC)
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Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above, but we noted certain immaterial instances of noncompliance that we have reported to the management of the program in a separate letter.

Status of prior Audits Recommendations

No questioned costs were identified during the audit period *As of September 30, 2014.*



This report is intended for the information of **Participación Ciudadana**, and the U.S. Agency for International Development (USAID). However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

GUZMAN TAPIA PKF



June 15, 2015

Independent Auditor's Report on Compliance

To the Board of Directors of
Participación Ciudadana.

We have audited the Fund Accountability Statement of the Financial Statement of **Participación Ciudadana** of the Cooperative Agreement **AID-517-A-12-00007** and **AID-517-A-15-00006** from **October 1, 2014 until September 30, 2015**. We also reviewed the separate cost sharing/counterpart contributions schedule for the Cooperative Agreement AID-517-A-12-00007 and AID-517-A-15-00006 from October 1, 2014 until September 30, 2015.

Except for an external quality control review by an unaffiliated audit organization as required by Chapter 3, paragraphs 3.50 and 3.55 of U.S. *Government Auditing Standards*, since no such program is offered by professional organizations in *Dominican Republic*. We believe that the effects of this departure from U.S. *Government Auditing Standards* is not material because we participate in the PKF International internal quality control review program which requires our office to be subjected, every three years, to an extensive quality control review by partners and managers from other affiliate offices., we conducted our audit in accordance with U.S. *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement resulting from violations of agreement terms and laws and regulations that have a direct and material effect on the determination of the fund accountability statement amounts.

Compliance with agreement terms and laws and regulations applicable to Participación Ciudadana (PC) is responsibility of Participación Ciudadana's management. As part of obtaining reasonable assurance about whether the fund accountability statement is free of material misstatement, we performed tests of PC's compliance with certain provisions of agreement terms and laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. We also performed tests of PC's compliance with certain provisions of agreement terms and laws and regulations applicable to the provision of cost-sharing/counterpart contributions.

Financial Audit to the Cooperative Agreement
AID-517-A-12-00007 and **AID-517-A-15-00006**, managed by Participación Ciudadana
for the period October 1, 2014 until September 30, 2015

The results of our tests disclosed no instances of non-compliance that are required to be reported here under U.S. *Government Auditing Standards*.



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