

Participación Ciudadana

**Financial Audit of the Funds of United States Agency for
International Development (USAID) managed by
Participación Ciudadana for the implementation of the
Program “Civil Society Action for Accountable Security
and Justice”**

Cooperative Agreement No. AID-517-A-15-00006

Independent Auditors’ Report

Period from October 1st, 2019 to September 30, 2020

Participación Ciudadana
Financial Audit of the Funds of United States Agency for International Development USAID/DR

Cooperative Agreement No. AID-517-A-15-00006
“Civil Society Action for Accountable Security and Justice”

Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

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August 08, 2022

Transmittal Letter

**Mrs.
Fatima Lorenzo
Executive Director
Participación Ciudadana**
Wenceslao Alvarez Street No. 8, Zona Universitaria
Santo Domingo, Dominican Republic

Dear Mrs. Lorenzo

On January 27, 2021, we were hired by the Participacion Ciudadana, to perform a financial audit of the fund of the United States Agency for International Development (USAID), managed by Participacion Ciudadana through the Cooperative Agreement NoAID-517-A-15-00006, for the Program “Civil Society Action for Accountable Security and Justice (hereinafter, the Program).

This report present the results of our financial audit of the reference program, for the period from October 1st 2019 to September 30, 2020.

I. Background

Entity

Participación Ciudadana is a non-partisan civic movement of pressure, concertation and linking of social sphere with the public powers and political parties. It is constituted 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 that the Dominican Republic requires and a fair and balanced social development, making rational and efficient use of resources. Established on October 31, 1993 and obtained its legal status by Executive Power Decree No. 27-96, on January 18, 1996.

Background of the Program

Cooperative Agreement No. AID-517-A-15-00006

On June 22, 2015, USAID subscribed Cooperative Agreement No. AID-517-A-15-00006 with Participación Ciudadana to implement the Program “Civil Society Action for Accountable Security and Justice”. Its duration is scheduled for a period of five years and two months, from June 22, 2015 to June 30, 2021.

The objectives of the Program are as follows:

- 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.
- d) Encourage the increment of contributions from social organizations in adopting reforms in the criminal justice and public safety systems.

On August 13, 2015, was made the amendment 1 to the Cooperative Agreement No. AID-517-A-15-00006, to increase the total obligated USAID amount by \$1,620,000, from \$1,462,721 to \$3,082,721 to include the following programs:



1.1 “Strengthening Transparency and Integrity in Climate Financial Governance”:

The objective of the program is to increase transparency and improve citizen participation in monitoring, supervision of funds destined to programs of adaptation to climate change.

1.2 “Electoral Observation of Persons with Disabilities of the Dominican Republic 2015- 2016”:

The general objective of the program is to promote greater inclusion of persons with disabilities in the electoral process of 2016, strengthen the participation and political incidence of entities of persons with disabilities in the Dominican Republic, fundamentally around the fulfillment of their rights, in accordance with what is established in Article 29 of the Convention on the Rights of Persons with Disabilities-CDPD of Nations and Law No. 05-13 on Disability of the Dominican Republic.

I. Background (continued)

a) Budget

The current budget for the Program will be \$10,292,500, of which \$8,950,000 will be contributed by USAID and \$1,342,500 will be contributed as cost sharing by Participación Ciudadana and Fundación Institucionalidad y Justicia, Inc. (hereinafter FINJUS).

The detailed budget by execution period is as follows:

<u>Details</u>	<u>US\$</u>					<u>Total</u>
	06-22-2015 to 06-21-2016	06-22-2016 to 06-21-2017	06-22-2017 to 06-21-2019	06-22-2019 to 06-21-2020	06-22-2020 to 06-30-2021	
Direct costs	1,433,201	1,635,116	3,215,459	898,030	1,605,100	8,786,906
Indirect cost	31,640	29,509	55,075	1,970	44,900	163,094
USAID contribution	1,464,841	1,664,625	3,270,534	900,000	1,650,000	8,950,000
Cost share	219,726	249,694	490,580	135,000	247,500	1,342,500
Total	1,684,567	1,914,319	3,761,114	1,035,000	1,897,500	10,292,500

I. Background (continued)

(b) Amendments

This Cooperative Agreement has had the following amendments:

<u>No.</u>	<u>Date</u>	<u>Subject</u>
1	August 13, 2015	<ul style="list-style-type: none">• Increase the total obligated USAID amount by \$1,620,000, from \$1,462,721 to \$3,082,721. To include the following programs: "Strengthening Transparency and Integrity in Climate Financial Governance" and "Electoral Observation of Persons with Disabilities of the Dominican Republic 2015-2016". <p>Change of payment method to advance.</p> <p>Extend the funds obligated availability date for program expenditures until December 19, 2016.</p>
2	December 12, 2016	<ul style="list-style-type: none">• Replace the currently designated agreement officer representative Mr. Luis Soto with Mrs. Lissette Dumit and the currently designated alternate agreement officer representative Mrs. Lissette Dumit with Mrs. Rosanna Medina.
3	July 14, 2017	<ul style="list-style-type: none">• Increase the total obligated USAID amount by \$1,300,001.45, from \$3,082,721.00 to \$4,382,722.45.• Extend the funds obligated availability date for program expenditures until June 30, 2018.
4	September 19, 2017	<ul style="list-style-type: none">• Replace the designated Agreement Officer Representative (AOR) Mrs. Lissette Dumit with . Montserrat Acosta and the designated alternate AOR Mrs. Rosanna Medina with Mrs. Lissette Dumit.
5	September 27, 2017	<ul style="list-style-type: none">• Increase the total obligated USAID amount by \$121 from \$4,382,722.45 to \$4,382,843.45.
6	December 5, 2017	<ul style="list-style-type: none">• Replace the designated AOR Mrs. Montserrat Acosta with Mrs. Angela Cardenas for this award.
7	June 19, 2018	<ul style="list-style-type: none">• Extend the estimated completion date from June 21, 2018 to August 21, 2020.• Change specified key personnel for this award. Replace Mrs. Rosalía Sosa Pérez with Mr. Carlos E. Pimentel Florenzán.
8	June 27, 2018	<ul style="list-style-type: none">• Increase the total obligated USAID amount by \$1,000,000, from \$4,382,843.45 to \$5,382,843.45.• Extend the funds obligated availability date for Program expenditures of June 30, 2018 until September 30, 2019 for this award.
9	December 20, 2018	<ul style="list-style-type: none">• Replace the currently designated AOR Mrs. Angela Cardenas with Mr. Jason Grullón for this award.

- | | | |
|----|-----------------|---|
| 10 | July 11, 2019 | <ul style="list-style-type: none"> • Increase the total obligated USAID amount by \$1,017,156.55, from \$5,382,843.45 to \$6,400,000. • Extend the funds obligated availability date for program expenditures of September 30, 2019 until August 21, 2020 for this award. |
| 11 | August 13, 2019 | <ul style="list-style-type: none"> • Increase the total estimated and obligated USAID amounts by \$900,000, from \$6,400,000 to \$7,300,000. • Extend the estimated completion date from August 21, 2020 until June 30, 2021. • Extend the funds obligated availability date for program expenditures until June 30, 2021. • Increase the cost-sharing amount by \$135,000, from \$960,000 to \$1,095,000. • Review of the award budget. • Review the Program description to add more activities to this award. |
| 12 | June 26, 2020 | <ul style="list-style-type: none"> • Increase the total estimated and obligated USAID amounts by \$1,650,000 from \$7,300,000 to \$8,950,000. • Increase the cost-sharing amount by \$247,500 from \$1,095,000 to \$1,342,500. • Review of the award budget. • Review the Program description to add more activities to this award. |

II. Audit Objectives

The general objective of this work was to conduct a financial audit of USAID resources managed by Participación Ciudadana, through Cooperative Agreement No. AID-517-A-15-00006 for the Program "Civil Society Action for Security and Justice", for the period from October 1st, 2019 to September 30, 2020, in accordance with:

USAID Financial Audit Guide for Foreign Organizations;

U.S. Generally Accepted Government Auditing Standards (GAGAS or the Yellow Book); hereafter referred to as GAGAS, issued by the Comptroller General of the United States Government Accountability Office; and, as applicable;

International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB), in conjunction with GAGAS; and

The International Standards of Supreme Audit Institutions (ISSAIs) issued by the International Organization of Supreme Audit Institutions (INTOSAI) for public-sector audits, in conjunction with GAGAS.

A. Fund Accountability Statement

Our financial audit of the funds provided by USAID was performed in accordance with U. S. Government Auditing Standards and accordingly included tests of the accounting records as deemed necessary under the circumstance. The specific objectives of the USAID funds are to:

A. Express an opinion on whether the Fund Accountability Statement reasonably presents in all its significant aspects, the income and disbursements, the facilities and technical assistance provided directly by USAID, during the period from October 1st, 2019 to September 30, 2020, in accordance with the terms of the agreements and with the principles of cash-based accounting.

II. Audit Objectives (continued)

- B. Evaluate the Participacion Ciudadana's internal control related to the USAID-funded Project, assess control risk, and identify significant deficiencies including material weaknesses. This evaluation includes the internal control related to required cost-sharing contributions.
- C. Perform tests to determine whether Participacion Ciudadana complied, in all material respects, with agreement terms and applicable laws and regulations related to USAID-funded Project.
- D. Perform an audit of the indirect cost rate(s) if Participacion Ciudadana has been authorized to charge indirect costs to USAID using provisional rates and USAID has not yet negotiated final rates with the beneficiary.
- E. Determine if Participacion Ciudadana has taken adequate corrective action on prior audit report recommendations.

We designed procedures and financial audit steps 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 RIG/San Salvador 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.

B. Cost Sharing Schedule Review

We review the Cost Sharing Schedule contributions to:

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

Determine if the schedule is fairly presented in accordance with the basis of accounting used by the recipient to prepare the cost sharing schedule. We should question all cost sharing contributions that are either ineligible or unsupported costs.

III. Audit Scope

The significant audit procedures implemented during our review were:

A) Fund Accountability Statement

We examined the Fund Accountability Statement for USAID Project, including the budgeted amounts by category and major items; the revenues received from USAID/Dominican Republic for the period from October 1st, 2019 to September 30, 2020 for the Project No. AID-517-A-15-00006, the costs reported by Participacion Ciudadana as incurred during this period, and the commodities/technical assistance directly procured by USAID for Participacion Ciudadana, use.

1. We reviewed 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 are not supported with adequate documentation or are not in accordance with the agreement terms were reported as questioned. Questioned costs that are pending reimbursement by USAID/Dominican Republic were identified in the notes to the Fund Accountability Statement as not reimbursed by USAID.
2. We reviewed general and Project ledgers to determine whether costs incurred were properly recorded. We reconciled direct costs billed to, and reimbursed by USAID to the Project and general ledgers.
3. Review the procedures used to control the funds, including transfer of funds to contracted financial institutions or other implementing entities. Review the bank statements and the controls on those bank accounts and whether they are earning interest and maintaining its value, and if they were reimbursed to USAID, and are not mixed with other bank accounts.

III. Audit Scope (continued)

4. Determine whether advances of funds were justified with documentation, including reconciliations of funds advanced, disbursed, and available. Ensure that all funds received by Participación Ciudadana were appropriately recorded in its Program accounting records, and those records were periodically reconciled with information provided by USAID.
5. Determine whether Program income was added to funds used to further maximize eligible Program objectives, to finance the non-federal share of the Program, or deducted from Program costs, in accordance with USAID regulation, other implementing guidance, or the terms and conditions of the Agreement.
6. Review procurement procedures and services contract to ensure the use of sound commercial practices, including competition, price reasonableness, as well as ensuring that adequate controls were in place over the qualities and quantities received.
7. Review direct salary charges to determine whether salary rates were reasonable for the position, in accordance with those approved by USAID/Dominican Republic and supported by appropriate payroll records. This review included:
 - a) Determine if overtime was charged to the Program and whether it was allowable under the term of the Agreement.
 - b) Determine whether allowances and fringe benefits received by employees were in accordance with the Agreement and applicable laws and regulations. Question unallowable salary charges in the fund accountability statement.
8. Review travel and transportation charges to determine whether they were adequately supported and approved. Travel charges that were not supported with adequate documentation or not in accordance with agreements and regulations were questioned in the fund accountability statement.
9. Review whether assets exist and/or supplies were procured by the recipient or directly procured by USAID for the Program's use, in order to determine whether:
 - a) They were accounted.
 - b) Control procedures exist and have been placed in operation to adequately safeguard the assets.
 - c) The assets were used for intended purposes set forth in the Agreement.

As part of the procedures to determine if assets were used for intended purposes, we performed end-use reviews for an appropriate sample of all assets based on the control risk assessment. End-use reviews usually include Project site visits to verify that assets exist or were used for their intended purposes in accordance with the term of the Agreement. The cost of all assets whose existence or proper use in accordance with the Agreement cannot be verified, are questioned in the fund accountability statement.
10. Review technical assistance and services procured by Participación Ciudadana, as well as those directly procured by USAID/Dominican Republic for Participación Ciudadana's use, in order to determine whether these were used for their intended purposes in accordance with the term of the Agreement. The cost of technical assistance and services not properly used in accordance with the term of the Agreement, if any, are questioned in the fund accountability statement.
11. Review whether technical assistance and services were contracted from a non-U.S. contractor. For these costs, we performed additional audit procedures described in the other paragraphs, unless Participación Ciudadana has separately contracted for an audit of these costs.
12. Review whether invitations to tender and allocation of subprojects to contractors were performed in accordance with policies and procedures set forth by the contractual law of Participación Ciudadana.
13. Perform the review of periodic technical reports issued by the appointed teams, regarding the works agreed that support investments for the Program implementation, such as television, radio and newspaper publications.

III. Audit Scope (continued)

B) *Internal Control structure*

We reviewed and evaluated the beneficiary internal control related to USAID/Dominican Republic's Project to obtain a sufficient understanding of the design of relevant control policies and procedures and whether those policies and procedures were placed in operation.

1. We obtained a sufficient understanding of the entity's internal controls to plan the audit and to determine the nature, timing and extent of 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 work documentation papers under the following categories:
 - a) Existence or occurrence.
 - b) Completeness.
 - c) Rights and obligations.
 - d) Valuation.
 - e) Presentation and disclosure.
4. We evaluate the control environment, the adequacy of the accounting system and control procedures; emphasizing the policies and procedures that pertain to Participación Ciudadana's ability to record, process, summarize and report financial data consistent with the assertions embodied in the fund accountability statement and to ensure compliance with the term of the Agreement, laws and applicable regulations. This evaluation included ensuring that:
 - a) The charges to the Program are proper and duly supported.
 - b) Managing cash on hand and in bank accounts.
 - 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 assets purchased either by Participación Ciudadana, 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 requirements, including both provision and management of the contributions.
6. Include and evaluate other policies and procedures that may be relevant if they pertain to data that we use in applying auditing policies and procedures that refer to non-financial data that we use in analytical procedures.

C) *Compliance with Agreement Terms and Applicable Laws and Regulations*

In planning and conducting the tests of compliance, we consider:

1. Identifying 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. Therefore, we:
 - a) List all the clauses contained in the Agreement that conjunctively, if not observed, could have a direct and material effect on the fund accountability statement.
 - b) Assess the inherent risk and control risk that material noncompliance could occur of the compliance requirements in the Agreement terms.
 - c) Determine 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.

III. Audit Scope (continued)

- d) Prepare a summary audit documentation that identifies each of the specific compliance requirements included in the review, the results of the inherent risk evaluations, control and combined (detection) and for each of the requirements, the audit procedures 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.
2. Determining if payments have been made in accordance with the Agreement terms and applicable laws and regulations.
3. Determining if funds have been expended for purposes not authorized or not in accordance with applicable Agreement terms.
4. Identifying any cost not considered appropriate, classifying and explaining why these costs are questioned.
5. Determining whether assets procured by Participación Ciudadana or directly procured by USAID for the Program use, exist or are used for their intended purposes in accordance with the terms of the Agreement.
6. Determining whether any technical assistance and services procured by Participación Ciudadana or directly procured by USAID for the Program, have been used for their intended purposes in accordance with the terms of the Agreement.
7. Determining if the amount of cost-sharing funds was calculated and accounted for as required by the Agreement and related agreements or applicable cost principles.
8. Determining if the cost-sharing funds were provided in accordance with the terms of the Agreement and quantify any shortfalls.
9. Determining whether the people that received services and benefits were eligible to receive them.
10. Determining whether the Program financial reports (including those on the status of cost-sharing) and advance requests and reimbursements contain information that is supported by the accounting records.
11. Determining whether Participación Ciudadana holds advances of USAID funds in interest-bearing accounts, and whether Participación Ciudadana remitted to USAID any interest earned on those advances, with the exception of up to \$500 annually which Participación Ciudadana may hold to cover administrative expenses. If Participación Ciudadana was required to place USAID funds in an interest-bearing bank account, but did not, we determined the amount of interest Participación Ciudadana was expected to receive and if the amount should be considered as an ineligible cost.

D) Costs-Sharing Schedule

We reviewed the cost-sharing schedule for the period from October 1st, 2019 to September 30, 2020, in accordance with the Guidelines established by USAID, in order to determine whether the schedule is reasonably presented in conformity with the accounting basis used by Participación Ciudadana in the preparation of said schedule and whether contributions were provided by Participación Ciudadana in accordance with the terms of the Agreement. We reported as questioned all cost-sharing contributions that are ineligible or unsupported.

E) Follow-Up on Prior Audit Recommendations

We reviewed the status of actions taken on findings and recommendations included in prior audit reports.

F) Indirect Cost Rates

Determine the actual rate of indirect costs for the year if the beneficiary has used a provisional rate to charge indirect costs to USAID. The audit of indirect costs rates should include tests to determine whether the:

III. Audit Scope (continued)

- a) The distribution or allocation base includes all costs that benefit from indirect activities.
- b) The distribution or allocation base is consistent with the indirect cost rate negotiated with USAID, if applicable.
- c) The pooling of indirect costs includes only costs authorized by USAID agreements and applicable cost principles.
- d) The indirect cost rates obtained by dividing the indirect cost pool by the base are calculated correctly.
- e) The costs included in this calculation are reconciled with the total costs shown in the beneficiary's audited general-purpose financial statements.

IV. Audit Results

(A) Fund Accountability Statement

The fund accountability statement of the Program "Civil Society Action for Accountable Security and Justice", Cooperative Agreement No. AID-517-A-15-00006 between Participación Ciudadana and USAID, presents fairly revenues received and costs incurred during the period from October 1st, 2019 to September 30, 2020, in accordance with the terms of the Agreement and based on the accounting described in note 2 to the fund accountability statement and what is established in note 6 Sub-Agreements.

(B) Internal Control Structure

The results of our evaluation indicate that Participación Ciudadana, has the ability to record the income and disbursements of the Cooperative Agreement No. AID-517-A-15-00006 between Participación Ciudadana and USAID.

Additionally, we observed certain matters related to internal control and its operation that we reported in a separate management letter dated August 08, 2022.

(C) Compliance with Agreements Terms and Applicable Laws and Regulations

Our review determined that Participación Ciudadana has complied with all material aspects of the terms of the agreement with USAID and with applicable laws and regulations.

(D) Follow-Up on the Recommendations of Previous Audits

a) Recommendations made by the Regional Inspector General / San Salvador (RIG/SS):

Finding	Recommendation	Status	Comment
In the two instances of material non-compliance detailed on page no.52 of the audit report dated November 23, 2021, which was related to the non-compliance of an accrued interest and two tax obligations paid with program funds without the approval of USAID.	Verify that Participación Ciudadana corrects the two instances of material noncompliance detail on page 52 of the audit report dated November 23, 2021.	Closed.	The recommendation was accepted by the RIG on November 23, 2021 and according to the Management Decision sent by USAID, the taxes paid were returned during the course of the audit for the period 2019-2020.

b) Recommendations from previous audits-predecessor auditors:
 Finding reported in the management letters dated August 19, 2021.

Finding	Recomendation	Status	Comment
I) Non-use of the holded interest to cover administrative expenses of the Program.	During the review made of the income generated as a result of the deposits kept in the Program's checking account, we observed that they were not presented as part of the fund accountability statement and the amount of up to \$250 that the Program could retain annually to cover its administrative expenses, was transferred to an institutional Participación Ciudadana account. The total amount transferred for this concept from June 22, 2015 to September 30, 2019 ascend to RD\$55,124, equivalent to \$1,180. In the Cooperative Agreement, Participación Ciudadana is allowed to retain from the interest generated annually, a maximum amount of \$250 to cover administrative expenses of the Program.	Closed.	The recommendation was accepted and corrected in July 2021, making the transfer to the Project account, no similar situations were evidenced. The Program management took the necessary measures to prevent this situation.
II) Payment Tax to the Transfer of Industrialized Goods and Services (ITBIS, per its Spanish acronyms) with Program funds without the approval of USAID.	During the review made to the costs incurred by the Program, we observed that during the period from October 1st, 2018 to September 30, 2019, payments were including ITBIS for a total amount of RD\$361,115, equivalent to \$6,314, without the approval of USAID. In the Cooperative Agreement, Participación Ciudadana is not allowed to pay taxes with the funds of the Program, without the approval od USAID.	Closed.	The recommendation was accepted and corrected in July 2021. They identified the ITBIS payments already made and proceeded to reimburse to USAID. The Program management took the necessary measures to prevent this situation.

(E) Financial Statements for General Purposes

The Cooperative Agreement No. AID-517-A-15-00006 was authorized to charge specific indirect costs without the use of an assigned indirect cost rate during the period from October 1st, 2019 to September 30, 2020.

(F) Results of the Review of the Cost-Sharing Schedule

We have reviewed the cost-sharing charter of the Cooperative Agreement No. AID-517-A-15-00006 between Participación Ciudadana and USAID. In our review, it was determined that cost-sharing contributions were made and accounted for in accordance with the terms of the agreement and the needs of the Program.

V. Management's Comment

This report was discussed dated August 08, 2022 with Participación Ciudadana's management and the corresponding officials in charge of the Program in the United States Agency for International Development (USAID), who agreed with its contents.

August 08, 2022
Santo Domingo, Dominican Republic

***Independent Auditors' Report on the
Fund Accountability Statement***

**Board of Directors
Participación Ciudadana
Wenceslao Alvarez Street No. 8, Zona Universitaria
Santo Domingo, Dominican Republic**

We have audited the fund accountability statement of United States Agency for International Development (USAID) resources managed by Participación Ciudadana for the implementation of the Program "Civil Society Action for Accountable Security Justice" under Cooperative Agreement No. AID 517-A-15-00006 (the Agreement), signed by USAID and Participación Ciudadana, for the period from October 1st, 2019 to September 30, 2020. The fund accountability statement is the responsibility of Participación 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 two paragraphs, 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 amount 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.

Our firm has not been object of an external quality control review by an unaffiliated audit organization as required by Chapter 3, paragraphs No. 50 and No. 55 of U.S. Government Auditing Standards, since no such program is offered by professional organizations in the Dominican Republic. We believe that the effects of this departure from U.S. Government Auditing Standards is not material because we participate in the quality control of BDO International that includes, among others, that our Firm is submitted every two years, to an extensive review of quality control carried out by partners and managers of other BDO International offices.

We did not have a continuing education program that fully satisfies the requirement mentioned in Chapter 3, paragraph 3.46 of the US Government Auditing Standards. However, our current continuing education program provides for all firm personnel to receive a minimum of 44 hours of training annually in the specific area of work.

In our opinion, the Fund Accountability Statement referred to above presents fairly, in all material respects, Project revenues, cost incurred and reimbursed and commodities and technical assistance directly procured by USAID for the Projects for the year ended on such date, in accordance with the terms of the agreement and in accordance with the accounting basis described in Note 1.

In accordance with U.S. Government Auditing Standards, we have also issued our reports dated August 08, 2022, 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 Auditor's Report in considering the results of our audit.

This report is intended for the information of Participación Ciudadana and USAID. However, upon release by USAID, this report is a matter of public record and its distribution is not limited.

August 08, 2022
Santo Domingo, Dominican Republic



Participación Ciudadana
Financial Audit of the Funds of United States Agency for International Development USAID/DR

Cooperative Agreement No. AID-517-A-15-00006
“Civil Society Action for Accountable Security and Justice”

Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

	<u>Budget of period (a)</u>	<u>Executed in the period</u>	<u>Revenues and costs accumulated</u>	<u>Questioned costs</u>		<u>Note</u>
				<u>Ineligible</u>	<u>Unsupported</u>	
				US\$	US\$	
Revenues:						
Funds received from USAID	1,650,000	1,855,793	6,857,394	-	-	3,4
Interest earned in 2020	-	769	2,346	-	-	3
Interest reimbursed to USAID corresponding to interest earned in 2020	-	(269)	(512)	-	-	
	1,650,000	1,856,293	6,859,228	-	-	
Costs incurred:						
Personnel	366,659	434,691	1,964,973	-	-	4
Fringe benefits	197,916	157,772	545,446	-	-	4
Travel	29,971	12,768	52,473	-	-	4
Equipment	30,926	15,401	101,288	-	-	4
Supplies	12,092	10,066	91,712	-	-	4
Contractual (Note 6)	345,051	536,386	2,498,202	-	-	4
Other direct costs	622,484	609,648	1,462,793	-	-	4
Indirect costs	44,901	30,452	104,987	-	-	4
Total costs incurred	1,650,000	1,807,184	6,821,874	-	-	
Availability	-	49,109	37,354	-	-	5

(a) The budget of the period for the project was approved in the work plan in the modification No. 12.

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“Civil Society Action for Accountable Security and Justice”

Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

1. Significant Accounting Policies

(a) Accounting basic, record and presentation of the fund accountability statement

Participación Ciudadana uses a budget account maintained by recording income and costs month by month. The accumulation of income and costs generates the fund accountability statement of which is audited for the indicated period. The accounting basis for these records is through the accrual method.

The income and costs of the fund accountability statement correspond to the flow of funds received from USAID and the funds disbursed in payment for the costs incurred.

(b) Basis of budget preparation

The budget for the program presented in the statement of accountability was prepared in accordance with the budget approved by USAID. This budget is expressed in USD.

(c) Monetary Unit

The fund accountability statement and cost-sharing schedule are presented in United States dollar (\$), which is considered the currency in which the Program reports. The exchange rate used to translate transactions in Dominican pesos (RD\$) to United States dollars (\$) was the average exchange rate used by USAID for disbursements for the period from October 1st, 2019 to September 30, 2020, is as follows: $RD\$101,163,141 / \$1,855,794 = 54.5121$ (see note 3).

2. Conditions and restrictions of the cooperative agreement

The donation agreement contains certain conditions and restrictions that must be met by Participación Ciudadana, as the executing entity, among which are the following:

1. Participación Ciudadana accepts full responsibility for the financial administration of the Program.
2. All administrative activity executed by Participación Ciudadana will be carried out according to the instructions of USAID for the administration of the program.
3. The administrative activities executed by Participación Ciudadana, will be financed by USAID in relation to the effective execution of the program. For the development of these activities, he will work closely with the official for the administration of the program.
4. In the event that Participación Ciudadana, does not comply with its obligations and responsibilities, USAID will have the right to postpone subsequent payments or terminate the agreement by unilateral decision. Within these obligations can be cited: space facilities, IT and secretarial support, logistics support, communications, among others. Financial management of the resources provided includes opening an account at a local commercial bank for the exclusive management of program funds.

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Period from October 1st, 2019 to September 30, 2020

2. **Conditions and restrictions of the cooperative agreement (continuation)**

5. The payments made will be supervised by Participación Ciudadana, institution in charge of executing and monitoring the activities in accordance with the Cooperative Agreement.
 - a. The executing institution must prepare a monthly report on the financial status in the specified forms and dates indicated.
6. The funds may be used only for the purposes described in the Program's budget.
7. The executing agency will reimburse USAID for funds received and not used in program operations.
8. The funds received will be deposited in an individual account to those of the Executing Institution and managed solely for program operations.

Questioned Costs

In accordance with USAID requirements, there are two categories of questioned costs:

- a) Ineligible costs: they are non-distributable or non-allowable costs according to the terms of the agreement and the applicable laws and regulations, or are considered unreasonable in the circumstances.
- b) Unsupported costs: these are costs not adequately supported by the implemented entity, and which exceed the budgeted items.

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Period from October 1st, 2019 to September 30, 2020

3. Revenue

Is as follows:

Date	Participación Ciudadana RD\$	FINJUS RD\$	Total RD\$	Rate	Participación Ciudadana US\$	FINJUS US\$	Total US\$
October 16, 2019	6,680,838	2,319,638	9,000,476	52.66	126,867	44,049	170,917
November 7, 2019	6,205,868	3,177,687	9,383,555	52.66	117,848	60,343	178,191
December 11, 2019	3,793,203	1,730,184	5,523,387	52.66	72,032	32,856	104,888
December 31, 2019	5,450,831	2,353,497	7,804,328	52.66	103,510	44,692	148,202
February 11, 2020	10,674,351	1,892,057	12,566,408	52.92	201,707	35,753	237,460
March 3, 2020	10,089,421	5,080,110	15,169,531	53.19	189,686	95,509	285,195
April 6, 2020	4,716,651	2,835,195	7,551,846	53.45	88,244	53,044	141,288
June 16, 2020	7,446,618	959,442	8,406,060	57.33	129,890	16,735	146,626
July 20, 2020	10,092,290	2,564,762	12,657,052	58.14	173,586	44,114	217,700
August 18, 2020	2,601,528	3,773,137	6,374,665	58.14	44,746	64,897	109,643
September 21, 2020	4,012,166	2,713,667	6,725,833	58.14	69,009	46,675	115,683
	71,763,765	29,399,376	101,163,141	54.5121	1,317,125	538,667	1,855,793
	71,763,765	29,399,376	101,163,141	54.5121	1,317,125	538,667	1,855,793
Interest earned in RD\$ (Note 5)	RD\$	Rate	US\$				
	41,934	54.51	769				
	41,934	54.51	769				
	41,934	54.51	769				

During the period from October 1st, 2019 to September 30, 2020, interest was generated in the amount of RD\$41,934, equivalent to US\$769, as a result of the deposits made in the Program's current account in Dominican pesos (RD\$). These interests were managed for US\$500 and the excess of US\$269 was reimbursed to USAID on September 30, 2020 by Check No. 5633.

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Period from October 1st, 2019 to September 30, 2020

4. Costs incurred

A detail of costs incurred made during the period by budget category and budget availability for next periods, is as follows:

Category	<u>Execution</u>																	
	Program current budget			Accumulated previous			Budget of period			Executed in the period			Cumulative implementation 09-30-2020			Available 09-30-2020		
	Participación Ciudadana US\$	FINJUS US\$	Total US\$	Participación Ciudadana US\$	FINJUS US\$	Total US\$	Participación Ciudadana US\$	FINJUS US\$	Total US\$	Participación Ciudadana US\$	FINJUS US\$	Total US\$	Participación Ciudadana US\$	FINJUS US\$	Total US\$	Participación Ciudadana US\$	FINJUS US\$	Total US\$
Personnel	2,189,857	899,773	3,089,630	1,530,282	708,103	2,238,385	366,659	-	366,659	434,691	161,045	595,736	1,964,973	869,148	2,834,121	224,884	30,625	255,509
Fringe benefits	653,496	254,103	907,599	387,674	162,484	550,158	197,916	-	197,916	157,772	32,020	189,792	545,446	194,504	739,950	108,050	59,599	167,649
Travels	133,667	-	133,667	39,705	-	39,705	29,971	-	29,971	12,768	-	12,768	52,473	-	52,473	81,194	-	81,194
Equipment	146,666	7,681	154,347	85,887	7,747	93,634	30,926	-	30,926	15,401	1,902	17,303	101,288	9,649	110,937	45,378	(1,968)	43,410
Supplies	134,449	101,301	235,750	81,646	15,536	97,182	12,092	-	12,092	10,066	2,269	12,335	91,712	17,805	109,517	42,737	83,496	126,233
Contracts	1,136,110	66,807	1,202,917	336,434	9,714	346,148	345,051	-	345,051	21,177	92,454	113,631	357,611	102,168	459,779	778,499	(35,361)	743,138
Other direct costs	2,392,666	541,729	2,934,395	853,145	612,072	1,465,217	622,484	-	622,484	609,648	207,530	817,178	1,462,793	819,602	2,282,395	929,873	(277,873)	652,000
Indirect costs	163,094	128,601	291,695	74,535	109,726	184,261	44,901	-	44,901	30,452	17,989	48,441	104,987	127,715	232,702	58,107	886	58,993
	6,950,005	1,999,995	8,950,000	3,389,308	1,625,382	5,014,690	1,650,000	-	1,650,000	1,291,975	515,209	1,807,184	4,681,283	2,140,591	6,821,874	2,268,722	(140,596)	2,128,126

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Period from October 1st, 2019 to September 30, 2020

4. Costs incurred (continued)

Personnel	Participación Ciudadana	FINJUS	Total	Participación Ciudadana	FINJUS	Total
	RD\$	RD\$	RD\$	US\$	US\$	US\$
General coordinator	2,880,000	-	2,880,000	52,832	-	52,832
Project coordinator	2,263,600	819,994	3,083,594	41,525	15,042	56,567
Directors	1,653,750	-	1,653,750	30,337	-	30,337
Assistants Administrative Support	1,620,000	-	1,620,000	29,718	-	29,718
Education officer	320,143	-	320,143	5,873	-	5,873
Technical Assitant	2,330,000	-	2,330,000	42,743	-	42,743
Articulators	6,904,500	-	6,904,500	126,660	-	126,660
Accountant	914,760	-	914,760	16,781	-	16,781
Accounting Assistant	378,000	-	378,000	6,934	-	6,934
Comunications	772,607	-	772,607	14,173	-	14,173
Internal comunicaciones	264,598	-	264,598	4,854	-	4,854
Computer technician	830,750	-	830,750	15,240	-	15,240
Technician coordinator	-	2,957,938	2,957,938	-	54,262	54,262
Justice area technician	-	3,798,764	3,798,764	-	69,687	69,687
Assistantes and administrative	961,200	-	961,200	17,633	-	17,633
Project Assistants	-	942,003	942,003	-	17,281	17,281
Concierge	411,480	-	411,480	7,548	-	7,548
Messenger	226,800	260,196	486,996	4,161	4,773	8,934
Volunteer assistant	-	-	-	-	-	-
Technical Support	478,638	-	478,638	8,780	-	8,780
General services	485,100	-	485,100	8,899	-	8,899
Total Personnel	23,695,926	8,778,895	32,474,821	434,691	161,045	595,736

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Period from October 1st, 2019 to September 30, 2020

4. Costs incurred (continued)

	Participación Ciudadana <u>RD\$</u>	FINJUS <u>RD\$</u>	Total <u>RD\$</u>	Participación Ciudadana <u>US\$</u>	FINJUS <u>US\$</u>	Total <u>US\$</u>
Fringe benefits						
Severance and pre-notification	2,111,548	-	2,111,548	38,735	-	38,735
Christmas bonus	2,206,070	-	2,206,070	40,469	-	40,469
Health family insurance	1,617,867	1,745,488	3,363,355	29,679	32,020	61,699
Labor risk	1,930,399	-	1,930,399	35,412	-	35,412
Vacations	734,681	-	734,681	13,477	-	13,477
Total fringe benefits	8,600,565	1,745,488	10,346,053	157,772	32,020	189,792
Travel						
Per diem	588,514	-	588,514	10,796	-	10,796
Accommodation	33,986	-	33,986	623	-	623
Transport	73,514	-	73,514	1,349	-	1,349
Total travel	696,014	-	696,014	12,768	-	12,768
Equipment						
Computer	613,850	103,677	717,527	11,261	1,902	13,163
Other equipment	225,663	-	225,663	4,140	-	4,140
Total equipment	839,513	103,677	943,190	15,401	1,902	17,303

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Period from October 1st, 2019 to September 30, 2020

4. Costs incurred (continued)

	Participación Ciudadana <u>RD\$</u>	FINJUS <u>RD\$</u>	Total <u>RD\$</u>	Participación Ciudadana <u>US\$</u>	FINJUS <u>US\$</u>	Total <u>US\$</u>
Supplies						
Expendable material	186,629	123,685	310,314	3,424	2,269	5,693
Printed	191,042	-	191,042	3,505	-	3,505
Audit	150,000	-	150,000	2,752	-	2,752
Fuel	14,446	-	14,446	265	-	265
Telephone, fax, internet	6,547	-	6,547	120	-	120
	<u>548,664</u>	<u>123,685</u>	<u>672,349</u>	<u>10,066</u>	<u>2,269</u>	<u>12,335</u>
Total supplies	548,664	123,685	672,349	10,066	2,269	12,335
Contractual (a)						
	Participación Ciudadana <u>RD\$</u>	FINJUS <u>RD\$</u>	Total <u>RD\$</u>	Participación Ciudadana <u>US\$</u>	FINJUS <u>US\$</u>	Total <u>US\$</u>
Fees						
Technical assistance fees	279,213	4,556,344	4,835,557	5,122	83,584	88,706
Professional fees contracted	875,200	483,517	1,358,717	16,055	8,870	24,925
	<u>1,154,413</u>	<u>5,039,861</u>	<u>6,194,274</u>	<u>21,177</u>	<u>92,454</u>	<u>113,631</u>
Total Fees	1,154,413	5,039,861	6,194,274	21,177	92,454	113,631

(a) Includes contracts for Participacion Ciudadana of US\$21,177 and costs incurred from FINJUS of US\$515,209, for a total of US\$536,386. A detail of costs can be seen in Note 6.

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Period from October 1st, 2019 to September 30, 2020

4. Costs incurred (continued)

Other direct costs

	Participación Ciudadana <u>RD\$</u>	FINJUS <u>RD\$</u>	Total <u>RD\$</u>	Participación Ciudadana <u>US\$</u>	FINJUS <u>US\$</u>	Total <u>US\$</u>
Activities and meeting						
Security activities	3,186,296	9,493,866	12,680,162	58,451	174,161	232,612
Transparency initiative activities	346,307	-	346,307	6,353	-	6,353
Civil participation activities	27,186,536	1,312,911	28,499,447	498,725	24,085	522,810
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total activities and meeting	30,719,139	10,806,777	41,525,916	563,529	198,246	761,775
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Period from October 1st, 2019 to September 30, 2020

4. Costs incurred (continued)

	Participación Ciudadana <u>RD\$</u>	FINJUS <u>RD\$</u>	Total <u>RD\$</u>	Participación Ciudadana <u>US\$</u>	FINJUS <u>US\$</u>	Total <u>US\$</u>
Other						
Translate services	437,641	-	437,641	8,028	-	8,028
Courier services	53,000	-	53,000	972	-	972
External audit	1,097,968	-	1,097,968	20,142	-	20,142
Fuel	75,079	-	75,079	1,377	-	1,377
Telephone, fax, internet	536,704	506,107	1,042,811	9,846	9,284	19,130
Insurance	87,019	-	87,019	1,596	-	1,596
Bank charges	226,660	-	226,660	4,158	-	4,158
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Total other	2,514,071	506,107	3,020,178	46,119	9,284	55,403
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other direct costs	33,233,210	11,312,884	44,546,094	609,648	207,530	817,178
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Participación Ciudadana

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Period from October 1st, 2019 to September 30, 2020

4. Costs incurred (continued)

Indirect cost

	Participación Ciudadana <u>RD\$</u>	FINJUS <u>RD\$</u>	Total <u>RD\$</u>	Participación Ciudadana <u>US\$</u>	FINJUS <u>US\$</u>	Total <u>US\$</u>
Electricity, water, trash	397,971	549,501	947,472	7,301	10,080	17,381
Equipment maintenance	175,463	-	175,463	3,219	-	3,219
Office maintenance	1,065,324	-	1,065,324	19,543	-	19,543
Vehicle maintenance	21,191	-	21,191	389	-	389
Other	-	431,120	431,120	-	7,909	7,909
Total indirect cost	1,659,949	980,621	2,640,570	30,452	17,989	48,441
	Participación Ciudadana <u>RD\$</u>	FINJUS <u>RD\$</u>	Total <u>RD\$</u>	Participación Ciudadana <u>US\$</u>	FINJUS <u>US\$</u>	Total <u>US\$</u>
Total program's costs	70,428,254	28,085,111	98,513,365	1,291,975	515,209	1,807,184

(a) The Cooperative Agreement was authorized to charge specific indirect costs without the use of the assigned rate of indirect costs.

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Period from October 1st, 2019 to September 30, 2020

5. Agreement Balance

	Participación Ciudadana		FINJUS		Total	
	<u>RD\$</u>	<u>US\$</u>	<u>RD\$</u>	<u>US\$</u>	<u>RD\$</u>	<u>US\$</u>
<i>Availability as of september 30, 2019</i>	(1,615,390)	(32,026)	623,114	12,352	(992,276)	(19,674)
Reimbursement of interest receivable	-	-	-	-	-	-
Exchange difference (a)	-	8,838	-	(922)	-	7,916
	<u>(1,615,390)</u>	<u>(23,188)</u>	<u>623,114</u>	<u>11,430</u>	<u>(992,276)</u>	<u>(11,758)</u>
<i>Detail executed during the period:</i>						
Revenues the period	71,763,765	1,316,477	29,399,376	539,319	101,163,141	1,855,793
Interest reimbursed to USAID (note 3)	(14,678)	(269)	-	-	(14,678)	(269)
Revenues interest	27,259	500	-	-	27,259	500
Incurred cost	(70,428,254)	(1,291,975)	(28,085,109)	(515,209)	(98,513,365)	(1,807,184)
	<u>1,348,092</u>	<u>24,733</u>	<u>1,314,267</u>	<u>24,110</u>	<u>2,662,357</u>	<u>48,840</u>
Plus (less)						
Interest reimbursed to USAID (note 3)	14,678	269	-	-	14,678	269
Interest pending to be reimbursed to USAID	-	-	-	-	-	-
	<u>14,678</u>	<u>269</u>	<u>-</u>	<u>-</u>	<u>14,678</u>	<u>269</u>
Availability as of september 30, 2020	<u>(252,620)</u>	<u>1,814</u>	<u>1,937,381</u>	<u>35,540</u>	<u>1,684,759</u>	<u>37,354</u>

	Participación Ciudadana		FINJUS		Total	
	<u>RD\$</u>	<u>US\$</u>	<u>RD\$</u>	<u>US\$</u>	<u>RD\$</u>	<u>US\$</u>
Availability as of september 30, 2020						
<i>Cash</i>						
Petty cash	5,000	92	10,000	183	15,000	275
Banco BHD León	1,105,109	20,273	-	-	1,105,109	20,273
Banco Popular Finjus	-	-	1,928,981	35,386	1,928,981	35,386
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	1,110,109	20,365	1,938,981	35,569	3,049,090	55,934
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 <i>Plus:</i>						
Advances	200	4	-	-	200	4
Accounts receivable (b)	750,676	13,771	-	-	750,676	13,771
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	750,876	13,775	-	-	750,876	13,775
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
 <i>Less:</i>						
Accounts payable (c)	(1,588,007)	(29,131)	-	-	(1,588,007)	(29,131)
Accruals payable (d)	(525,597)	(9,642)	(1,600)	(29)	(527,197)	(9,671)
Excess/deficit previous years 1	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	(2,113,604)	(38,773)	(1,600)	(29)	(2,115,204)	(38,802)
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Exchange difference (a)	-	6,447	-	-	-	6,447
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Availability as of september 30, 2020	(252,619)	1,814	1,937,381	35,540	1,684,762	37,354
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Participación Ciudadana
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“Civil Society Action for Accountable Security and Justice”

Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

5. Agreement Balance (continued)

- (a) The difference exchange corresponds to the average exchange rate used by USAID. For disbursements for the period from October 1st, 2019 to September 30, 2020 for US\$2,391 and from previous periods US\$6,447.
- (b) Corresponds to tax payments not authorized by USAID with project funds during the period from October 1st, 2018 to September 30, 2019, for a total amount of RD\$361,115. These funds were subsequently reimbursed to USAID on July 12, 2021, through check No.5678. The same situation also occurred during the period from the October 1st, 2019 to September 30, 2020, for a total amount of RD\$313,746, subsequently reimbursed to USAID on May 3, 2022, through check No.5723.
- (c) Corresponds to purchase orders for goods or services received, of which the suppliers had not issued the final invoice as of September 30, 2020, because the ITBIS exemption was being processed.
- (d) Corresponds to income tax withholdings as of September 2020, for a total amount of RD\$212,594, TSS for RD\$284,829 and ITBIS withholdings for RD\$28,174. In October 2020, all of these balances were paid and previously approved by USAID.

6. Sub-Agreement

In June 22., 2015, Participación Ciudadana subscribed the sub-agreement No. AID-517-15-00006-01 with Fundación Institucionalidad y Justicia, Inc. (FINJUS) for work performed under the Program “Civil Society Action for Accountable Security and Justice” funded by USAID, Mission Dominican Republic, and managed by Participación Ciudadana with maturity dated on August 21, 2021. The budget for the sub-agreement is \$1,999,996 contributed by USAID.

FINJUS is a non-governmental, non-profit organization, regulated by Law No. 122-05 and created by a distinguished group of Dominican lawyers and businessmen. It was recognized by decree of the Executive No. 430-90, dated October 24, 1990.

Its mission is to build, together with the various political and social actors, strategic processes of state reform and modernization, aimed at consolidating democratic institutions, the rule of law, citizen participation and equitable and inclusive development.

The line of contracts includes the amount executed of the transferred funds by Participación Ciudadana as advance of working capital to the sub-executor FINJUS. The budget availability as of September 30, 2020, found on note 4.

Participación Ciudadana
Financial Audit of the Funds of United States Agency for International Development USAID/DR

Cooperative Agreement No. AID-517-A-15-00006
“Civil Society Action for Accountable Security and Justice”

Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

6. Sub-Agreement (continued)

The details of contractually incurred costs for FINJUS

The detail of the costs incurred during the period by budget item and budget availability for future Finjus periods is as follows:

<i>Category</i>	<i>Program current budget</i> <u>US\$</u>	<i>Accumulated previous</i> <u>US\$</u>	<i>Budget of period</i> <u>US\$</u>	<i>Executed in the period</i> <u>US\$</u>	<i>Cumulative implementation 09-30-2020</i> <u>US\$</u>	<i>Difference 09-30-2020</i> <u>US\$</u>
Personnel	899,773	708,103	-	161,045	869,148	30,625
Fringe benefits	254,103	162,484	-	32,020	194,504	59,599
Travels	-	-	-	-	-	-
Equipment	7,681	7,747	-	1,902	9,649	(1,968)
Supplies	101,301	15,536	-	2,269	17,805	83,496
Contracts	66,807	9,714	-	92,454	102,168	(35,361)
Other direct costs	541,729	612,072	-	207,530	819,602	(277,873)
Indirect costs	128,601	109,726	-	17,989	127,715	886
Total costs (a)	1,999,995	1,625,382	-	515,209	2,140,591	(140,596)

The details of contractually incurred costs from Participación Ciudadana

<i>Category</i>	<i>Participación Ciudadana</i> <u>US\$</u>	<i>Total</i> <u>US\$</u>
Technical assistance fees	5,122	5,122
Professional fees contracted	16,055	16,055
Total costs (a)	21,177	21,177

(a) Includes contracts for Participación Ciudadana of US\$21,177 and costs incurred from FINJUS of US\$515,209, for a total of US\$536,386. Seen in Note 4.

Participación Ciudadana
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Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

6. Sub-Agreement (continued)

During the period from October 1, 2019 to September 30, 2020, the execution of the funds transferred to FINJUS, is as follows:

<i>Category</i>	<i>Total funds transferred as advance</i>	<i>Total expenses reported by Finjus</i>	<i>Excess of expenses incurred over funds transferred</i>
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Personnel	158,142	161,045	(2,903)
Fringe benefits	30,274	32,020	(1,746)
Equipment	-	1,902	(1,902)
Supplies	2,360	2,269	91
Contracts	109,346	92,454	16,892
Other direct costs	231,290	207,530	23,760
Indirect costs	7,909	17,989	(10,080)
	<hr/>	<hr/>	<hr/>
Total costs	539,321	515,209	24,112
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

A detail of disbursements made by budget categories of the sub-agreement during the period for FINJUS, is as follows:

Personnel	<u>US\$</u>
Project coordinator	15,042
Technician coordinator	54,262
Justice area technician	69,687
Project Assistants	17,281
Messenger	4,773
	<hr/>
Total Personnel	161,045
	<hr/> <hr/>
Fringe benefits	<u>US\$</u>
Health family insurance	32,020
	<hr/>
Total fringe benefits	32,020
	<hr/> <hr/>

Participación Ciudadana
Financial Audit of the Funds of United States Agency for International Development USAID/DR

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Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

6. Sub-Agreement (continued)	
Equipment	<u>US\$</u>
Computer	1,902
	<hr/>
Total equipment	1,902
	<hr/> <hr/>
Supplies	<u>US\$</u>
Expendable material	2,269
	<hr/>
Total supplies	2,269
	<hr/> <hr/>
Fees	<u>US\$</u>
Technical assistance fees	83,584
Professional fees contracted	8,870
	<hr/>
Total Fees	92,454
	<hr/> <hr/>
Other direct costs	<u>US\$</u>
Security activities	174,161
Civil participation activities	24,085
Telephone, fax, internet	9,284
	<hr/>
Total other direct costs	207,530
	<hr/> <hr/>
Indirect cost	<u>US\$</u>
Electricity, water, trash	10,080
Other	7,909
	<hr/>
Total Indirect costs	17,989
	<hr/> <hr/>
Total sub-agreement´s costs	515,209
	<hr/> <hr/>

Participación Ciudadana
Financial Audit of the Funds of United States Agency for International Development USAID/DR

Cooperative Agreement No. AID-517-A-15-00006
“Civil Society Action for Accountable Security and Justice”

Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

7. Subsequent event

On June 30, 2021, Participación Ciudadana received the Amendment No. 13 in which the total estimated agreement was increased by \$990,000 from \$8,950,000 to \$9,940,000, as well as the cost sharing increased by \$148,500 from \$1,342,500 to \$1,491,000. Review of the award budget and revision of the Program to add additional activities to this award and extend the estimated completion date from June 30, 2021 to June 30, 2022.

On November 1, 2021, Participación Ciudadana received the Amendment No. 14 for increasing USAID committed funds by \$990,000 from \$8,940,000 to \$9,930,000, revision of the award budget, and revision of the Program to add additional activities to this award.

**Internal Control Structure
Independent Auditor's Report**

**Board of Directors
Participación Ciudadana
Wenceslao Alvarez Street No. 8, Zona Universitaria
Santo Domingo, República Dominicana**

We have audited the Fund Accountability Statement of Participación Ciudadana for the implementation of the Program "Civil Society Action for Accountable Security Justice" under Cooperative Agreement No. AID 517-A-15-00006 (the Agreement), signed by USAID and Participación Ciudadana, for the period from October 1st, 2019 to September 30, 2020 and have issued our report on it dated August 08, 2022. We also reviewed the separate Cost Sharing Schedule.

Except as stated in the following two paragraphs, 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

Our firm has not been object of a quality control review by an independent auditing organization, as required by the Government Auditing Standards in Chapter 3, paragraphs No. 50 and 55, because such program is not offered by professional organizations in the Dominican Republic. We consider that the effects of this deviation are mitigated, because the firm is part of the quality control of BDO Internacional, which includes, among others, that our Firm is subjected every two years to an extensive quality control review carried out by partners and managers of other BDO International offices.

We do not have a continuing education program that fully satisfies the requirement mentioned in Chapter 3, paragraph 3.46 of the United States Government Auditing Standards. However, our current continuing education program provides for all firm personnel that a minimum of 44 hours of training be received annually in the specific area of work.

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.

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

This report is intended for the information of Participacion 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.

Additionally, we observed certain matters related to internal control and its operation that we reported in a separate management letter dated august 08, 2022.

August 08, 2022
Santo Domingo, Dominican Republic



**Compliance with Agreements Terms and Applicable Laws and Regulations
Independent Auditor's Report**

**Board of Directors
Participación Ciudadana
Wenceslao Alvarez Street No. 8, Zona Universitaria
Santo Domingo, República Dominicana**

We have audited the Fund Accountability Statement of Participación Ciudadana for the implementation of the Program "Civil Society Action for Accountable Security Justice" under Cooperative Agreement No. AID 517-A-15-00006 (the Agreement), signed by USAID and Participación Ciudadana, for the period from October 1st, 2019 to September 30, 2020 and have issued our report on it dated August 08, 2022. We also reviewed the separate Cost Sharing Schedule.

Except as stated in the following two paragraphs, we conducted our audit in accordance with the United States Government Auditing Standards issued by the United States Comptroller General. Those requirements require that we plan and perform the audit to obtain reasonable assurance as to whether the accountability statement is free from material errors resulting from violations of the terms of the agreement and the laws and regulations that have a direct and material effect on the determination of the state of accountability.

Our firm has not been object of a quality control review by an independent auditing organization, as required by the Government Auditing Standards in Chapter 3, paragraphs No. 50 and 55, because such program is not offered by professional organizations in the Dominican Republic. We consider that the effects of this deviation are mitigated, because the firm is part of the quality control of BDO Internacional, which includes, among others, that our Firm is subjected every two years to an extensive quality control review carried out by partners and managers of other BDO International offices.

We do not have a continuing education program that fully satisfies the requirement mentioned in Chapter 3, paragraph 3.46 of the United States Government Auditing Standards. However, our current continuing education program provides for all firm personnel that a minimum of 44 hours of training be received annually in the specific area of work.

Compliance with the terms of the agreement and applicable laws and regulations is the responsibility of the management of Participación Ciudadana. To obtain reasonable assurance that the accountability statement is free from material distortions, we carry out compliance tests by Participación Ciudadana, with certain terms of the agreement and laws and regulations. However, our objective was not to express an opinion on the general compliance with such clauses. Therefore, we do not express such an opinion. We also carry out tests of Participación Ciudadana's compliance with certain terms of the agreements and laws and regulations applicable to cost-sharing contributions.

Additionally, we observed certain matters related to internal control and its operation that we reported in a separate management letter dated August 08, 2022.

This report is intended to inform of Participación Ciudadana and USAID. However, once distributed by the parties, this report is a matter of public interest and its distribution will not be restricted.

August 08, 2022
Santo Domingo, Dominican Republic





Tel: 809-472-1565
Fax: 809-472-1925
www.bdo.com.do

Av. José Ortega y Gasset No. 46
Esq. Tetelo Vargas, Ensanche Naco
Edificio Profesional Ortega
Santo Domingo, D.N.
República Dominicana

**Independent Auditor's Report on the
Cost-Sharing Schedule**

**Board of Directors
Participación Ciudadana
Wenceslao Alvarez Street No. 8, Zona Universitaria
Santo Domingo, Dominican Republic**

We have reviewed the accompanying cost-sharing schedule of Participación Ciudadana of the "Civil Society Action for Security and Justice" under Cooperative Agreement No. AID-517-A-15-00006 (the Agreement), signed between USAID and Participación Ciudadana, for the period from October 1st, 2019 to September 30, 2020. Our review was carried out in accordance with the standards established by the American Institute of Certified Public Accountants (AICPA). The purpose of our review was to determine if the cost-sharing schedule is reasonably presented in accordance with the accounting basis described in note 1 to the cost-sharing schedule and to determine if the cost-sharing contributions were contributed in accordance with the terms of the Agreement. We also consider the internal controls related to the contribution and accounting of cost-sharing contributions.

A review consists primarily 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 schedule. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that Participación Ciudadana did not fairly present the cost-sharing schedule, in all material respects, in accordance with the accounting basis used to prepare the cost-sharing schedule. Furthermore, nothing came to our attention that caused us to believe that Participación Ciudadana has not provided and accounted for cost-sharing contributions, in all material respects, in accordance with the terms of the Agreement.

This report is intended for the information of Participación Ciudadana and USAID. However, upon release by USAID, this report is a matter of public record and its distribution is no limited.

August 08, 2022
Santo Domingo, Dominican Republic



Participación Ciudadana
 Financial Audit of the Funds of United States Agency for International Development USAID/DR

Cooperative Agreement No. AID-517-A-15-00006
 “Civil Society Action for Accountable Security and Justice”

Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

	<u>Budget of the program (a)</u>	<u>Total executed (e)</u>	<u>(Deficit) Surplus</u>	<u>Questioned costs</u>	
				<u>Ineligible</u>	<u>Unsupported</u>
In cash and kind	247,500	727,740	480,240	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
In cash and kind	247,500	727,740	480,240	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<u>Budget of the program</u>	<u>Accumulated previous</u>	<u>(Deficit) Surplus</u>	<u>Ineligible</u>	<u>Unsupported</u>
In cash and kind	1,342,500	1,783,487	440,987	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
In cash and kind	1,342,500	1,783,487	440,987	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(a) The main base of the estimates was made based on the real fixed and variable expenses whose estimate is predictable to the needs of the program, with comparative purposes in its execution.

Participación Ciudadana
Financial Audit of the Funds of United States Agency for International Development USAID/DR

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Period from October 1st, 2019 to September 30, 2020

	<u>Budget of the program</u>	<u>Accumulated previous</u>	<u>Executed during period</u>	<u>Total executed</u>	<u>(Deficit) Surplus</u>	<u>Percentage (%)</u>
In cash and kind AID-517-A-15-00006	1,342,500	1,055,747	727,740	1,783,487	440,987	0.33 %
Total	1,342,500	1,055,747	727,740	1,783,487	440,987	0.33 %

(a) Basis of Accounting

The cost-sharing schedule has been prepared using the accrual method basis. When using the accrual method basis, contributions are recognized when incurred.

The cost-sharing schedule was prepared based on records kept in the Program offices, located in Participación Ciudadana.

(b) Presentation Currency

The amounts shown in the cost-sharing schedule are presented in United States dollar (\$). Transactions in Dominican pesos (RD\$) were translated to United States dollar (\$) at the average exchange rate used for USAID disbursements during the from October 1st, 2019 to September 30, 2020, as follows
RD\$101,163,141 / \$1,855,793 = 54.5121(see note 3 to the fund accountability statement).

(c) Program's Budget

When reviewing the part corresponding to the shared costs of Program No. AID-517-A-15-00006 to be covered by the beneficiary, we identified that in the execution of the agreement, Participación Ciudadana and Co-Executors have contributed \$1,783,487 of an approved budget of \$1,342,500.

(d) Physical verification of the program

We visit the offices of the executors of the Program in order to obtain physical verification of the documents that support the disbursements.

Participación Ciudadana
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Notes to the Fund Accountability Statement

Period from October 1st, 2019 to September 30, 2020

(Continued)

(e) Cash and In-Kind Contributions

The contributions in kind correspond mainly to the contributions of the work committees of volunteers who collaborate with the activities carried out by Participación Ciudadana, as well as the use of office space and meetings of the National Council.

The contributions in kind made by FINJUS correspond mainly to a proportion of the staff salary and social benefits such as royalties, family health insurance and contributions to the Social Security Treasury of the main employees who contribute part of their time in program activities, as well as the use of office space, office maintenance, and FINJUS furniture and equipment.

The detail of the contribution in kind during the period is as follows:

	<i>Participación Ciudadana US\$</i>	<i>FINJUS US\$\$</i>	<i>Total US\$</i>
Local rental (office space)	18,123	-	18,123
Innovalab (ITLA).	19,524	-	19,524
Primary observation of PLD and PRM parties	54,942	-	54,942
Election observation congressional and municipal	299,827	-	299,827
Election observation presidential	222,853	-	222,853
Personal	-	65,061	65,061
Social benefits	-	14,654	14,654
Equipment	-	991	991
Facilitators	-	31,765	31,765
	<u>615,269</u>	<u>112,471</u>	<u>727,740</u>