

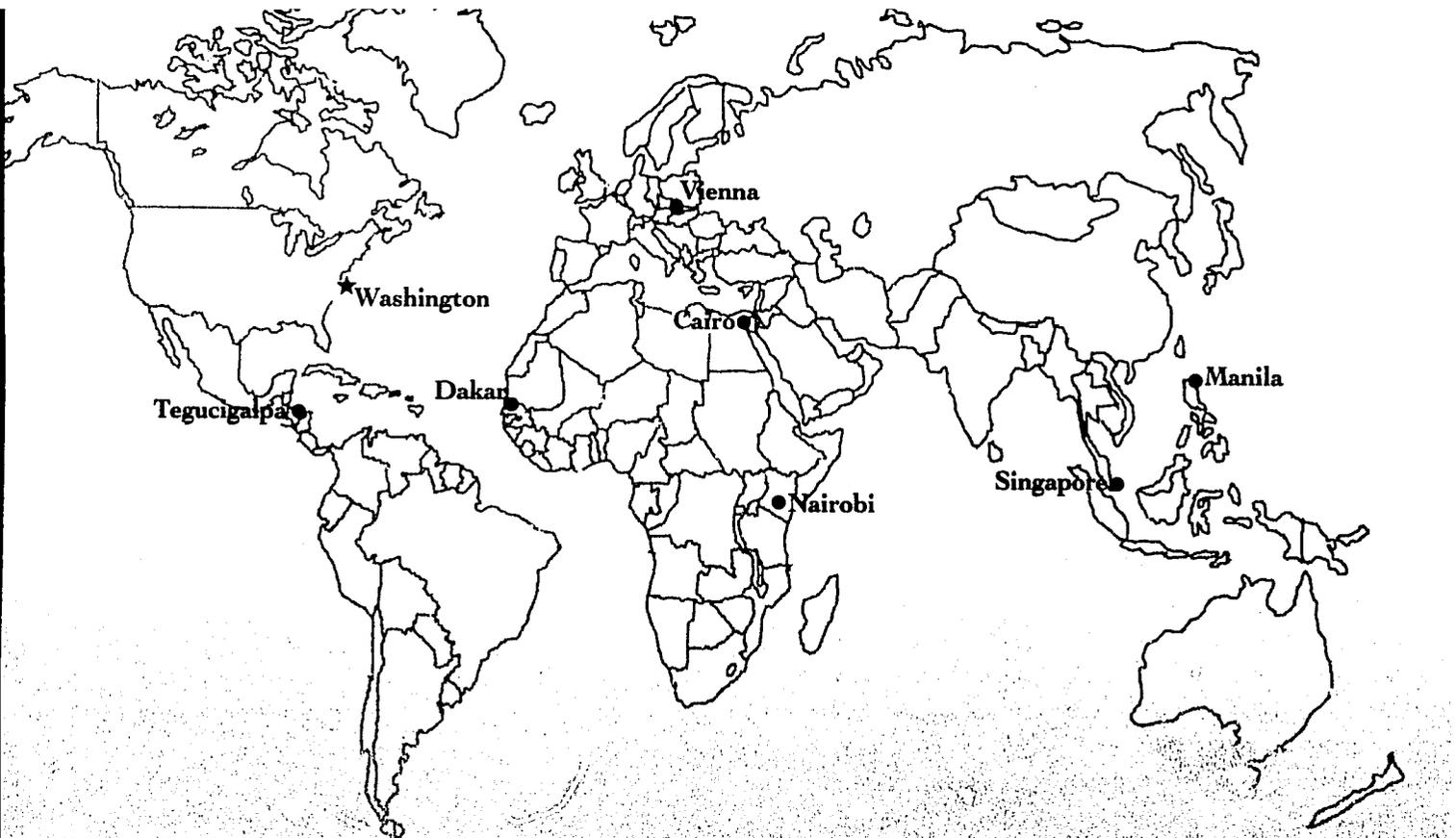
**Regional Inspector General for Audit  
Tegucigalpa, Honduras**

---

**Audit of USAID/Dominican Republic's  
On Farm Water Management Project  
Managed by the  
National Hydraulic Resources Institute  
June 30, 1983 to September 30, 1990**

---

**Audit Report No. 1-517-92-27-N  
March 16, 1992**



Contractor information contained in this report may be provided. The information is 15 (1983) shall be provided to the contractor. The information is 15 (1983).



# AGENCY FOR INTERNATIONAL DEVELOPMENT

U. S. MAILING ADDRESS:  
RIG/T  
APO. MIAMI 34022

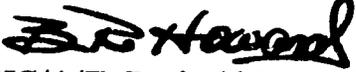
OFFICE OF THE REGIONAL INSPECTOR GENERAL  
AMERICAN EMBASSY  
TEGUCIGALPA - HONDURAS

TELEPHONES:  
32-9987 - 32-3120  
FAX No. (504) 31-4465

March 16, 1992

## MEMORANDUM

TO: D/USAID/Dominican Republic, Raymond F. Rifenburg

FROM:   
RIG/A/T, Reginald Howard

SUBJECT: Audit of USAID/Dominican Republic's On Farm Water Management Project, Managed by the National Hydraulic Resources Institute, June 30, 1983 to September 30, 1990

This report presents the results of a financial audit of USAID/Dominican Republic's On Farm Water Management Project (Project), USAID/Dominican Republic Project No. 517-0159, managed by the National Hydraulic Resources Institute (Institute) for the period June 30, 1983 to September 30, 1990. The audit firm of Deloitte & Touche prepared the report dated January 10, 1992.

The purpose of the Project was to strengthen the capability of the Dominican Republic's government to manage irrigation systems effectively and prevent the deterioration of land resources under irrigation. The Project budget provided for a total of \$19.1 million, of which USAID/Dominican Republic was to provide loan funds of \$12.0 million and the Government of the Dominican Republic, \$7.1 in counterpart contributions. Initiated on June 30, 1983, the Project's completion date of September 30, 1990 was extended to March 30, 1993. The audit coverage included USAID/Dominican Republic funding of \$2.9 million provided to the Institute during the audit period.

The objectives of the audit were to determine whether: (1) the Project's fund accountability statement presents fairly, in all material respects, the financial activities of the Project for the period audited, (2) the Institute's internal control structure was adequate to manage the Project's operations, and (3) the Institute had complied with the terms of the Project Agreement and applicable laws and regulations. The scope of the audit included an examination of the Project's activities and transactions to the extent considered necessary to issue a report thereon for the period under audit.

The Institute was unable to provide the auditors with a reliable fund accountability statement for the audit period because they had not developed and implemented a system to account for Project funds. The fund accountability statement provided to the auditors by the Institute contained material differences in relation to its accounting records. Because of these scope limitations the auditors were unable to render an opinion on the

Project's fund accountability statement for the period audited and considered questionable the \$2,868,746 of funding provided to the Institute by USAID/Dominican Republic during the audit period.

With respect to the Institute's internal control structure for Project activities, the auditors identified two material weaknesses. One weakness was the previously mentioned inadequate Project accounting system. Also the auditors reported that records and controls over equipment purchased with Project funds were inadequate.

Deloitte & Touche was unable to provide any assurance regarding the Institute's compliance with Agreement terms and applicable laws and regulations because of the scope limitations described on the previous page.

The report was discussed with the Institute's management which expressed general agreement with the auditors' findings and conclusions. Management's comments are presented as an appendix to the auditors' report.

We are including the following recommendations in the Office of the Inspector General's recommendation follow-up system:

**Recommendation No. 1**

**We recommend that USAID/Dominican Republic resolve the questionable costs of \$2,868,746 (unsupported) identified in the Deloitte & Touche report dated January 10, 1992 and recover from the Government of the Dominican Republic all amounts determined to be unallowable.**

**Recommendation No. 2**

**We recommend that USAID/Dominican Republic immediately stop providing A.I.D. funds to the National Hydraulic Resources Institute until it has obtained assurance that the Institute has established an accounting system adequate to account for A.I.D. funds and procedures which provide for records and controls over equipment purchased with A.I.D. funds.**

This final audit report is being transmitted to you for your action. Please advise this office within 30 days of actions planned or taken to resolve and close the recommendation.

**Gómez, Santos & Asociados**



**Deloitte & Touche**

Edificio The Bank of Nova Scotia 4to. Piso  
John F. Kennedy Esq. Lope de Vega  
Apartado Postal 1120  
Santo Domingo, D. N., República Dominicana  
Tels.: (809) 565-4451/54

**AUDIT OF THE  
ON FARM WATER MANAGEMENT PROJECT  
USAID/DOMINICAN REPUBLIC PROJECT NO.517-0159  
MANAGED BY THE NATIONAL HYDRAULIC RESOURCES INSTITUTE  
( INDRHI )  
FOR THE PERIOD JUNE 30, 1983 TO SEPTEMBER 30, 1990**

27

**AUDIT OF THE ON FARM WATER MANAGEMENT PROJECT  
USAID/DOMINICAN REPUBLIC PROJECT NO.517-0159  
MANAGED BY THE NATIONAL HYDRAULIC RESOURCES INSTITUTE (INDRHI)  
FOR THE PERIOD JUNE 30, 1983 TO SEPTEMBER 30, 1990**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>TRANSMITTAL LETTER</b>	
Background	1-2
Audit Objectives and Scope	2-3
Results of Audit	3-4
Management Comments	4
<b>FUND ACCOUNTABILITY STATEMENT</b>	
Independent Auditor's Report	5-6
Fund Accountability Statement	7
Notes to the Fund Accountability Statement	8-9
<b>INTERNAL CONTROL STRUCTURE</b>	
Independent Auditor's Report	10-12
Findings	13-15
<b>COMPLIANCE WITH AGREEMENT TERMS AND APPLICABLE LAWS AND REGULATIONS</b>	
Independent Auditor's Report	16
<b>LIST OF REPORT RECOMMENDATIONS</b>	17
<b>APPENDIX 1 - MANAGEMENT COMMENTS</b>	

- 4 -



January 10, 1992

Mr. Reginald Howard  
Regional Inspector General for Audit  
U. S. Agency for International Development  
Tegucigalpa, Honduras, C. A.

Dear Mr. Howard:

This report presents the results of our financial audit of the activities of the "on Farm Water Management Project", USAID/Dominican Republic Project No.517-0159, managed by the National Hydraulic Resources Institute (Instituto Nacional de Recursos Hidraulicos-INDRHI) for the period June 30, 1983 to September 30, 1990.

**BACKGROUND**

On June 30, 1983, the government of the Dominican Republic (GODR) and the United States Agency for International Development in Dominican Republic (USAID/Dominican Republic) signed loan agreement to fund the on Farm Water Management Project, USAID/Dominican Republic project No.517-0159. The purpose of the project was to strengthen the capability of the government of the Dominican Republic to:

- a) Plan effectively the development of its water resources for irrigation.
- b) Plan the operation and maintenance of irrigation systems effectively and efficiently.
- c) Support increased agricultural productivity under irrigation, and
- d) Prevent and/or correct the deterioration of land resources presently under irrigation.

The loan agreement provided US\$12,000,000, and the government of the Dominican Republic agreed to contribute an equivalent of US\$7,063,000 in counterpart funds. The project completion date was September 30, 1990.

Specific project activities include: (1) the creation and strengthening of water users' associations with capability to take the responsibility for water fee collection, and the operation and maintenance of the irrigation systems, (2) strengthening INDRHI's institutional capability in the planning, construction and monitoring of irrigation and drainage systems, (3) the rehabilitation for the irrigation infrastructures, and (4) the demonstration of improved on-farm water management practices on selected farms, to increase crop yields.

#### AUDIT OBJECTIVES AND SCOPE

The objectives of our audit were to determine whether:

- A. The fund accountability statement presents fairly the financial situation of the project activities managed by INDRHI from June 30, 1983 to September 30, 1990, and costs reimbursed by USAID/Dominican Republic are allowable, allocable and reasonable in accordance with agreement terms and applicable laws and regulations.
- B. The internal control structure of INDRHI is adequate to manage the project.
- C. INDRHI complied with agreement terms, project implementation letters, and applicable laws and regulations which may affect the project's goals and incurred costs.

The scope of our work consisted of:

1. Become familiar with the project by reviewing the following documents:
  - The agreements between USAID/Dominican Republic and the GODR related to the project.
  - Contracts between INDRHI and third parties.
2. Reviewing and evaluating INDRHI's internal control structure covering: cash receipt and disbursements, procurement, inventories procedures for records keeping, summarization and reporting of the transactions.

3. Examining the documentation supporting project's funds receipts and disbursements.
4. Testing the project related transactions to determine whether INDRHI was in compliance with agreement terms and applicable laws and regulations.

During our work we were alert to situations or transactions that could be indicative of fraud, abuse and illegal expenditures and acts.

## RESULTS OF AUDIT

### Fund Accountability Statement

1. The accounting system maintained by the National Hydraulic Resources Institute did not allow for the preparation of an accurate and reliable fund accountability statement for the period June 30, 1983 to September 30, 1990, this statement was prepared by the project management but it shows material differences with the accounting records which did not reconcile nor did allow for a detailed review of items.

Due to the lack of accountability over project funding we question all project funding provided by USAID/Dominican Republic to INDRHI during the period June 30, 1983 to September 30, 1990.

Although we were not able to verify the exact amount of funds provided by USAID/Dominican Republic during this period, USAID/Dominican Republic reported the disbursement of RD\$11,474,984 as loan funds.

As a result of the limitations mentioned above, the scope of our work was not sufficient to enable us to express, and we do not express an opinion on the project's fund accountability statement for the period June 30, 1983 to September 30, 1990.

Internal Control Structure:

Our study and evaluation of INDRHI's internal control structure disclosed the following material deficiencies which in our opinion significantly affect INDRHI's ability to record, process, summarize and report financial information on the project's execution:

1. INDRHI did not have an appropriate accounting system for the project.
2. There were no adequate records and controls over equipment.

Compliance With Agreement Terms And Applicable Laws And Regulations:

Due to significant scope limitations in performing our auditing, as explained before, we are not in a position to provide positive nor negative assurances, in regard to tested and untested items, on INDRHI's compliance with agreement terms and applicable laws and regulations.

MANAGEMENT COMMENTS

Generally INDRHI'S management is agreeable to the contents of this report and it's reply thereto is included in Appendix 1 of this report.

*Deloitte & Touche*



**ON FARM WATER MANAGEMENT PROJECT**

**USAID/DOMINICAN REPUBLIC PROJECT NO.517-0159  
MANAGED THE NATIONAL HYDRAULIC RESOURCES INSTITUTE (INDRHI)**

**FOR THE PERIOD JUNE 30, 1983 TO SEPTEMBER 30, 1990**

**FUND ACCOUNTABILITY STATEMENT**

**INDEPENDENT AUDITOR'S REPORT**

We were engaged to audit the fund accountability statement of the "on Farm Water Management Project", USAID/Dominican Republic Project No.517-0159, managed by the National Hydraulic Resources Institute (INDRHI), for the period June 30, 1983 to September 30, 1990. The fund accountability statement of the project is the responsibility of INDRHI.

The accounting system maintained by the National Hydraulic Resources Institute did not allow for the preparation of an accurate and reliable fund accountability statement for the period June 30, 1983 to September 30, 1990, this statement was prepared by the project management but it shows material differences with the accounting records which did not reconcile nor did allow for a detailed review of items.

Due to the lack of accountability over project funding we question all project funding provided by USAID/Dominican Republic to INDRHI during the period June 30, 1983 to September 30, 1990.

Although we were not able to verify the exact amount of funds provided by USAID/Dominican Republic during this period, USAID/Dominican Republic reported the disbursement of RD\$11,474,984 as loan funds.

As a result of the limitations mentioned above, the scope of our work was not sufficient to enable us to express, and we do not express an opinion on the project's fund accountability statement for the period June 30, 1983 to September 30, 1990.

This report is intended solely for the use of the Nacional Hydraulic Resources Institute and the United States Agency for International development. This restriction is no intended to limit the distribution of this report which, upon acceptance by the Office of the Inspector General, is a matter of public record.

September 30, 1991

*Deloitte & Touche*

ON FARM WATER MANAGEMENT PROJECT

USAID/DOMINICAN REPUBLIC PROJECT NO.517-0159

MANAGED BY THE NATIONAL HYDRAULIC RESOURCES INSTITUTE (INDRHI)

FUND ACCOUNTABILITY STATEMENT

FOR THE PERIOD JUNE 30, 1983 TO SEPTEMBER 30, 1990

EXPRESSED IN DOMINICAN REPUBLIC PESOS (NOTE D)

RECEIPTS: (Notes B and C)	RD\$36,218,358
	-----
DISBURSEMENTS:	
Technical assistance	13,920,355
Administrative expenses	15,064,197
Equipment and maintenance	2,784,824
Short term training	240,372
Long term training	4,241,689
	-----
	36,251,437
	-----
FUND BALANCE AS OF SEPTEMBER 30, 1990	RD\$ (33,079)
	=====

See notes to the fund accountability statement

ON FARM WATER MANAGEMENT PROJECT

USAID/DOMINICAN REPUBLIC PROJECT NO.517-0159  
MANAGED THE NATIONAL HYDRAULIC RESOURCES INSTITUTE (INDRHI)

NOTES TO THE FUND ACCOUNTABILITY STATEMENT

FOR THE PERIOD JUNE 30, 1983 TO SEPTEMBER 30, 1990

NOTE A. BACKGROUND AND OBJECTIVES OF THE IMPLEMENTING UNIT

The National Hydraulic Resources Institute (INDRHI) is an autonomous public sector institution of the Dominican Republic, responsible for all hydraulic development except urban water supplies.

INDRHI managed the activities of the on farm water management project.

NOTE B. ACCOUNTING POLICIES

Basis of Presentation:

The fund accountability statement was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles.

NOTE C. RECEIPTS:

Funds provided by USAID/Dominican Republic were as follows:

Cash	RD\$14,144,826
Direct payments	22,073,532
	-----
	RD\$36,218,358
	=====

NOTE D. BUDGET

The final revised budget for the life of the project after amendments was the following:

CATEGORY	US\$000		TOTAL
	USAID/LOAN	GODR	
Technical Assistance	5,794.3		5,794.3
Administration	613.1	1,664.6	2,277.7
District operation	--	750.0	750.0
Training	1,525.0	362.2	1,887.2
Vehicles	397.2	16.2	413.4
Equipment	1,201.5	70.0	1,271.5
Construction	1,389.5	4,200.0	5,589.5
Sub-total	10,920.6	7,063.0	17,983.6
Inflation	539.7		539.7
Contingencies	539.7		539.7
	12,000.0	7,063.0	19,063.0

NOTE E. RATE OF EXCHANGE

The figures in the fund accountability statement are expressed in RD\$ pesos. During project implementation the official exchange rates were as follow:

Date

----

Year		RD\$1.00	=	US\$1.00
March	1984	3.33	=	1.00
June	1985	3.13	=	1.00
August	1985	2.98	=	1.00
September	1985	2.98	=	1.00
October	1985	2.97	=	1.00
December	1985	2.98	=	1.00
March	1986	2.74	=	1.00
April	1986	2.79	=	1.00
July	1986	2.76	=	1.00
September	1986	2.82	=	1.00
November	1986	3.04	=	1.00
December	1986	3.05	=	1.00
February	1987	3.04	=	1.00
April	1987	3.14	=	1.00
May	1987	3.24	=	1.00
July	1987	3.68	=	1.00
January	1988	4.92	=	1.00
May	1988	6.28	=	1.00

13



**ON FARM WATER MANAGEMENT PROJECT  
USAID/DOMINICAN REPUBLIC PROJECT NO.517-0158  
MANAGED BY THE HYDRAULIC WATER RESOURCES INSTITUTE (INDRHI)**

**REPORT ON INTERNAL CONTROL STRUCTURE**

**INDEPENDENT AUDITOR'S REPORT**

We were engaged to audit the fund accountability statement of the "on Farm Water Management Project", USAID/Dominican Republic Project No.517-0159, managed by the National Hydraulic Resources Institute (INDRHI), for the period June 30, 1983 to September 30, 1990, and have issued our report dated September 30, 1991 in which we have disclaimed our opinion because significant audit scope limitations.

In planning and performing our audit of the fund accountability statement for the period June 30, 1983 to September 30, 1990 we considered internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the project fund accountability statement and not to provide assurance on the internal control structure of INDRHI taken as a whole.

The management of the National Hydraulic Institute (INDRHI) is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the fund accountability statement in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories: 1) accounting system; 2) cash receipts; 3) cash disbursements 4) procurement practices, 5) financial reporting, and 6) budgetary controls.

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control structure that, in our judgement, could adversely affect INDRHI's ability to record, process, summarize and report financial data consistent with the assertions of INDRHI's management.

Reportable conditions noted include: lack of appropriate accounting system for project purposes, inadequate controls over fixed assets.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also to be material weaknesses as defined above. However, we believe that all reportable conditions included in the following pages are material weaknesses.

This report is intended solely for the use of the National Hydraulic Resources Institute and the United States Agency for International Development. This restriction is not intended to limit the distribution of this report which, upon acceptance by the office of the Inspector General is a matter of public record.

*Deloitte & Touche*

September 30, 1991

ON FARM WATER MANAGEMENT PROJECT

USAID/DOMINICAN REPUBLIC PROJECT NO.517-0159

MANAGED BY THE NATIONAL HYDRAULIC RESOURCES INSTITUTE (INDRHI)

REPORT ON INTERNAL CONTROL STRUCTURE

FINDINGS

1. The National Hydraulic Resources Institute (INDRHI) did not maintain adequate accounting records for project purposes

Condition:

The National Hydraulic Resources Institute did not have an appropriate accounting system to capture and record project financial data in accordance with generally accepted accounting principles. The existing accounting records have among other the following problems: general ledger out of balance, transactions recorded in the wrong account, inadequate documentation supporting the journal entries, inadequate bank reconciliations.

Criteria:

The standard provisions of the agreement with USAID/Dominican Republic establish that INDRHI should maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices, books and records related to the project adequate to show, without limitation, the receipt and use of goods and services acquired under the agreement.

Cause:

INDRHI did not have an appropriate accounting system, managed by well trained accountants which would allow for the adequate preparation of the project's fund accountability statement.

Effect:

INDRHI was not able to prepare from the accounting records an accurate fund accountability statement covering the project funding and for this reason was not in a position to determine the reasonableness and allocation of the project disbursements accumulated during the audit period. Consequently we question all of the funds provided by USAID/Dominican Republic managed by INDRHI during the period June 30, 1983, to September 30, 1990 which according to USAID/Dominican Republic confirmation amount to RD\$11,474,984.

Recommendation:

INDRHI should adopt an adequate accounting system for recording all project activities and to prepare the fund accountability statement in accordance with agreements terms. These statements should provide detailed evidence supporting the allowability, allocability and reasonableness of project expenditures during the period June 30, 1983 to September 30, 1990.

2. There Were Not Adequate Records And Control Over Equipment Purchased With project Funds

Condition:

INDRHI did not maintain adequate records or controls over equipment and other assets purchased with project funds. Informal records without costs were maintained and no reconciliation of those record with the general ledger was done.

Criteria:

The project's equipment should be adequately controlled through general ledger and subsidiary records, which should be kept current. Physical count of all equipment should be taken at least once a year.

Cause:

INDRHI lacked of an appropriate record and control system over the equipment acquired with project funds.

**Effect:**

It was not possible to establish from the records and files the amount, existence and location of the equipment acquired with project funds.

**Recommendation:**

INDRHI should make an analysis of the fixed assets accounts in the general ledger, to establish and update subsidiary record of equipment by performing a complete physical count of all equipment, and investigating the final destination of the equipment not found in the physical count.



ON FARM WATER Management PROJECT  
USAID/DOMINICAN REPUBLIC PROJECT NO.517-0159

MANAGED BY THE NATIONAL HYDRAULIC RESOURCES INSTITUTE (INDRHI)

REPORT ON COMPLIANCE WITH AGREEMENT TERMS AND  
APPLICABLE LAWS AND REGULATIONS

INDEPENDENT AUDITORS' REPORT

We were engaged to audit the fund accountability statement of the Project, on Farm Water Management USAID/Dominican Republic Project No.517-0159, managed by the National Hydraulic Resources Institute (INDRHI) for the period June 30, 1983 to September 30, 1990 and have issued our report dated September 30, 1991, in which we have disclaimed an opinion because of significant audit scope limitations.

INDRHI is responsible for compliance with the terms of the agreement with USAID/Dominican Republic and with applicable laws and regulations. For purposes of this report we selected and tested transactions and records to determine INDRHI's compliance with the terms of the agreement and applicable laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

Because of the significant audit scope limitations described in the fund accountability statement section of this report, we are not in a position to provide any assurance, either with respect to items tested or items not tested, on INDRHI'S compliance with agreement terms and applicable laws and regulations.

This report is intended solely for the use of INDRHI and the U. S. Agency for International Development. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Office of the Inspector General, is a matter of public record.

*Deloitte & Touche*

September 30, 1991

ON FARM WATER MANAGEMENT PROJECT  
USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0159

MANAGED BY THE NATIONAL HYDRAULIC RESOURCES INSTITUTE (INDRHI)

LIST OF REPORT RECOMMENDATIONS

INTERNAL CONTROL STRUCTURE:

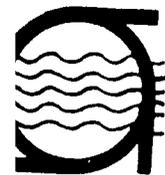
Recommendation 1:

INDRHI should adopt an adequate accounting system for recording all project activities and to prepare fund accountability statement in accordance with the agreements terms. These statements should provide detailed evidence supporting the allowability, allocability and reasonableness of project expenditures during the period June 30, 1983 to September 30, 1990.

Recommendation 2:

INDRHI should make an analysis of the fixed assets accounts in the general ledger, to establish and update subsidiary record of equipment, by performing a complete physical count of all equipment, and investigating the final destination of the equipment not found in the physical count.

**APPENDIX 1 - MANAGEMENT COMMENTS**



AÑO DEL V CENTENARIO DEL DESCUBRIMIENTO Y  
EVANGELIZACION DE AMERICA

23 de enero de 1992.-

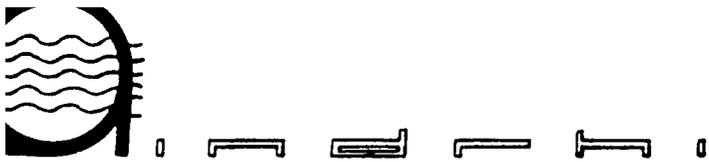
Señor  
Lic. Daniel A. Santos  
Socio Ejecutivo  
Gómez Santos & Asociados  
Santo Domingo, D.N.

Distinguido Señor Santos :

Por este medio me permito hacer algunos comentarios a su comunicación No. 010, d|f, 13 de enero 1992, en la que nos envía un borrador de la auditoría recién realizada a este Proyecto.

Reconocemos qué el sistema de archivo del INDHRI tiene deficiencias y que la documentación relativa a las operaciones financieras del Proyecto no están bajo nuestra custodia ni bajo nuestra responsabilidad, lo cual nos impidió ponerla a disposición de los auditores cuando nos fue equerida.

Debemos admitir también que en la contabilización de las transacciones al inicio del Proyecto se cometieron algunos errores, el efecto de los cuales se arrastró al presente, por lo que no nos fue posible suministrar diáfananamente los totales correctos de las sumas desembolsadas por la agencia que financia este Proyecto ni los diversos conceptos en que dichas sumas fueron consumidas, entre otros requerimientos que ameritan perspicuidad en la ejecución de un Proyecto de la naturaleza del Proyecto Manejo de Aguas a Nivel de Fincas, situación esta totalmente diferente a la de estos momentos en los cuales nuestros registros contables, estan siendo completamente reestructurados y los controles internos reformulados, lo que permitirá preparar estados de rendición de cuentas precisas y confiables que permitan responder claramente a los requerimientos de una institución internacional como lo es la Agencia Internacional para el Desarrollo (AID).



El PROMAF, esta en la mejor disposición de aceptar y preparar los informes necesarios para satisfacer los requerimientos de cualquiera de las partes, pero dado el periodo de tiempo que hay que cubrir, el mismo requerira de un tiempo adicional para su preparación, el cual sera discutido con ustedes si es necesario.

En caso de tener usted cualquier interrogante adicional, le manifestamos nuestra disposición de satisfacerla.

Sin más sobre el particular, le saluda,

Atentamente,

  
Rafael P. Martínez

RPM | vsn.

**APPENDIX II**

**REPORT DISTRIBUTION**

U.S. Ambassador to the Dominican Republic	1
D/USAID/Dominican Republic	5
AA/LAC	2
LAC/CAR	1
XA/PR	1
LEG	1
GC	1
AA/OPS	1
AA/FA	1
FA/FM	1
POL/CDIE/DI	1
FA/MCS	1
IG	1
AIG/A	1
D/AIG/A	1
IG/A/PPO	2
IG/LC	1
IG/RM	5
IG/I	1
IG/A/FA	1
IG/A/PSA	1
RIG/A/EUR/W	1
RIG/A/Cairo	1
RIG/A/Dakar	1
RIG/A/Nairobi	1
RIG/A/Singapore	1
RIG/A/Vienna	1

25-