

Regional Inspector General for Audit
Tegucigalpa, Honduras

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**Audit of USAID/Dominican Republic's
Commercial Farming Systems Project
Managed by the
Agricultural Development Foundation, Inc.
July 10, 1987 to July 31, 1992**

Audit Report No. 1-517-93-23-N
June 25, 1993



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

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AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF THE REGIONAL INSPECTOR GENERAL
AMERICAN EMBASSY
TEGUCIGALPA - HONDURAS

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June 25, 1993

MEMORANDUM

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

FROM: RIG/A/T, Lou Mundy *Lou Mundy*

SUBJECT: Audit of USAID/Dominican Republic's Commercial Farming Systems Project, Managed by the Agricultural Development Foundation, Inc., July 10, 1987 to July 31, 1992

This report presents the results of a financial audit of the Commercial Farming Systems Project, USAID/Dominican Republic Project No. 517-0214 (Project), managed by the Agricultural Development Foundation, Inc. (Foundation) for the period July 10, 1987 to July 31, 1992. The public accounting firm of Price Waterhouse prepared the report dated May 10, 1993.

The Project has three related components which are managed by separate entities under agreement with USAID/Dominican Republic. This audit covers only the Agricultural Technology Development Component (Component) managed by the Foundation. The objectives of the Component were to: (1) improve agricultural technology for producers/exporters of non-traditional crops and (2) develop a private sector organization to provide direction, training, financial, and technical assistance for agricultural technology developments occurring in both the private and public sectors. The Project was completed on July 31, 1992. During the period audited the Foundation reported disbursements of \$398,266 (Dominican peso equivalent RD\$5.1 million) under the Project.

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

Price Waterhouse found that the Foundation's fund accountability statement, with the exception of questionable costs of \$146,050 (equivalent to RD\$1,862,150), presents fairly in all material respects, the Project's financial activities for the period under audit. Questionable costs related to unsupported expenditures (\$50,208) and cost overruns to the Project budget which did not have USAID/Dominican Republic's prior approval (\$95,842). The fund accountability statement also shows a Project fund balance of \$85,195 (equivalent to RD\$1,086,241) which was unexpended at the completion of the Project July 31, 1992.

The auditors identified eight material weaknesses in the Foundation's internal control structure for Project activities. The auditors reported that the Foundation did not: (1) maintain adequate control over fixed assets, (2) prepare bank reconciliations on a timely basis, (3) prepare timely financial statements, (4) have an adequate separation of duties in its accounting department, (5) have adequate controls over goods and services directly procured by USAID/Dominican Republic, (6) maintain a separate bank account for Project funds, (7) maintain documentation for certain Project expenditures, and (8) obtain prior approval from USAID/Dominican Republic for cost overruns to the Project's budget.

With respect to the Foundation's compliance with Agreement terms and applicable laws and regulations, the auditors identified one material instances of noncompliance. Specifically, the Foundation did not provide any of the required counterpart contribution per its Agreement with USAID/Dominican Republic. Under the Agreement contributions of \$1,978,000 were to be provided by the Foundation to finance research under the Project.

Since the Project has ended and, according to Mission officials, the Foundation is not involved in any other agreements with USAID/Dominican Republic, we have not made recommendations concerning the material weaknesses in the Foundation's internal control structure or its noncompliance in providing the agreed-to counterpart contributions. **However, before awarding any future agreements to the Agricultural Development Foundation Inc., we strongly suggest that USAID/Dominican Republic management obtain assurance that the procedural deficiencies identified by Price Waterhouse have been corrected and that a system has been established to assure counterpart contributions are provided as agreed.**

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

Recommendation No. 1

We recommend that USAID/Dominican Republic resolve the questionable costs of \$146,050 (\$95,842 questioned and \$50,208 unsupported) identified in the Price Waterhouse report dated May 10, 1993, and recover from the Agricultural Development Foundation, Inc. the amounts determined to be unallowable.

Recommendation No. 2

We recommend that USAID/Dominican Republic recover unexpended Project Funds, shown as \$85,195 (equivalent to RD\$1,086,241) in the Fund Accountability Statement, from the Agricultural Development Foundation, Inc.

Recommendation Nos. 1 and 2 will be considered resolved upon the Mission's determination of the amount of recovery, and will be considered closed upon the recovery of funds, offset of funds, or issuance of a Bill for Collection.

The report was discussed with representatives from the Foundation who generally agreed with the auditors' conclusions. The Foundation's comments are included as an Annex 1 to the Price Waterhouse report.

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.

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

**Audit of USAID/Dominican Republic's
Commercial Farming Systems Project
Managed by the
Agricultural Development Foundation, Inc.
July 10, 1987 to July 31, 1992**

**Audit Report No. 1-517-93-23-N
June 25, 1993**



AUDIT OF
USAID/DOMINICAN REPUBLIC'S AGRICULTURAL
TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS
MANAGED BY THE
AGRICULTURAL DEVELOPMENT FOUNDATION INC.
JULY 10, 1987 TO JULY 31, 1992

AUDIT OF
USAID/DOMINICAN REPUBLIC'S AGRICULTURAL
TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS
MANAGED BY THE
AGRICULTURAL DEVELOPMENT FOUNDATION INC.



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Price Waterhouse



May 10, 1993

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

Dear Mr. Mundy:

This report presents the results of our audit of USAID/Dominican Republic's Agricultural Technology Development Component of the Commercial Farming Systems, Project No. 517-0214, managed by the Agricultural Development Foundation, Inc. for the period July 10, 1987 to July 31, 1992.

Background

On July 10, 1987 the Agency for International Development Mission to the Dominican Republic (USAID/Dominican Republic) and the Agricultural Development Foundation, Inc. (ADF) entered into a grant agreement for the Agricultural Technology Development Component of the Commercial Farming Systems Project No. 517-0214, to provide financial and technical support to the ADF to (a) promote economically justifiable research in non-traditional crops, (b) establish a rapid-response capability for agribusiness and farmers, (c) improve the quality of research through operation of a technical information center, and (d) establish an endowment fund to support the Foundation.

The Commercial Farming Systems Project has three related components covered by separate agreements and includes a loan and grant funded bridge credit activity with the Government of the Dominican Republic (the Bridge Credit Fund Component), and a grant-funded technical assistance activity with the Rural Savings Mobilization Office of the Central Bank (The Rural Financial Services Component). The audit covers only the Agricultural Technology Development Component managed by the ADF.

The original amount authorized for the component was US\$2,635,000 with a project completion date of June 3, 1992. However, as a result of subsequent amendments, the completion date was extended to July 31, 1992.

The objectives of this Project component are: (a) in the medium term (one to two years), to improve agricultural technology for producers/exporters of non-traditional crops; and (b) in the long term (four to five years), to develop a private sector organization that provides direction, training, financial and technical assistance for certain kinds of agricultural technology developments occurring in both the private and public sectors.

The Research Program:

The ADF has developed a research program to define the crops and the technical areas of interest to receive funding. The research program establishes the ADF's priorities for the research community.

On-Farm Research:

The ADF emphasizes on-farm research involving the ultimate users of the technology, i.e. the agribusinesses and their outgrowers. When ADF contracts research with scientists in either public or private sector organizations, the scientists are expected to work closely with collaborators that have a stake in the final results.

Information Services:

The ADF has established an Information Center to collect agricultural technology information to publish and disseminate the results of research that the ADF sponsors, and to sponsor an annual seminar or workshop, as well as other less formal field days at locations where the selected crops are grown.

AUDIT OBJECTIVES AND SCOPE

1. Express an opinion on whether the fund accountability statement presents fairly, in all material respects, the financial situation of the project's activities managed by ADF from July 10, 1987 to July 31, 1992, and costs reported as incurred and reimbursed by USAID/Dominican Republic during the period are allowable, allocable, and reasonable in accordance with agreement terms, and applicable laws and regulations.
2. Evaluate and obtain sufficient understanding of the internal control structure of the ADF, to determine whether the internal control structure of ADF is adequate to manage the project's operations.
3. Perform tests to determine whether ADF complied with agreement terms, and applicable laws and regulations which may affect the project's goals and incurred costs.

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Our audit was performed in accordance with generally accepted auditing standards, the U. S. Comptroller General's "Government Auditing Standards" and other tests of the accounting records as deemed necessary under the circumstances, to determine if the funds were properly accounted for and used as intended by the agreements and the applicable laws and regulations. During the audit we were alert to situations or transactions that could be indicative of fraud, abuse or illegal expenditures and acts.

RESULTS OF AUDIT

Fund accountability statement:

As mentioned in Notes 4 and 5, the fund accountability statement includes the following line items which we considered to be questionable costs: research costs of RD\$191,865 (US\$15,048), and general expenses of RD\$177,845 (US\$13,948) without supporting documentation and/or ineligible expenses; for building improvements of RD\$270,454 (US\$21,212) made without prior authorization from USAID; and expenses incurred which exceeded the local currency budget by RD\$1,221,986 (US\$95,842).

In our opinion, except for the questionable costs amounting to RD\$1,862,150 (US\$146,050), the fund accountability statement referred to above presents fairly, in accordance with the basis of accounting described in Note 1, the financial position of the Agricultural Technology Development Component of the Commercial Farming Systems managed by the Agricultural Development Foundation during the period July 10, 1987 to July 31, 1992.

Internal Control Structure

We have evaluated the internal control categories related to: 1) bank accounts, 2) disbursements, 3) preparation and approval of checks, 4) procurement system, 5) fixed assets, 6) electronic data processing (EDP) system. The reportable conditions disclosed by our evaluation were:

1. Inadequate Control of Fixed Assets
2. Bank Reconciliations are not Prepared on a Timely Basis
3. Financial Statements are Generally Prepared Several Months Late
4. The Accounting Function Requires Strengthening
5. Inadequate Controls on Procurement Directly Purchased by USAID
6. Absence of an Individualized Bank Account for the Project

7. Undocumented Project Costs

8. Unapproved Budget Overruns

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 considered to be material weaknesses. The findings included above are considered by us to be material weaknesses.

Compliance with Agreement Terms and Applicable Laws and Regulations

We evaluated ADF's compliance with the terms of the agreement and applicable laws and regulations as part of our audit of the project's fund accountability statement, and not to provide an opinion on overall compliance with such provisions. Our evaluation disclosed the following deficiency.

1. ADF has not Disbursed its Research Grant Counterpart Contribution of US\$1,978,000.

Except as described above, the results of our tests of compliance indicate that, with respects to items tested, ADF complied, in all material respects, with the terms of the agreement and applicable laws and regulations. With respect to items not tested, nothing came to our attention that caused us to believe that ADF had not complied, in all material respects, with those provisions.

Follow-up on prior audit report recommendations

Price Waterhouse/Washington issued a management control assessment report of ADF on April 2, 1990. ADF has taken corrective actions except for two conditions (number 3 and 5 in the internal control section), which are still pending.

MANAGEMENT COMMENTS

On March 31, 1993 a draft copy of this audit report was submitted to ADF for their analysis and on April 21, 1993 we were provided with ADF's comments. A copy of ADF's comments are included in this report.

Price Waterhouse

AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE

COMMERCIAL FARMING SYSTEMS

MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION

USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214

FUND ACCOUNTABILITY STATEMENT

INDEPENDENT AUDITORS REPORT

We have audited the fund accountability statement of the Agricultural Technology Development Component of the Commercial Farming Systems, USAID/Dominican Republic Project No. 517-0214, managed by the Agricultural Development Foundation Inc. for the period July 10, 1987 to July 31, 1992. The fund accountability statement is the responsibility of the management of ADF. Our responsibility is to express an opinion on the fund accountability statement based on our audit.

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

We do not have an external quality control review by an unaffiliated audit organization as required by paragraph 46 of chapter 3 of Government Auditing Standards since no such quality review program is offered by professional organizations in the Dominican Republic. We believe that the effect of this departure from the financial audit requirements of Government Auditing Standards is not material because we participate in the Price Waterhouse worldwide internal quality control program which requires our Dominican Republic office to be subject, every three years, to an extensive quality control review by partners and managers from other Price Waterhouse offices.

As described in Note 1, 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.

As described in Notes 4 and 5, our audit disclosed unsupported costs for RD\$640,164 (US\$50,208) and questioned costs for RD\$1,221,986 (US\$95,842) which have been considered questionable in accordance with the project agreement terms.

In our opinion, except for RD\$1,862,150 (US\$146,050) of questionable costs as mentioned in the preceding paragraph, the accompanying fund accountability statement presents fairly, in all material respects, the financial position of the Agricultural Technology Development Component of the Commercial Farming Systems, USAID/Dominican Republic Project No. 517-0214, managed by the Agricultural Development Foundation Inc, for the period July 10, 1987 to July 31, 1992, in conformity to the basis of accounting described in Note 1.

This report is intended solely for the use of ADF and the 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.

Pru Waterhouse

January 29, 1993

AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS
MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION
USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214
FUND ACCOUNTABILITY STATEMENT
FIVE YEAR PERIOD ENDED ON JULY 31, 1992
(Expressed in Dominican RD\$ pesos)

<u>Income</u>	<u>Budget</u>	<u>Actual</u>	<u>Available</u>	<u>Questionable Ccsts</u>	
				<u>Questioned</u>	<u>Unsupported</u>
Funds provided by					
USAID/Dominican Republic					
Reimbursements					
(Note 3)	4,458,800	3,486,854	971,946		
US\$ revolving fund					
(Note 3)	<u>2,662,820</u>	<u>504,800</u>	<u>2,158,020</u>		
	<u>7,121,620</u>	<u>3,991,654</u>	<u>3,129,966</u>		
<u>Disbursements</u>					
Operational cost	1,557,440	1,556,503	937		177,845
Commodities	307,720	442,608	(134,888)	134,888	270,454
Training	1,871,440	1,302,659	568,781		
Research grants	609,160	1,696,258	(1,087,098)	1,087,098	191,865
Evaluation and audit	<u>113,040</u>	<u>79,867</u>	<u>33,173</u>		
Total disbursements	<u>4,458,800</u>	<u>5,077,895</u>	<u>(619,095)</u>	<u>1,221,986</u>	<u>640,164</u>
Balance		<u>(1,086,241)</u>			

AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS

MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION

USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214

NOTES TO THE FUND ACCOUNTABILITY STATEMENT

FOR THE PERIOD JULY 31, 1987 TO JULY 31, 1992

NOTE 1 - NATURE OF ACCOUNTING AND SUMMARY OF ACCOUNTING POLICIES:

On July 10, 1987 the Agency for International Development Mission to the Dominican Republic (USAID/Dominican Republic) and the Agricultural Development Foundation, Inc. (ADF) entered into a grant agreement for the Agricultural Technology Development Component of the Commercial Farming Systems Project No. 517-0214, to provide financial and technical support to the ADF to (a) promote economically justifiable research in non-traditional crops, (b) establish a rapid-response capability for agribusiness and farmers, (c) improve the quality of research through operation of a technical information center, and (d) establish an endowment fund to support the Foundation.

The Commercial Farming Systems Project has three related components covered by separate agreements and includes a loan and grant funded bridge credit activity with the Government of the Dominican Republic (the Bridge Credit Fund Component), and a grant-funded technical assistance activity with the Rural Savings Mobilization Office of the Central Bank (The Rural Financial Services Component). The audit covers only the Agricultural Technology Development Component managed by the ADF.

The original amount authorized for the component was US\$2,635,000 with a project completion date of June 3, 1992. However, as a result of subsequent amendments, the completion date was extended to July 31, 1992.

The objectives of this Project component are: (a) in the medium term (one to two years), to improve agricultural technology for producers/exporters of non-traditional crops; and (b) in the long term (four to five years), to develop a private sector organization that provides direction, training, financial and technical assistance for certain kinds of agricultural technology developments occurring in both the private and public sectors.

The Research Program:

The ADF has developed a research program to define the crops and the technical areas of interest to receive funding. The research program establishes the ADF's priorities for the research community.

On-Farm Research:

The ADF emphasizes on-farm research involving the ultimate users of the technology, i.e. the agribusinesses and their outgrowers. When ADF contracts research with scientists in either public or private sector organizations, the scientists are expected to work closely with collaborators that have a stake in the final results.

Information Services:

The ADF has established an Information Center to collect agricultural technology information to publish and disseminate the results of research that the ADF sponsors, and to sponsor an annual seminar or workshop, as well as other less formal field days at locations where the selected crops are grown.

Accounting Records and Basis of Accounting:

The records of ADF are maintained in Dominican pesos, denoted by the symbol RD\$ in the accompanying fund accountability statement. The project's fund accountability statement was prepared on a cash basis; and consequently receipts and related assets are recognized when collected rather than when accrued and, expenditures are recognized when paid rather than when the obligation is incurred.

NOTE 2 - FOREIGN EXCHANGE REGULATION:

Transactions in US dollars and other foreign currencies are recorded at prevailing exchange rates when the transactions take place. Foreign currency is exchanged according to the procedures and rates established by the Central Bank. The prevailing official exchange rate as of July 31, 1992 was RD\$12.50 : US\$1.00. The parallel market exchange rate at July 31, 1992 was RD\$12.75 : US\$1.00.

NOTE 3 - GRANT DISBURSEMENTS MADE BY USAID/DOMINICAN REPUBLIC:

A detail of grant funding received by ADF from USAID/Dominican Republic and related exchange rates follows:

<u>Year</u>	<u>US\$ (Dollars)</u>	<u>Exchange Rate</u>	<u>RD\$ (Pesos)</u>
1991	18,093	12.50	226,162
1991	3,856	12.70	48,980
1991	13,824	12.70	175,564
1991	7,171	12.70	91,084
1990	26,295	12.70	333,939
1990	66,175	10.17	673,003
1989	78,030	6.28	490,030
1989	59,505.	6.28	373,688
1988	53,623	6.28	336,750
1988	65,366	6.43	420,300
1988	20,732	6.25	129,574
1988	<u>30,044</u>	6.25	<u>187,780</u>
	<u>442,714</u>		<u>3,486,854</u>

As part of the revolving fund assigned by USAID for expenses in the United States, amounting to US\$211,000, US\$40,000 have been deposited and are presented in the fund accountability statement at an exchange rate of RD\$12.62:US\$1.00, equivalent to RD\$504,800.

NOTE 4 - QUESTIONABLE COSTS:

According to A.I.D. procedures, costs charged to projects must meet the following criteria in order to be allowable:

- a) Be reasonable for the performance of the project. A cost is reasonable if, by its nature or amount, does not exceed what would be incurred by a prudent person under the same circumstances.
- b) Be allocable to the project. A cost is allocable in accordance with the relative benefit received.
- c) Be adequately documented.

There are two categories of questionable costs: (a) questioned costs, which are those costs unallocable or unallowable in accordance with agreement terms and applicable laws and regulations, and (b) unsupported costs, which are those costs not properly supported by the recipient, are in excess of the budgeted line items, or are considered unreasonable under the circumstances.

The following project costs incurred by ADF amounting to RD\$640,164 (US\$50,209) for which no supporting documents were available, are determined to be questionable (unsupported).

Research grant:

<u>Year ended</u> <u>July 31</u>	<u>Concept</u>	<u>U' s</u>	<u>Exchange</u> <u>Rate</u>	<u>RD\$</u>
1992	Research grants	2,350	12.70	29,838
1992	Research grants	<u>12,758</u>	12.70	<u>162,027</u>
		<u>15,108</u>		<u>191,865</u>

Commodities:

<u>Year ended</u> <u>July 31</u>	<u>Concept</u>	<u>RD\$</u>
1988	Building improvement	18,583
1988	Building improvement	50,665
1988	Building improvement	11,051
1988	Building improvement	50,000
1988	Building improvement	15,000
1988	Building improvement	40,000
1988	Building improvement	18,483
1988	Building improvement	24,531
1988	Building improvement	<u>42,141</u>
		<u>270,454</u>

Operational Cost:

<u>Year ended</u> <u>July 31</u>	<u>Concept</u>	<u>RD\$</u>
1992	Fringe benefits over normal rates	11,433
1992	Travel expenses	15,736
1992	Travel expenses	36,872
1992	Fees	8,000
1992	Purchase of a scanner	15,000
1991	Travel expenses	20,416
1991	Travel expenses	28,238
1991	Training	20,800
1989	Rent	6,350
1988	Electric maintenance	<u>15,000</u>
		<u>177,845</u>
Total		<u>RD\$640,164</u>

NOTE 5 - BUDGET OVERRUNS:

	<u>Budget</u>	<u>Actual</u>	<u>Amount</u>
Commodities	RD\$370,720	RD\$ 442,608	RD\$ (134,888)
Research grants	<u>609,160</u>	<u>1,696,258</u>	<u>(1,087,098)</u>
	<u>RD\$916,880</u>	<u>RD\$2,138,866</u>	<u>RD\$(1,221,986)</u>

AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS

MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION, INC.

USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214

INTERNAL CONTROL STRUCTURE

INDEPENDENT AUDITORS REPORT

We have audited the fund accountability statement of the Agricultural Technology Development Component of the Commercial Farming Systems, USAID/Dominican Republic Project No.517-0214, managed by The Agricultural Development Foundation, Inc. for the period July 31, 1987 to July 31, 1992 and have issued our report thereon dated January 29, 1993, in which we qualified our opinion.

Except for not conducting an external quality control review by an unaffiliated audit organization as described further in our opinion on the fund accountability statement, we conducted our audit in accordance with generally accepted auditing standards and the 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.

In planning and performing our audit of the fund accountability statement of the Agricultural Technology Development Component of the Commercial Farming Systems during the five-year period ended on July 31, 1992, we considered ADF's internal control structure applicable to the project in order to determine our auditing procedures for the purpose of expressing our opinion on the fund accountability statement and not to provide assurance on ADF's internal control structure.

The management of ADF is responsible for establishing and maintaining an internal control structure to manage the project operations. 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 objective of an internal control structure is 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

the basis of accounting described in Note 1 to the fund accountability statement. Because of inherent limitations in any internal control structure, errors or irregularities may 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) bank accounts, 2) disbursements, 3) preparation and approval of checks 4) procurement system, 5) fixed assets, 6) adequacy of accounting and information system, 7) controls on counterpart contribution, 8) control to assure that changes to the project are proper and supported.

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 the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the fund accountability statement. Findings 1 to 8 included in the following pages of this report are considered by us reportable conditions.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements do 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 that are also considered to be material weaknesses as defined above. However, we believe that all reportable conditions described above are material weaknesses.

This report is intended solely for the use of the Agricultural Development Foundation, Inc. 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.

Pricewaterhouse

January 29, 1993

AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS
MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION
USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214

REPORT ON INTERNAL CONTROL STRUCTURE

FINDINGS

1. Inadequate Control of Fixed Assets

Condition:

In our review of control policies and procedures related to property and equipment, we noted the following:

- Equipment procured since 1990 is not identified with a unique identification number
- Periodic physical counts of property and equipment are not performed

Criteria:

According to the project agreement, all property and equipment should be:

- identified by a number, stamp or logo
- physically counted on an annual basis

Cause:

ADF lacks control policies and procedures related to property and equipment. Management judges that their asset number is not large enough to justify the implementation of these controls.

Effect:

The absence of control policies and procedures could expose property and equipment to losses or inappropriate handling and affect the accuracy and appropriateness of ADF's record of assets.

Recommendation:

We recommend that ADF, in all future USAID projects:

- Assign a unique identification number to all property and equipment
- Perform physical counts of property and equipment and reconcile the listing obtained with books.

2. Bank Reconciliations are not Prepared on a Timely Basis

Condition:

Bank reconciliations are not prepared on a timely basis. At the time of our visit the bank reconciliation of one of the entity's bank accounts was not prepared from July, 1992 onward.

Criteria:

The correct preparation of monthly bank reconciliations is a basic and essential internal control, which should be performed for all bank accounts in use.

Cause:

Bank statements are not received promptly from the banks and the installment of the new accounting software makes it more difficult to prepare the bank reconciliations.

Effect:

Errors and irregularities are difficult to determine when bank account reconciliations are not prepared on a regular basis.

Recommendation:

We recommend that ADF, in all future USAID projects, reconcile bank accounts monthly to facilitate the timely detection of any errors or irregularities that may occur in the institution's cash balances.

3. Financial Statements are Generally Prepared Several Months Late

Condition:

The ADF does not prepare financial statements on a timely basis. Although the processing of transactions and posting to detailed accounting records are current, financial statements have been delayed. Additionally, all transactions following June 30, 1992 were not registered in the general ledger.

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Criteria:

According to OMB-110 attachment G, financial statements should be prepared no more than 30 days after the close of the previous month. Timely information is an important part of financial decision making.

Cause:

Difficulties in installing the new accounting software and the lack of a well-organized accounting department made it difficult to run the new software parallel with the old one and management believes financial statements need to be prepared at year end only.

Effect:

The delay in preparing the financial statements results in untimely feedback to management. The financial position of the Foundation is not known, and problems cannot be detected on a timely basis.

Recommendation:

We recommend that ADF, in all future USAID projects, update all financial information. Responsibilities and tasks should be clearly established and organized in the financial department.

4. The Accounting Function Requires Strengthening

Condition:

ADF does not have an accounting department. The clerk in charge of accounting performs most of the day-to-day administrative and accounting tasks such as purchasing, payroll, posting of the accounting records, tracking of fixed assets, etc.

Criteria:

A sound internal control structure should have clear defined positions and an adequate segregation of duties.

Cause:

Given the institution's small size, and as a way of avoiding unnecessary cost, ADF feels it is unpractical to hire additional employees only to comply with internal control functions.

Effect:

Responsibilities for performing accounting operations are not well distributed. As a result, many basic accounting tasks are not performed or are performed in an irregular and inconsistent manner.

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Recommendation:

We recommend that ADF, in all future USAID projects, formally establish an accounting department and appoint one general accountant responsible for the posting of transactions. Other administrative duties currently being performed by this position should be redistributed to other ADF personnel.

5. Inadequate Controls on Procurement Directly Purchased by USAID

Condition:

ADF did not record and properly control commodities, technical assistance, training and evaluation services directly paid by USAID Mission on behalf of the project and amounting to US\$1,513,099 and RD\$97,211.

Criteria:

According to the project agreement, the implementing entity should have internal control for the recording and controlling of all procurement directly purchased by the USAID Mission on behalf of the project.

Cause:

ADF management was not aware that purchases made directly by USAID on behalf of the project, had to be recorded, thus the necessary details of the transactions were never requested.

Effect:

This situation means that assets, commodities, services and technical assistance directly purchased by USAID could be used in activities not related to the project's objectives or could be exposed to losses.

Recommendation:

We recommend that ADF, in all future USAID projects, establish clear procedures to assure and monitor the proper control of these assets.

6. Absence of an Individualized Bank Account for the Project

Condition:

There is no individualized bank account for the project. All project disbursements are made using ADF's bank account.

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Criteria:

According to the guidelines for requesting reimbursements for allowable expenditures made under the Project Agreement, ADF is required, among other things, that prior to requesting a reimbursement, ADF must establish a separate bank account specifically for Project funds.

Cause:

ADF management believed that since it was reimbursed by AID for its expenses, it was not necessary to open an individualized bank account for USAID eligible expenses.

Effect:

Inadequate controls on USAID eligible disbursements could exist since there is no numerical sequence to the checks charged to the project.

Recommendation:

We recommend that ADF, in all future USAID projects, open individualized bank accounts.

7. Undocumented Project Costs

Condition:

The following expenditures charged to the project were not properly documented:

Research grant:

<u>Year ended</u> <u>July 31</u>	<u>Concept</u>	<u>US\$</u>	<u>Exchange</u> <u>Rate</u>	<u>RD\$</u>
1992	Research grants	2,350	12.70	29,838
1992	Research grants	<u>12,758</u>	12.70	<u>162,027</u>
		<u>15,108</u>		<u>191,865</u>

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Commodities:

<u>Year ended</u> <u>July 31</u>	<u>Concept</u>	<u>RD\$</u>
1988	Building improvement	18,583
1988	Building improvement	50,665
1988	Building improvement	11,051
1988	Building improvement	50,000
1988	Building improvement	15,000
1988	Building improvement	40,000
1988	Building improvement	18,483
1988	Building improvement	24,531
1988	Building improvement	<u>42,142</u>
		<u>270,454</u>

Operational Cost:

<u>Year ended</u> <u>July 31</u>	<u>Concept</u>	<u>RD\$</u>
1992	Fringe benefits over normal rates	11,433
1992	Travel expenses	15,736
1992	Travel expenses	36,872
1992	Fees	8,000
1992	Purchase of a scanner	15,000
1991	Travel expenses	20,416
1991	Travel expenses	28,238
1991	Training	20,800
1989	Rent	6,350
1988	Electric maintenance	<u>15,000</u>
		<u>177,845</u>

Criteria:

All expenditures charged to the project and reimbursed by A.I.D. must be supported and adequately documented. The "Accounting, Audit and Records" provision in the agreement states that "The grantee shall maintain books, records, documents, and other evidence relating to the AID-sponsored project or program in accordance with generally accepted accounting principles formally prescribed by the U.S., the cooperating country, or the International Accounting Standards Committee to sufficiently substantiate charges to this grant. Accounting records that are supported by documentation will at a minimum be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources, and the overall progress of the program.

Cause:

In many instances given the nature of the service received or the goods purchased the procurement of an invoice was hard to obtain. Management was only concern with the service rendered or the goods purchased.

Effect:

Our tests revealed instances were there was no supporting documentation. The cost for RD\$640,164 is therefore unsupported.

Recommendation:

We recommend that ADF, in all future USAID projects, ensure that all expenditures charged to the projects are supported with adequate documentation.

8. Unapproved Budget Overruns

Condition:

During our audit, we observed that some line items exceeded the budgeted amounts as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Amount</u>
Commodities	RD\$370,720	RD\$ 442,608	RD\$ (134,888)
Research grants	<u>609,160</u>	<u>1,696,258</u>	<u>(1,087,098)</u>
	<u>RD\$916,880</u>	<u>RD\$2,138,866</u>	<u>RD\$(1,221,986)</u>

Criteria:

The project should have an adequate budgetary system and any potential budget overruns must be approved by A.I.D. prior to their incurrence. The "Revision of Grant Budget" provision in the agreement states that " The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30. calendar days a revision of the approved grant budget will be necessary for any of the following reasons: (1) to change the scope or the objectives or the project and/or or revise the funding allocated among project objectives; (2) additional funding is needed; and (3) the grantee expects the amount of AID authorized funds to exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater."

Cause:

The original budget was prepared using a lower exchange rate than the one at which reimbursent were received. The budget was prepared using an exchange rate of approximately US\$1.00 : RD\$ 6.40 while the exchange for reimbursement payments was, in some cases, as high as US\$1.00 : RD\$12.50.

Effect:

This condition resulted in line item budgetary overruns of RD\$1,221,986 which have been questioned.

Recommendation:

We recommend that ADF, in all future USAID projects, design and implement a budgetary system to facilitate the control of project operations.

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AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS
MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION, INC.
USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214.

COMPLIANCE WITH THE TERMS OF THE AGREEMENTS
AND APPLICABLE LAWS AND REGULATIONS

INDEPENDENT AUDITOR'S REPORT

We have audited the fund accountability statement of the Agricultural Technology Development Component of the Commercial Farming Systems USAID/Dominican Republic Project No.517-0214 managed by The Agricultural Development Foundation for the period July 31, 1987 to July 31, 1992 and have issued our report thereon dated January 29, 1993, in which we qualified our opinion.

Except for not conducting an external quality control review by an unaffiliated audit organization as described further in our opinion on the fund accountability statement, we conducted our audit in accordance with generally accepted auditing standards and the "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.

Compliance with the terms of the agreement and applicable laws and regulations applicable to the Agricultural Technology Development Component of The Commercial Farming Systems is the responsibility of ADF management. As part of obtaining reasonable assurance about whether the fund accountability statement is free of material misstatement, we performed tests of ADF'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. Accordingly, we do not express such an opinion.

Material instances of noncompliance are failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts, or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the fund accountability statement. The results of our evaluation disclosed the material instances of noncompliance described as finding No. 1 in the following page of this report.

We considered this material instance of noncompliance in forming our opinion on whether the project's fund accountability statement as of July 31, 1992 is presented fairly, in all material respects, in accordance with the basis of accounting described in Note 1 to the fund accountability statement. This report does not affect our report dated January 29, 1993 on the fund accountability statement.

Except as described above, the results of our tests of compliance indicate that, with respect to the items tested, The Agricultural Development Foundation, Inc. complied, in all material respects, with the provisions referred to in the third paragraph of this report, and with respect to items not tested, nothing came to our attention that caused us to believe that the Agricultural Development Foundation, Inc. had not complied, in all material respects, with those provisions.

This report is intended solely for the use of The Agricultural Development Foundation, Inc. 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.

Pricewaterhouse

January 29, 1993

AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS
MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION, INC.
USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214
REPORT ON COMPLIANCE WITH THE AGREEMENTS TERMS
AND APPLICABLE LAWS AND REGULATIONS
FINDINGS

1. ADF has not Disbursed the Research Grant Counterpart Contribution

Condition:

ADF has not disbursed the research grant counterpart contribution, amounting to US\$1,978,000, in accordance with the agreement budget. Not all expenditures included in the fund accountability statement negative balance will be paid in full by USAID.

Criteria:

In accordance with the grant agreement, ADF has to finance research amounting to US\$1,978,000, to be applied over the life of the project.

Cause:

Management's lack of knowledge about this part of the agreement.

Effect:

This situation affects the project's ability to reach its goals.

Recommendation:

We recommend that ADF, in all future projects, should finance new research subgrants with income from the endowment fund.

AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE
COMMERCIAL FARMING SYSTEMS
MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION, INC.
USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214
LIST OF REPORT RECOMMENDATIONS

Report on Internal Control Structure

Recommendation 1:

We recommend that ADF, in all future USAID projects:

- Assign a unique identification number to all property and equipment
- Perform physical counts of property and equipment and reconcile the listing obtained with books.

Recommendation 2:

We recommend that ADF, in all future USAID projects, should reconcile bank accounts on a monthly basis to facilitate the timely detection of any errors or irregularities that may occur in the institution's cash balances.

Recommendation 3:

We recommend that ADF, in all future USAID projects, should update all financial information. Responsibilities and tasks should be clearly established and organized in the financial department.

Recommendation 4:

We recommend that ADF, in all future USAID projects, should formally establish an accounting department and appoint one general accountant responsible for the posting of transactions. Other administrative duties currently being performed by this position should be redistributed to other ADF personnel.

Recommendation 5:

We recommend that ADF, in all future USAID projects, ADF should establish clear procedures to assure and monitor the proper control of these assets.

Recommendation 6:

We recommend that ADF, in all future USAID projects, open individualized bank accounts.

Recommendation 7:

We recommend that ADF, in all future USAID projects, ensure that all expenditures charged to the projects are supported with adequate documentation.

Recommendation 8:

We recommend that ADF, in all future USAID projects, design and implement a budgetary system to facilitate the control of project operations.

Report on Compliance with the Terms of the Agreement and Applicable Laws and Regulations

Recommendation 1:

We recommend that ADF, in all future USAID projects, should finance new research subgrants with income from the endowment fund.

AUDIT OF THE AGRICULTURAL TECHNOLOGY DEVELOPMENT COMPONENT OF THE

COMMERCIAL FARMING SYSTEMS

MANAGED BY THE AGRICULTURAL DEVELOPMENT FOUNDATION, INC.

USAID/DOMINICAN REPUBLIC PROJECT NO. 517-0214

MANAGEMENT COMMENTS

25

21 de abril de 1993

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Señor
Rafael E. García
Price Waterhouse
CIUDAD.

Estimado señor García:

Agradecemos su comunicación fechada el 31 de marzo pasado, junto a la cual nos remitió el borrador del informe en español de la Auditoría del Componente de Desarrollo de Tecnología Agrícola del Sistema Comercial de Fincas, administrado por esta FDA en virtud del Proyecto USAID No. 517-0214, durante el período del 10 de julio de 1987 al 31 de julio de 1992, a fin de que hiciéramos los comentarios del mismo.

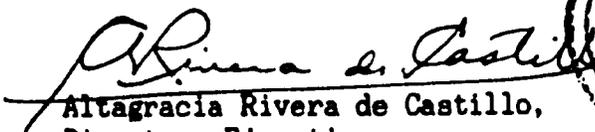
En tal sentido, leímos con atención el borrador de referencia y en respuesta, anexamos los comentarios suscritos por la Contable. En adición quisiéramos señalarle, que con respecto a las recomendaciones recibidas de ustedes, hemos sometido a la consideración de la Asamblea General de esta institución, la modificación de la estructura administrativa de la FDA, que también anexamos, con lo cual esperamos satisfacer la inquietud expresada por ustedes y al mismo tiempo mejorar los controles internos de orden administrativo y financiero.

Dentro de la reestructuración antes señalada debemos destacar que la Asamblea General ha suprimido el puesto de Subdirector Financiero y Administrativo y en su lugar se creó la Gerencia Financiera, cuyas funciones serán asumidas por esta Dirección Ejecutiva, lo que garantiza un mayor control, tanto de la administración de nuestros propios recursos como de la administración de recursos externos para proyectos específicos, evitando así la ocurrencia de retrasos en la liquidación de fondos recibidos.

Mucho agradeceremos que en su informe definitivo de Auditoría se modifiquen los términos a que nos hemos referido, tomando en cuenta los cambios efectuados por nosotros posteriormente, con la intención expresa de mejorar en lo posible, la estructura administrativa de esta Fundación de Desarrollo Agropecuario.

Con sentimientos de consideración distinguida, le saluda.

Atentamente,


Altigracia Rivera de Castillo,
Directora Ejecutiva.

ARdeC/mcdm.
Anexos: Citados.



MEMORANDUM

A : Altagracia Rivera de Castillo
Directora Ejecutiva

De la : Encargada de Contabilidad

Asunto : Comentarios sobre el borrador de informe de la auditoría realizada por la Price Waterhouse.

Ref. : Tramitación interna d/f 20/04/93.

Los objetivos de la auditoría realizada por la Price Waterhouse tenía 3 fases:

- 1) Opinión sobre el Estado de Disponibilidad de Fondos.
- 2) Evaluación del Control Interno.
- 3) Cumplimiento con los Términos de los Acuerdos, Leyes y Regulaciones Aplicables.

Estado de Disponibilidad de Fondos : Existen gastos que no están debidamente soportados (3 cotizaciones, orden de compra) y la Gerencia desconocía que para realizar tanto compras como mejoras al local estas debían ser aprobadas previamente por la AID. No teníamos conocimiento de que podían existir partidas no elegibles a ser aplicadas al proyecto.

Control Interno : Varias de las recomendaciones que hace la Price, ya están siendo corregidas. La parte que se refiere a:

- A) Estados Financieros. Los estados financieros se preparaban mensualmente, sólo en el año 1992 no había una emisión mensual de los mismos, debido a la demora de la implementación del nuevo sistema de contabilidad.
- B) Cuenta Bancaria. No existía una cuenta bancaria para el proyecto porque la FDA no tenía más fondo de donación que no fuera la AID y no podía manejar otro hasta que no finalizara dicho acuerdo.
- B) Exceso presupuestario: Nosotros nos regiamos por el presupuesto asignado en dólares y por la tasa de cambio sobre la cual los reembolsos solicitados nos eran pagados. Nosotros no podíamos actualizar el presupuesto sin una enmienda de la AID, el Subdirector Financiero y Admvo. mediante conversación telefónica y luego escrita les solicitó la actualización del presupuesto. Nos informaron que la oficina de la AID en México era la que podía emitir la enmienda.

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Cumplimiento de los Acuerdos : Desconocíamos que la Fundación debía contribuir con unos fondos para ser aplicados en investigación.

Ana Julia Correa C.
Ana Julia Correa C.
Enc. Contabilidad

Reorganización de la Estructura Administrativa de la Sede Ejecutiva de la FDA

La FDA es aún una institución joven, pues cumple seis años de haber sido creada y algo más de 5 años desde que inició sus actividades formalmente. Desde el principio se estableció en la Fundación una estructura administrativa modesta, acorde con lo planteado en el documento de proyecto que dió origen a la institución, y dado el alcance de los objetivos fundamentales perseguidos.

La Fundación ha sido estudiada en diferentes ocasiones, tanto por decisión propia como de parte de la USAID. Además de las auditorías de 1988-89 y 1990 hechas por la Peat, Marwick & Mitchell, y la primera evaluación institucional realizada por la *Price Waterhouse de Washington* por cuenta de la USAID, la FDA había contratado en 1989 al doctor John Pino para evaluar la organización administrativa de la institución.

Los informes anteriores habían coincidido en señalar las debilidades de la FDA en el área administrativo-financiera, aún cuando las características de la FDA dificultan la creación en ese aspecto de una estructura con unidades diferenciadas, por tratarse de una institución de apoyo, promoción y financiamiento de la investigación a través de los centros públicos y privados, con la responsabilidad de "hacer camino", de sistematizar la investigación y su entorno, de crear las bases para un sistema nacional integrado y hacer conciencia de la necesidad de generar y transferir tecnologías.

En agosto de 1990, la Fundación contrató a la firma de Consultores AYMECSA, para la elaboración de un Manual de Organización Administrativa y Definición de Funciones, introduciendo al mismo tiempo modificaciones en el Organigrama Funcional y un Programa de Evaluación del Desempeño. El sistema completo fue aprobado por la Junta Directiva en 1991. Bajo este sistema de organización, se contemplan dos subdirecciones, una técnica y otra administrativa y financiera. La última ya existía y la primera se creaba, aunque a la fecha no se ha hecho efectiva.

La auditoría externa de 1991 planteó, entre otras cosas, la conveniencia de una sustitución del programa computarizado de contabilidad de la FDA, y se procedió a incorporar una carta de cuentas más acorde con sus realidades presentes y futuras en función del sistema de Contabilidad por Fondos 1992-93. A finales de 1992 se procedió a una evaluación de todo el periodo del proyecto USAID-FDA

a través de la Price Waterhouse local en coordinación con la Contraloría de USAID.

Estos informes y la experiencia han demostrado que en una institución tan especializada y necesariamente de poco personal, los cargos de subdirección son innecesarios y no resuelven los principales problemas administrativos y financieros señalados en los informes mencionados, lo que nos lleva a considerar la necesidad de suprimir esas posiciones en beneficio de un mayor control administrativo, financiero y contable de la institución, pudiendo estas funciones ser desempeñadas por una o varias personas de menor nivel y menor costo, bajo la supervisión de la Dirección Ejecutiva.

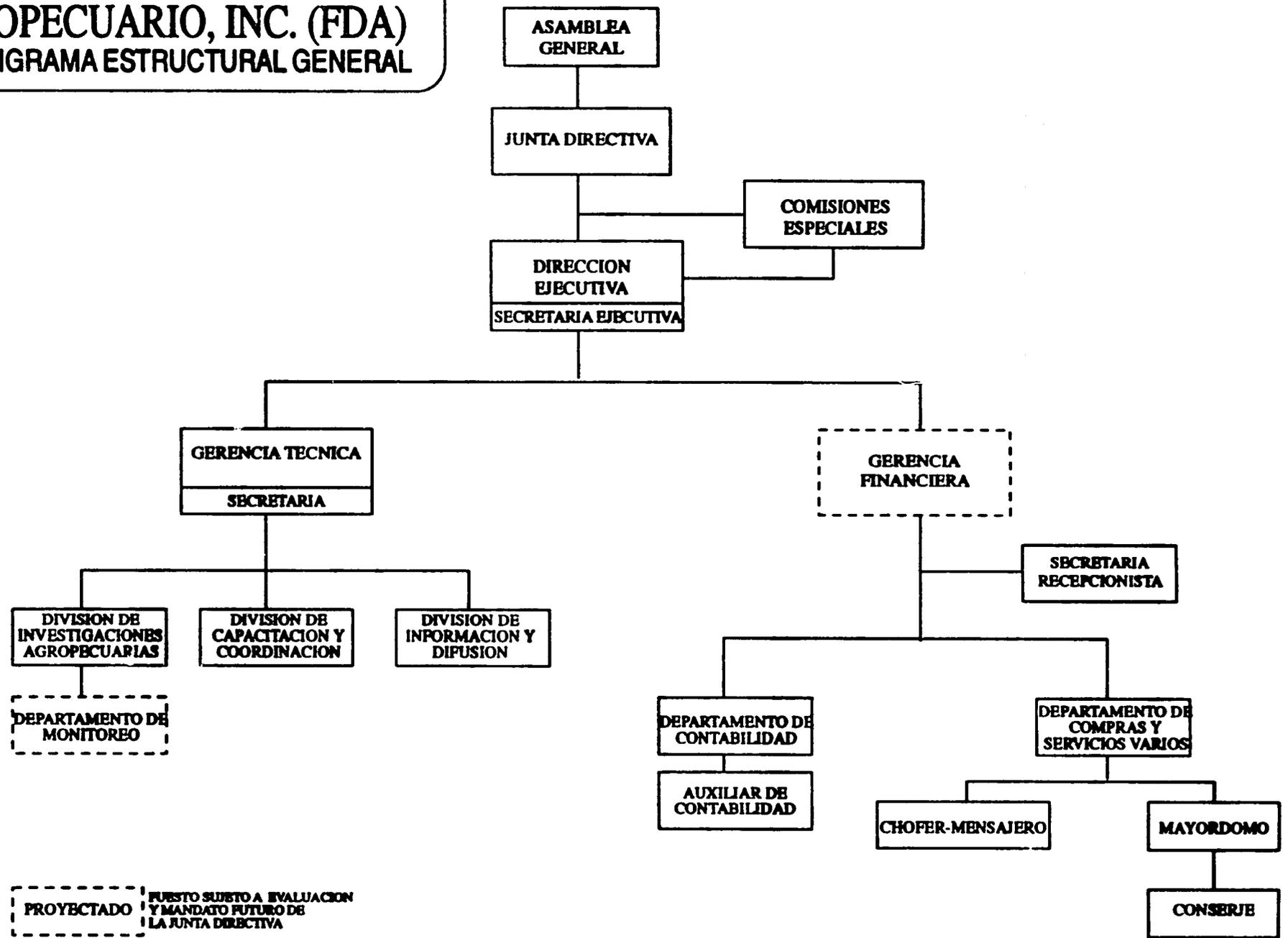
En consecuencia, planteamos la modificación de la Estructura Orgánica General de la FDA, según se muestra en el organigrama anexo, así como la Reorganización Administrativa correspondiente, lo que implica la *creación de una Gerencia Técnica y la supresión de las Subdirecciones Financiera y Administrativa, y la Técnica* de la FDA, con el objetivo de fortalecer la institución e incrementar los controles internos, bajo la responsabilidad y supervisión de la Dirección Ejecutiva.

El documento anexo, producto de la Evaluación de la Estructura Orgánica General realizada por la Firma de Consultores AYMECSA, contiene las recomendaciones específicas relativas a los cambios que se deben introducir, a fin de fortalecer institucionalmente la FDA, permitiéndole ser más efectiva, eficiente y dinámica, para enfrentar los retos que implica el ambicioso Plan Estratégico que enmarca sus actividades hasta 1996.

Atagracia Rivera de Castillo
Directora Ejecutiva.

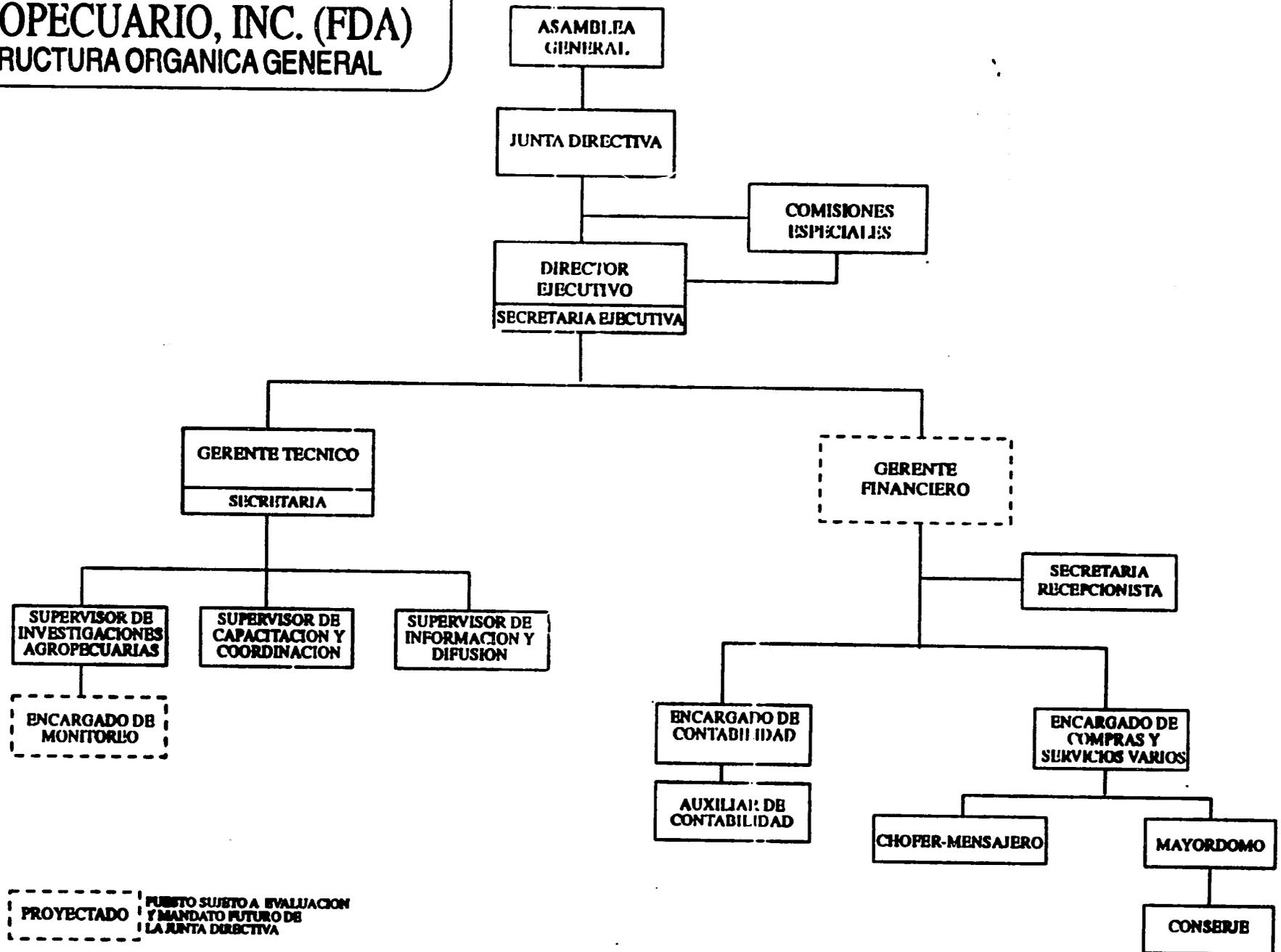
Santo Domingo, D.N.
Marzo 31 de 1995.

**FUNDACION DE DESARROLLO
AGROPECUARIO, INC. (FDA)
ORGANIGRAMA ESTRUCTURAL GENERAL**



PROYECTADO: PUESTO SUJETO A EVALUACION Y MANDATO FUTURO DE LA JUNTA DIRECTIVA

**FUNDACION DE DESARROLLO
AGROPECUARIO, INC. (FDA)
ESTRUCTURA ORGANICA GENERAL**



PROYECTADO ESTADO SUJETO A EVALUACION Y MANDATO FUTURO DE LA JUNTA DIRECTIVA

APPENDIX I

REPORT DISTRIBUTION

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AIG/I&S	1
IG/A/PPO	2
IG/LC	1
IG/RM/GS	5
IG/A/FA	1
IG/A/PSA	1
RIG/A/EUR/W	1
RIG/A/Bonn	1
RIG/A/Cairo	1
RIG/A/Dakar	1
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