



MUNICIPALITY OF TOA BAJA
CORRECTIVE ACTION PLAN
SINGLE AUDIT REQUIREMENTS AS OF JUNE 30, 2017

Hon. Bernardo "Betito" Márquez García
Alcalde

Audit Report: Reports on Compliance and Internal Control in Accordance with Governmental Auditing Standards and OMB Super Circular Uniform Guidance

Audit Period: July 1, 2016 - June 30, 2017

Fiscal Year: 2016-2017

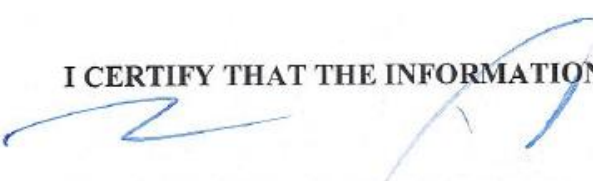
Principal Executive: Hon. Bernardo Márquez García, Mayor

Contact Person: Mrs. Marna Ruiz Sánchez, Finance and Budget Director

Phone: (787) 604-9088

Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-001	We concur with the finding.	We concur with the auditors' recommendations. For future fiscal years, the Municipality will be preparing a balance budget using historical trends and data in order to obtain a budget which reflects the Municipality's economic reality. Also, the administration will focus their efforts in reducing any unnecessary expense and increasing revenues. Implementation Date: Beginning during the 2017-2018 fiscal year Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director

I CERTIFY THAT THE INFORMATION ABOVE IS CORRECT:


Hon. Bernardo Márquez García, Mayor

September 28, 2018
Date



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Contact Person: Mrs. Mama Ruiz Sánchez, Finance and Budget Director

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-003	We concur with the finding.	<p>We concur with the auditors' recommendations. The Municipality has developed a work plan in order to properly actualize the existing accounting system and its accounting records. The accounting records will be actualized on a monthly basis in order to maintain actualized accounting data. After this actualization, the number of audit adjustments shall be reduced and/or eliminated during future fiscal years. Also, accounts payable will be reconciled and recorded on accounting records. Additionally, the cut-off procedures will be reviewed in order to assert the completeness of the accounts payable balances. The Finance Department will gather and maintain all supporting documents for the accounts payable presented on the financial statements for the fiscal year ended June 30, 2017.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-004	We concur with the finding.	<p>We concur with the auditors' recommendations. The Municipality has developed a work plan in order to properly actualize the accounting system and its accounting records. After this actualization, all transfers will be reconciled. Also, proper documentation of the transfer to be performed will be prepared in order to provide sufficient evidential matter for each inter-fund transaction.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-005	We concur with the finding.	<p>We concur with the auditors' recommendations. The Municipality has developed a work plan in order to properly actualize the accounting system and its accounting records. As a part of this actualization, the Municipality will perform an inventory of existing capital assets to reconcile the balances recorded on accounting records. Also, current additions and dispositions will be properly identified and accounted in order to assert the completeness of the capital assets balances. In addition, the accumulated depreciation and depreciation expense balances will be properly calculated and reconciled.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-006	We concur with the finding.	<p>We concur with the auditors' recommendations. The Municipality is closely monitoring the actions of the Commonwealth's Employees Retirement System Administration in order to make sure to obtain the audited information required by this standard.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-007	We concur with the finding.	<p>We concur with the auditors' recommendations. Neither Municipality's, nor Puerto Rico's Government was prepared for the catastrophic events caused by hurricanes Irma and Maria, which affected the City Hall building preventing the Municipality's to provide the files requested by the Independent auditors' firm. The Municipality will implement a plan in order to prevent the loss or inability to access the accounting records and related supporting documents.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-008	We concur with the finding.	<p>We concur with the auditors' recommendations. As described before, the City Hall building was affected by catastrophic events caused by hurricanes Irma and Maria, preventing the Municipality to provide the information requested by the Independent auditors' firm.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-009	We concur with the finding.	<p>We concur with the auditors' recommendations. During November 2016, the IRS issued a lien and seized certain funds from the Municipality's federal funds accounts. Since our administration began its term during January 2017, we have been meeting with IRS officers in order to reconcile the Municipality's outstanding obligation, and to obtain a payment plan. In order to provide a solution to this situation, the Municipality will held a meeting and or sent a communication to the officers of each federal program affected to address this issue and to discuss the alternative available to establish a payment plan for the reimbursement of the funds.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mr. Carlos Olmedo Federal Programs Director</p>

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2017-010	We concur with the finding.	<p>We concur with the auditors' recommendations. The Municipality has developed a work plan in order to properly actualize the accounting system and its accounting records. (See response to Finding number 2017-003).</p> <p>Implementation Date: Beginning during the 2016-2017 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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Original Finding Number	Statement of Concurrence or Non concurrence	Corrective Action
2017-011	We concur with the finding.	<p>We concur with the auditors' recommendations. During the fiscal year 2017, the Municipality ceased to provide services to participants under the Head Start Program (September 30, 2016) and the Early Head Start Program (December 16, 2016), and commenced a closeout process for both programs</p> <p>As described before, the City Hall building was affected by catastrophic events caused by hurricanes Irma and Maria, preventing the Municipality to provide the information requested by the Independent auditors' firm.</p> <p>Implementation Date: Beginning during the 2016-2017 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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2017-012	We concur with the finding.	<p>We concur with the auditors' recommendations. During the fiscal year 2017, the Municipality ceased to provide services to participants under the Head Start Program (September 30, 2016) and the Early Head Start Program (December 16, 2016), and commenced a closeout process for both programs.</p> <p>As described before, the City Hall building was affected by catastrophic events caused by hurricanes Irma and Maria, preventing the Municipality to provide the information requested by the Independent auditors' firm.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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<p style="text-align: center;">2017-013</p>	<p style="text-align: center;">We concur with the finding.</p>	<p>We concur with the auditors' recommendations. During the fiscal year 2017, the Municipality ceased to provide services to participants under the Head Start Program (September 30, 2016) and the Early Head Start Program (December 16, 2016), and commenced a closeout process for both programs</p> <p>As described before, the City Hall building was affected by catastrophic events caused by hurricanes Irma and Maria, preventing the Municipality to provide the information requested by the Independent auditors' firm.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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2017-014	We concur with the finding.	<p>We concur with the auditors' recommendations. During the fiscal year 2017, the Municipality ceased to provide services to participants under the Head Start Program (September 30, 2016) and the Early Head Start Program (December 16, 2016), and commenced a closeout process for both programs</p> <p>As described before, the City Hall building was affected by catastrophic events caused by hurricanes Irma and Maria, preventing the Municipality to provide the information requested by the Independent auditors' firm.</p> <p>Implementation Date: Beginning during the 2017-2018 fiscal year</p> <p>Responsible Persons: Mrs. Marna Ruiz Sánchez Finance Department Director</p>

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