

Firm's Response to Draft Report



López-Vega, CPA, PSC

Certified Public Accountants / Management Advisors

Member of:

- American Institute of Certified Public Accountants
- Puerto Rico Society of Certified Public Accountants

August 26, 2015

Mr. Elliot P. Lewis
Assistant Inspector General
for Audit
Office of Inspector General
Washington DC. 20210

**Subject: Quality Control Review Single Audit
Puerto Rico Labor Development Administration
For the Year Ended June 30, 2013
Draft Report No. 24-15-001-03-390**

Dear Mr. Lewis:

We have reviewed the draft report's findings and recommendation prepared by your office. Following are two (2) changes to the drafted report, which we respectfully submit to you, for your evaluation.

Change 1

Wording drafted by OIG (page 2):

Since the audit was technically deficient, we recommend the Firm to submit a revised reporting package to the Federal Audit Clearinghouse (FAC) that includes the calculation of question costs for the stipends paid to WIA NEG participants receiving prevocational training from providers contracted by PRLDA in FY 2013.

Wording revised by the Firm:

Since the audit was technically deficient, we recommend the Firm to submit a revised reporting package to the Federal Audit Clearinghouse (FAC) that includes the ~~calculation of~~ questioned costs of **\$16,800, determined** for the stipends paid to WIA NEG participants receiving prevocational training from providers contracted by PRLDA ~~in~~ **tested for** FY 2013.

Mr. Elliot P. Lewis
Assistant Inspector General for Audit
Page 2

Change 2

Wording drafted by OIG (page 5):

We recommend the Firm:

1. Reissue the Single Audit to the FAC, reporting the amount of questioned costs for stipends paid to NEG participants receiving prevocational training

Wording revised by the Firm:

We recommend the Firm:

1. Reissue the Single Audit to the FAC, reporting the amount of questioned costs of \$ 16,800, for stipends paid to NEG participants receiving prevocational training

Firm's response to OIG Draft Report

Also, the following is our Firm's response to the Draft Report to be included on the "Appendix C".

As recommended by the Office of Inspector General (OIG), we will reissue the Single Audit Report of the Puerto Rico Labor Development Administration (PRLDA) for the year ended June 30, 2013 to the Federal Audit Clearinghouse (FAC).

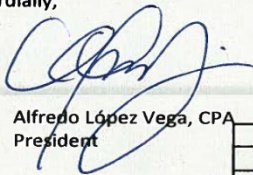
The reissued report will include the amount of questioned costs of \$16,800, which was determined to be excessive stipends paid to the Program participants on a sample of 60 cases tested during the audit.

Regarding to that matter, the reissued report will be modified only to include the amount of \$16,800 of questioned costs on finding 13-05 (Allowable costs), which is presented on page 57 of our report.

Accordingly with the above, additional work to support the opinions contained in our Single Audit report of PRLDA is not deemed necessary.

If you have any question regarding the comments on changes to the report and the Firm's response described above, you can contact me at our office (787)777-8044 or (787) 398-5541.

Cordially,




A. Alfredo López Vega, CPA
President



López-Vega, CPA, PSC

Certified Public Accountants / Management Advisors

PRLDA's Response to Draft Report

 COMMONWEALTH OF
PUERTO RICO
Economic Development

September 4, 2015

Elliot P. Lewis
U.S. Department of Labor
Office of Inspector General
200 Constitution Ave., NW
Room S-5512
Washington, DC. 20210

Quality Control Review Single Audit Puerto Rico Labor Development Administration for the Year Ended June 30, 2013 Draft Report No. 24-15-001-03-390


Dear Mr. Lewis:

We have received and reviewed copy of the Draft Report - Quality Control Review Single Audit Puerto Rico Labor Development Administration for the Year Ended June 30, 2013 Draft Report No. 24-15-001-03-390. We agree that Lopez-Vega, CPA, PSC did not indicate in Section III – Major Federal Award Program Findings and Questioned Cost - the amount of questioned costs that the Puerto Rico Labor Development Administration paid to WIA National Emergency Grants participants.

For the next Single Audit, we will ensure that the Single Audit report shall be review prior to submission to the Federal Audit Clearinghouse. This will give us assurance that the report includes the amount of questioned cost, if any, according to the Office of Management and Budget Circular A-133. In addition, we will made available all documents and information requested by Lopez-Vega, CPA, PSC to correct and reissue the Single Audit report to the Federal Audit Clearinghouse.

Please contact me at (787) 765-2900 or Juan.Rivera@ddec.pr.gov if you have questions or require additional information.

Sincerely,


Mr. Juan Rivera
Finance Director
Department of Economic Development and Commerce

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