



GOBIERNO DE PUERTO RICO
Departamento de Agricultura


FINDING NUMBER	COMPLIANCE SECTION	AUDITOR'S DESCRIPTION	AUDITOR'S RECOMMENDATION	CORRECTIVE ACTION	LEAD PERSONS ACCOUNTABLE FOR ACTION ITEM COMPLETION	DELIVERABLE	EVIDENCE INCLUDED YES/NO	TARGET COMPLETION DATE
2019-001 (See Finding Reference Number 2019-007)		As part of our audit procedures for allowable cost we requested a list of employees with their time sheets and we noted that the time reports does not specified the awards to be charged for the payroll expenditure.		The Finance Department will correct what has already been done from the PRIFAS and RHUM modules. Subsequently, the Grant manager will send the data of the attendance or changes of the personnel to the payroll area so that from there the report of their times with their changes and awards corresponding to the payroll expenses can be made.	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-002 (See Finding Reference Number 2019-008)		During our audit procedures of internal controls and compliance for allowable costs we found the following deficiencies: (a) we requested a list of employees with their time sheets that reflects the actual hours worked daily and their fringe benefits and we noted that the time reports do not specified the awards to be charged for the payroll expenditure. (b) in the accounting system PRIFAS the employees are identified by an award that is incorrect. (c) from the list of employees requested on (a), we noticed that two of the employees are in a pre-retirement plan since January 1, 2017, these costs were charged to PRIFAS to the Federal program when they should have been charged to the operational fund of the Department.		A wage adjustment will be made to incorrect awards in the RHUM System. The payroll area will validate the information obtained by the Grant Manager, the timesheets, and will update the severance expenses. The Grant Manager must inform the payroll and finance section of any changes to the Grant in writing.	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-003 (See Finding Reference Number 2019-009)		As part of our audit procedures we requested the Grant Award to read the requirements of the program and we noted that the agreement has an approved budget that indicated the cost share of federal funds and state funds. Therefore, we requested to the Department to identify the matching allocation in the accounting system PRIFA, but no information was received to evidence with the program compliance requirements.		The Finance Director will verify the funds and balance of each Grant at the beginning of each year. Therefore, when a new federal income is received, the PRIFAS system will be informed were the funds are deposited. We will work with the system to verify if its use can be maximized.	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-004 (See Finding Reference Number 2019-010)		As part of our audit procedures for reporting we verified the requirements of the report SF-425 and we noted that the reports were not indicated that were prepared under accrual basis of accounting, although, the expenditures reported were in cash basis. In addition, the expenditures reported for salaries, were based on a manual calculation of hours worked times rate per hour, instead of actual salaries paid.		SF-425 reports are already being made in Cash-Basis	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-005 (See Finding Reference Number 2019-011)		As part of our audit procedures for reporting we verified the requirements of the report SF-425 and we noted that the reports were not prepared.		SF-425 are being updated and will be sent quarterly to EPA	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-006 (See Finding Reference Number 2019-012)				The Grant Manager keeps a record of the differents grants in wich the amount of funds, employee-related expenses, time worked and other expenses are included. The Finance Office will make the adjustments and changes to the data of the differents grants in both PRIFAS and RHUM.	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21



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2019-007 (See Finding Reference Number 2019-001)	Reporting	This is a Systemic problem; the Department didn't have an adequate internal control to verify the required information before the submission of the report. The personnel in charge doesn't have access to PRIFAS (accounting system) and also doesn't have the adequate training to comply with the reporting requirements.	We recommend management to implement internal controls over financial reporting in order to assure compliance with this reporting requirement.	It will be required a new section will be established within the finance department of the Agriculture department where specific personnel will be in charge to work with the federal agreements. These people will have access to PRIFAS and any accounting system necessary for federal accounts. If necessary, training will be requested to carry out these tasks. With this implementation, the requirements outlined in this report can be met. The Finance Department will correct what has already been done from the PRIFAS and RHUM modules. Subsequently, the manager of the Grant will send the data of the attendance or changes of the personnel to the payroll area so that from there the time report with its changes and awards corresponding to the payroll expenses can be made.	Mrs. Ivelisse Santaliz -Finance Director,Mr. Noel Toro- Human Resources Director, Mr. David Padilla-Plant Health Director, Shirley Cruz-person un charge of the federal agreement and Mr. Jesus Santiago-Auxiliary Secretary	YES	NO	FY2020-21
2019-008 (See Finding Reference Number 2019-002)		During our audit procedures of internal controls and compliance for allowable costs we found the following deficiencies: (a) we requested a list of employees with their time sheets that reflects the actual hours worked daily and their fringe benefits and we noted that the time reports do not specified the awards to be charged for the payroll expenditure. (b) in the accounting system PRIFAS the employees are identified by an award that is incorrect. (c) from the list of employees requested on (a), we noticed that two of the employees are in a pre-retirement plan since January 1, 2017, these costs were charged to PRIFAS to the Federal program when they should have been charged to the operational fund of the Department.		The Finance Department will correct what has already been done from the PRIFAS and RHUM modules. Subsequently, the Grant manager will send the data of the attendance or changes of the personnel to the payroll area so that from there the time report with its changes and awards corresponding to the payroll expenses can be made. Adjustments are already being made in PRIFAS and verification will continue to be followed for future changes.	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-009 (See Finding Reference Number 2019-003)		As part of our audit procedures we requested the Grant Award to read the requirements of the program and we noted that the agreement have an approved budget that indicated the cost share of federal funds and state funds. Therefore, we requested to the information was received to evidence with the program compliance requirements.		All grants will be awarded their allocations and support with wich we determine and validate them.	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-010 (See Finding Reference Number 2019-004)		As part of our audit procedures for reporting we verified the requirements of the report SF-425 and we noted that the reports were not indicated that were prepared under accrual basis of accounting, although, the expenditures reported were in cash basis. In addition, the expenditures reported for salaries, were based on a manual calculation of hours worked times rate per hour, instead of actual salaries paid.		To carry out the SF-425 report, the GL-200 and RHUM system will be used, wich are detailde by employees and by individual biweekly transactions.	Mrs. Ivelisse Santaliz - Finance Director		NO	FY2020-21
2019-011 (See Finding Reference Number 2019-005)		As part of our audit procedures for reporting we verified the requirements of the report SF-425 and we noted that the reports were not prepared.		The GL-200 and RHUM system will be analyzed and detailed so that the allocations are more precise and reliable. We will work in coordination with Grant Manager and the Payroll Office giving writting knowledge to Finance Department.	Mrs. Ivelisse Santaliz -Finance Director,Mr. Noel Toro- Human Resources Director, Mr. David Padilla-Plant Health Director, Shirley Cruz-person un charge of the federal agreement and Mr. Jesus Santiago-Auxiliary Secretary		NO	FY2020-21
2019-012 (See Finding Reference Number 2019-006)		During our audit procedures of the SEFA prepared by the Department we identified material misstatements related to the programs reported in the schedule. Two Federal programs were reported with the incorrect CFDA number in the SEFA; adjustments were proposed in order to reconcile the information with the financial statement.		A correct accounting record will be established. The information that is entered into the system related to federal spending will be verified in more detail. In this way the information provided in the SEFA will be more accurate.	Mrs. Ivelisse Santaliz -Finance Director,Mr. Noel Toro- Human Resources Director, Mr. David Padilla-Plant Health Director, Shirley Cruz-person un charge of the federal agreement and Mr. Jesus Santiago-Auxiliary Secretary		NO	FY2020-21

Approved by: 
 Date: 29-9-20