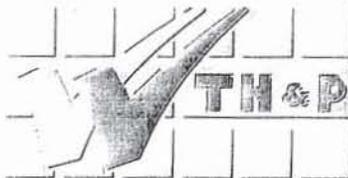


COMMONWEALTH OF PUERTO RICO  
PUERTO RICO WOMEN'S ADVOCATE OFFICE  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
AND SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2011  
(WITH INDEPENDENT AUDITOR'S REPORTS THEREON)



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TORRES, HERNANDEZ & PUNTER, CPA, CSP  
Certified Public Accountants

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COMMONWEALTH OF PUERTO RICO  
PUERTO RICO WOMEN'S ADVOCATE OFFICE  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
AND SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2011  
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TORRES, HERNANDEZ & PUNTER, CPA, PSC  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Puerto Rico Women's Advocate Office  
Commonwealth of Puerto Rico  
San Juan, Puerto Rico

We have audited the accompanying Statement of Cash Receipts and Disbursements (the Statement) of Puerto Rico Women's Advocate Office of the Commonwealth of Puerto Rico (from now on PRWAO) for the year ended June 30, 2011. This Statement is the responsibility of the PRWAO's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Statement's presentation. We believe that our audit provides a reasonable basis for our opinion.

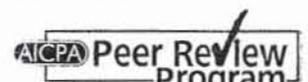
As describe in Note 1, PRWAO prepares its Statement of Cash Receipts and Disbursements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the Statement referred to above presents fairly, in all material respects, the Cash Receipts and Disbursements of PRWAO of the Commonwealth of Puerto Rico for the year ended June 30, 2011, in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards we have also issued our report dated October 31, 2011, on our consideration of PRWAO's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the Government Auditing Standards and important for assessing the results of our audit.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's financial statements as a whole. The accompanying schedule of expenditures of federal awards and related notes on pages 9 and 10 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the Statement of Cash Receipts and Disbursements. The information has been subjected to the auditing procedures applied in the audit of the Statement of Cash Receipts and Disbursements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Statement of Cash Receipts and Disbursements, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the Statement of Cash Receipts and Disbursements taken as a whole.

*Torres, Hernández & Punter, CPA, PSC*

**Torres, Hernández & Punter, CPA, PSC**  
**Certified Public Accountants**

October 31, 2011

Stamp #E1570 of the  
College of CPA's of  
Puerto Rico is affixed  
to the original.

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO WOMEN'S ADVOCATE OFFICE  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

<u>Programs</u>	<u>State Funds</u>		<u>Federal Funds</u>		<u>(Totals Memorandum Only)</u>	
	<u>Receipts</u>	<u>Disbursements</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Receipts</u>	<u>Disbursements</u>
Management and Administration 2011	\$ 2,074,000	\$ 1,935,099	\$ -	\$ -	\$ 2,074,000	\$ 1,935,099
Special Assignment	1,986,462	1,986,462	-	-	1,986,462	1,986,462
Violence Against Women (VAWA) 2009	-	-	412,912	410,081	412,912	410,081
Violence Against Women (VAWA) 2010	-	-	933,789	963,730	933,789	963,730
Violence Against Women (VAWA) 2009 - American Recovery and Reinvestment Act (ARRA)	-	-	665,420	668,631	665,420	668,631
Victim of Crime Act (VOCA) 2010	-	-	38,146	34,430	38,146	34,430
Victim of Crime Act (VOCA) 2011	-	-	12,774	16,067	12,774	16,067
Other Receipts	1,830	-	-	-	1,830	-
<b>TOTALS</b>	<b>\$ 4,062,292</b>	<b>\$ 3,921,561</b>	<b>\$ 2,063,041</b>	<b>\$ 2,092,939</b>	<b>\$ 6,125,333</b>	<b>\$ 6,014,500</b>

See accompanying notes to statement of cash receipts and disbursements.

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO WOMEN'S ADVOCATE OFFICE  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

PRWAO is an administrative component of the Commonwealth of Puerto Rico and was created by LAW 20 of April 11, 2001. PRWAO is headed by a Women's Advocate appointed by the Governor for a term of 10 years, and in charge of PRWAO operations and the accomplishment of the public policies established by the Law. In addition, a Counseling Board composed of seven members, of whom five have to be women, was created to assist PRWAO in, among other things, matters related to their social, political, economical and cultural life, discrimination and oppression against women. Although PRWAO has to provide the members of the Counsel with office facilities, equipment, materials and human resources such members are not compensated with wages or salaries, but rather on a per diem amount.

The principal functions of PRWAO are:

- Administer state and federal assistance programs for the realization of all matters necessary to support the personal, social and economical development of the women,
- Educate the public in women's affairs, and
- Coordination of inter PRWAO's activities related to special projects.

**BASIS OF FINANCIAL STATEMENT PRESENTATION**

**(A) BASIS OF PRESENTATION**

The accounts of PRWAO are organized on the basis of two fund types: state funds and federal funds. PRWAO maintains appropriations for several individual state and federal funds within each fund type. As more fully explained in the section "Basis of Accounting" below, each fund is accounted for with a set of accounts which include only cash receipts and disbursements. No balance sheet accounts are reported. The individual funds account for the governmental resources allocated to them for purposes of carrying on specific activities in accordance with laws, regulations and other restrictions. State funds are appropriated by the Legislature of the Commonwealth of Puerto Rico and are the funds through which most functions typically are financed. These funds are received from Law #286 of December 20, 2002 which provides a fixed percent applied to funds collected by the General Fund of the Central Government of the Commonwealth of Puerto Rico, to be used for ordinary operational and functioning expenditures. Federal funds reflect the federal financial assistance managed by PRWAO from programs funded by the Federal Government.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(A) BASIS OF PRESENTATION (CONTINUED)**

The individual funds included in these fund types are classified in the following programs:

Management and Administration Fund ("Asignación de Gastos de Funcionamiento") - Funds awarded to PRWAO to cover operational expenditures of a fiscal year. Beginning on fiscal year 2003-04, the funds awarded to PRWAO are determined following a formula with a fixed percentage applied to the monies collected in the General Fund of the Central Government of the Commonwealth of Puerto Rico, as required by Law #286 of December 20, 2002, as amended.

Violence Against Women Formula Grant - The STOP Violence Against Women Act (VAWA) Formula Grant Program funds projects that encourage the development and strengthening of effective law enforcement, prosecution, and judicial strategies to end violent crimes against women and the development and strengthening of victim services in cases involving crimes against women. The award was designated to the PRWAO during the fiscal year, 2008-09, and 2009-10. Also PRWAO received American Recovery and Reinvestment Act (ARRA) - Formula Grant Program funds to stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local taxes. The award was designated to PRWAO during the fiscal year, 2009-10.

Victim of Crime Act (VOCA) - Federal funds provided to the Puerto Rico Judicial Branch. The purpose is to fund direct services to victims of crime that 1) respond to the victims; 2) assist victims of crime to provide stabilization to their lives after a victimization; 3) assist victims to understand and participate in the criminal justice system; and 4) provide victims of crime with a safe and secure environment. The award was designated to the PRWAO during the fiscal years 2009-10, and 2010-11.

Special Assignments - funds provided to cover operational expenses related to contracting personnel, including their functions and duties, and for services offered to the community related to prevention of discrimination and violence against women.

**(B) BASIS OF ACCOUNTING**

PRWAO follows the cash basis method of accounting to account for all funds administered. Under this method, cash or funds transferred-in are recognized as revenues when received, and expenditures are recognized when funds are disbursed or transferred-out. Therefore, the Statement of Cash Receipts and Disbursements is not intended to present PRWAO results of operations in accordance with accounting principles generally accepted in the United States of America.

**(C) BUDGETARY ACCOUNTING**

Formal budgetary accounting is employed as a management control tool for all funds of PRWAO. Annual operating budgets are adopted each fiscal year through passage of an annual budget which is approved by the Legislature of the Commonwealth of Puerto Rico and amended as required throughout the year. Based on Law #230, named "Central Government Accounting Law" of July 23, 1974 as amended, all unencumbered budget appropriations of state funds lapse after the end of each fiscal year.

The Statement of Cash Receipts and Disbursements is presented at the programmatic level. However, budgetary control and accounting is exercised at a lower level to provide management with detailed control over expenditures at the appropriate budget level.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(D) TOTALS MEMORANDUM ONLY**

The total memorandum only columns are presented only to facilitate additional analysis. These columns represent a summation of the combined receipts and disbursements. Consequently, amounts shown in these columns are not compatible to a consolidation and do not represent the total receipts and disbursements of PRWAO.

**NOTE 2 - PENSION COSTS**

The Employee's Retirement System of the Government of Puerto Rico and its Instrumentalities (ERS) is a cost-sharing multiple-employer defined benefit pension plan sponsored by, and reported as a component unit of the Commonwealth of Puerto Rico. All regular employees of PRWAO under age 55 at the date of employment become members of the System as a condition to their employment.

The Retirement System provides retirement, death and disability benefits pursuant to Act 447, approved on May 15, 1951 as amended, and became effective on January 1, 1952. Disability retirement benefits are available to members for occupational and non occupational disabilities. Retirement benefits depend upon age at retirement and number of years of credited service. Benefits vest after ten years of plan participation.

Members who have attained an age of at least fifty-five (55) years and have completed at least twenty-five (25) years of creditable service or members who have attained age of at least fifty-eight (58) years and have completed at least ten (10) years of creditable service, are entitled to an annual benefit, payable monthly for life.

The amount of the annuity shall be one an one-half percent of the average compensation multiplied by the number of years of creditable service up to twenty years, plus two percent of the average compensation multiplied by the number of years of creditable service in excess of twenty years. In no case will the annuity be less than \$200 per month.

Participants who have completed at least thirty years of creditable service are entitled to receive the merit annuity. Participants who have not attained fifty-five (55) years of age will receive 65% of the average compensation or if they have attained fifty-five (55) years of age will receive 75% of the average compensation. Disability requirement benefits are available to members for occupational and non-occupational disability. However, for non-occupational disability a member must have at least ten (10) years of service. No benefits is payable if the participant receives a refund of his accumulated contributions.

Law No. 1 of February 16, 1990, made certain amendments applicable to new participants joining the System effective on April 1, 1990. Changes mainly consisted of an increase of the retirement age to 65 years, the elimination of the merit system and a reduction of the percentage for disability and death benefits.

Commonwealth legislation requires employees to contribute 5.775% for the first \$6,600 of their annual gross salary (\$550 monthly) and 8.275% for the annual salary in excess of \$6,600 for the employees hired on or before March 31, 1990. For employees hired on or after April 1, 1990 the required contribution is 8.275% of gross salary. PRWAO's contributions are 9.275% of gross salary.

## NOTE 2 - PENSION COSTS (CONTINUED)

Law No. 305, that was enacted on September 24, 1999, amended Law No. 447 for the purpose of establishing a new program (System 2000). System 2000 became effective on January 1, 2000. Employees participating in the current system (ERS) as of December 31, 1999, may elect either to stay in the defined-benefit plan or transfer to the new program. Persons joining the government on or after January 1, 2000, will only be allowed to become members of System 2000.

System 2000 is a hybrid defined contribution plan, also known as a cash balance plan. Under this new plan there will be a pool of pension assets, which will be invested by the System, together with those of the current defined-benefit plan. Benefits at retirement age will not be guaranteed by the Government. The annuity will be based on a formula which assumes that each year the employees' contribution (with a minimum of 8.275% up to a maximum of 10%) of their monthly salary, and will be invested in an account which will either: (a) earn a fixed rate based on the two-year Constant Maturity Treasury Note or, (b) earn a rate equal to 75% of the return of the System's investment portfolio (net of management fees), or (c) earn a combination of both alternatives. Participants receive periodic account statements similar to those of defined contribution plans showing their accrued balances. Disability pensions are not being granted under System 2000. The employers' contributions (9.275% of the employees' salary) will be used to fund the current plan.

On August 12, 2000, the Legislature of Puerto Rico approved Law No. 174. The Act provides to certain employees of the Government of Puerto Rico the option for early retirement. To qualify, the employee should make an election between July 1, 2000 and September 30, 2000, and among other requirements, must have twenty five (25) years of creditable service.

Total payroll covered for fiscal year 2011 was approximately \$1,692,262. Total approximate employee and employer contributions for the years ended June 30, 2011 are as follows:

<u>Description</u>	<u>Contribution</u>
Employer	\$ <u>132,659</u>
Employee	\$ <u>117,331</u>

Additional information on the Retirement System is provided in its stand-alone financial statements for the year ended June 30, 2011, a copy of which can be obtained from the Employees Retirement System of the Commonwealth of Puerto Rico and its instrumentalities, PO Box 42004, San Juan, PR 00940-2004.

## NOTE 3 - LEASE COMMITMENTS

Operating leases - PRWAO is obligated under a lease accounted for as an operating lease. Operating leases do not give rise to property rights and obligations; therefore, neither the assets nor the liabilities of the lease agreements are reflected in the accounting records.

Rent paid during the fiscal year ended June 30, 2011 under this lease agreement amounted to approximately to \$227,700 for rental of public building.

**NOTE 4 - CONTINGENCIES****(A) FEDERAL AWARDS**

PRWAO participates in a federal financial assistance programs funded by the federal government. Expenditures financed by these programs are subject to financial and compliance audits by the appropriate grantors. If expenditures are disallowed due to noncompliance with grant program regulations, PRWAO may be required to reimburse the grantors. Nevertheless, the program compliance audits of certain programs for or including the fiscal year ended June 30, 2011 have not yet been conducted. Accordingly, PRWAO's compliance with applicable grant requirements will be established at some future date. Nevertheless, PRWAO's management expects the amount of expenditures, which may be disallowed by the granting agencies from such audits, if any, to be immaterial.

**(B) COMPTROLLER'S OFFICE OF PUERTO RICO REPORTS**

PRWAO is also subject to audits by the Comptroller's Office of Puerto Rico (COPR). As per the Statement of Cash Receipts and Disbursements date, PRWAO has no outstanding findings from COPR reports.

**NOTE 5 - LITIGATION AND CLAIMS**

The Legal Advisory of PRWAO reports that, in any lawsuits filed against the PRWAO, according to the laws of the Commonwealth of Puerto Rico, the PRWAO is fully represented by the Department of Justice, and any successful claim against the PRWAO shall be paid from the General Fund of the Commonwealth of Puerto Rico, with no effect on the functioning budget of the PRWAO, except cases related to claims involving restitution for salaries not received by an employee or an official. In that case, the claim is paid with funds of the PRWAO.

Law No. 9 dated November 26, 1975, as amended, states that the Commonwealth of Puerto Rico may provide its officers and employees of the Puerto Rico agencies and instrumentalities with legal representation, as well as assume the payment of any judgment that may be entered against them. There is no limitation on the payment of such judgments, if the claim is in the Federal Court. If the claim is in the State Court, the maximum amount permitted by law is \$75,000 per individual or \$150,000 per event. This is following the requirements of Law #104 of June 29, 1955, as amended, 32 LPRA Section 3077.

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO WOMEN'S ADVOCATE OFFICE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
CASH ASSISTANCE:			
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Puerto Rico Department of Justice			
Stop Violence Against Women-Formula Grant Program (VAWA)	16.588	2008-WF-AX-0035	\$ 410,081
Stop Violence Against Women-Formula Grant Program (VAWA)	16.588	2009-WF-AX-0052	963,730
"ARRA" - Stop Violence Against Women-Formula Grant Program (VAWA)	16.588	2009-EF-S6-0059	668,631
Victim of Crime Act (VOCA) 2010	16.575	2009-VA-GX-0069	34,430
Victim of Crime Act (VOCA) 2011	16.575	2008-VA-GX-0093SUB	<u>16,067</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,092,939</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO WOMEN'S ADVOCATE OFFICE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011

**NOTE 1 - GENERAL**

The supplementary Schedule of Expenditures of Federal Awards (Schedule) has been prepared using the cash basis method of accounting. It is drawn primarily from PRWAO's internal accounting records, which are the basis for PRWAO's Statement of Cash Receipts and Disbursements (the Statement).

**NOTE 2 - CFDA NUMBER**

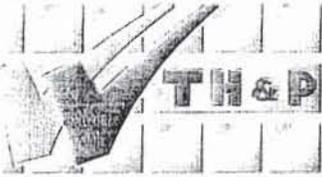
The CFDA number included in this Schedule were determined based on the program name, review of grant contract information and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

**NOTE 3 - MAJOR PROGRAMS**

Major program is identified in the Summary of Auditor Results Section of the Schedule of Findings and Questioned Costs on pages 15 to 18.

**NOTE 4 - RELATIONSHIP TO THE STATEMENT**

Expenditures included in the Schedule of Expenditures of Federal Awards agree with the amounts included in the accompanying Statement of Cash Receipts and Disbursements.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Hon. Wanda Vazquez Garced  
Executive Director  
Puerto Rico Women's Advocate Office  
San Juan, Puerto Rico

We have audited the Statement of Cash Receipts and Disbursements (the Statement) of the Puerto Rico Women's Advocate Office (from now on PRWAO) for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our report on the Statement discloses that, as described in Note 1, PRWAO prepares its Statement on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the PRWAO's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Statement, but not for the purpose of expressing an opinion on the effectiveness of the PRWAO's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the PRWAO's internal control over financial reporting.

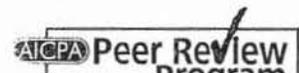
Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's Statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items #11-01 and #11-02, to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items #11-01 and #11-02, to be significant deficiencies.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether PRWAO's Statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of Statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs, as items #11-01 and #11-02.

The PRWAO's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs, on pages 15 to 18. We did not audit the PRWAO's responses and, accordingly, we express no opinion on it.

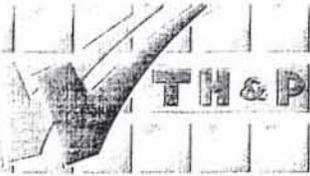
This report is intended solely for the information and use of Management, the United States Department of Justice, the Puerto Rico Department of Justice and other regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Torres, Hernández & Punter, CPA, PSC*

**Torres, Hernández & Punter, CPA, PSC**  
**Certified Public Accountants**

October 31, 2011

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College of CPA's of  
Puerto Rico is affixed  
to the original.



TORRES, HERNANDEZ & PUNTER, CPA, PSC  
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

Hon. Wanda Vazquez Garced  
Executive Director  
Puerto Rico Women's Advocate Office  
San Juan, Puerto Rico

**Compliance**

We have audited the Puerto Rico of Women Advocate Office (from now on PRWAO) compliance of the Puerto Rico of Women Advocate Office (from now on PRWAO) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the fiscal year ended June 30, 2011. PRWAO's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of PRWAO's management. Our responsibility is to express an opinion on PRWAO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PRWAO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of PRWAO's compliance with those requirements.

In our opinion, PRWAO complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2011.

**Internal Control Over Compliance**

Management of PRWAO is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered PRWAO's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PRWAO's internal control over compliance.

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**Internal Control Over Compliance (Continued)**

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of Management, the United States Department of Justice, the Puerto Rico Department of Justice and other regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Torres, Hernández & Punter, CPA, PSC*

**Torres, Hernández & Punter, CPA, PSC**  
**Certified Public Accountants**

October 31, 2011

Stamp #E1572 of the  
College of CPA's of  
Puerto Rico is affixed  
to the original.

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO OF WOMEN'S ADVOCATE OFFICE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Part I - Summary of Audit Results:**

**Statement of Cash Receipts and Disbursements**

The independent auditor's report on the Statement of Cash Receipts and Disbursements expressed that such statement was prepared using the cash basis method of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting:**

Material weaknesses identified?	<u>  X  </u> yes	<u>      </u> no
Significant deficiencies identified?	<u>  X  </u> yes	<u>      </u> none reported
Noncompliance material to the Statement noted?	<u>  X  </u> yes	<u>      </u> no

**Federal Awards**

**Internal control over major programs:**

Material weaknesses identified?	<u>      </u> yes	<u>  X  </u> no
Significant deficiencies identified?	<u>      </u> yes	<u>  X  </u> none reported

The independent auditor's report on compliance with requirements applicable to major federal awards program expressed an unqualified opinion.

The audit disclosed findings to be reported in accordance with OMB Circular A-133, Section 510(a).	<u>      </u> yes	<u>  X  </u> no
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PRWAO's major awards during this year were:

CFDA # 16.588 Stop Violence Against Women-Formula Grant Program (VAWA), and  
CFDA # 16.588 "ARRA" - Stop Violence Against Women-Formula Grant Program (VAWA)

A threshold of \$300,000 was used to distinguish between type A and type B programs, as those terms are defined in OMB Circular A-133, Section 520 (a).

PRWAO qualify as a low risk auditee?	<u>  X  </u> yes	<u>      </u> no
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**Part II - Findings Related to the Statement of Cash Receipts and Disbursements:**

**FINDING NUMBER 11-01: INFORMATION NOT AVAILABLE ON EMPLOYEE FILES**

**CONDITION:** Two (2) of ten (10) employee files examined did not include the following documents:

1. The file does not have the double compensation certification. (1 Instance), and
2. The file examined did not include the certificate of no penal record. (1 Instance)

A similar finding was included in last year audit.

**CRITERIA:** In order to comply with laws and regulations issued by the PRWAO is Employee Manual, Article 13 and article 177. Also, sound government management requires PRWAO to maintain complete employee files, with specific documents required, and it be updated periodically.

**CAUSE:** PRWAO do not have in operation an appropriate internal control procedure to assure that all these forms are properly completed and included in employee files.

**EFFECT OF CONDITION:** This condition could lead PRWAO to have employees with double compensation or employed providing services in the private sector, which could cause a conflict of interest.

**RECOMMENDATION:** The implementation of a checklist to be reviewed each time an employee is hired, and when an employee file is updated, to assure all required documents are available.

**MANAGEMENT RESPONSE:** Management agrees with finding. The Human Resources Office took immediately corrective measures in relation to these two (2) employees. Management reviewed the checklist specified form (OPMRH-NO10) and if the document was delivered to PRWAO. An individual communication was prepared to each employee regarding those documents. All documents were received on October 2011.

**FINDING NUMBER 11-02: REQUIRED CLAUSES ON CONTRACTS**

**CONDITION:** Three (3) of ten (10) contracts examined did not include the following documents:

1. One (1) contract examined did not include the addendum #1, that describe how the funds will be used. (1 Instance),
2. The contract examined did not include the clause that explain in case of service invoices delivered for payment after the first 8 days of the month in which services were rendered, such invoices will be paid in the following month. (1 Instance), and
3. Five (5) contract examined did not include the warning that services cannot be requested unless contract has been presented for registration at the OCPR. (5 Instances).

A similar finding was included in last year audit.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2011**

**Part II - Findings Related to the Statement of Cash Receipts and Disbursements:**  
**(Continued)**

**FINDING NUMBER 11-02: REQUIRED CLAUSES ON CONTRACTS (CONTINUED)**

**CRITERIA:** Sound government management requires disclosure of such information when a contract is prepared, in order to comply with the Article 5, L, of the Law # 237 of August 31, 2004 from the Comptroller's Office of Puerto Rico (COPR).

**CAUSE:** The internal control procedures to assure that contracts include all clauses required by laws and regulations were not effective enough during this fiscal year. Contracts were not properly verified by the officials preparing them to assure this information was contained in contracts before signature.

**EFFECT OF CONDITION:** PRWAO interests are not properly safeguarded.

**RECOMMENDATION:** To strengthen present control procedures to assure all contracts prepared contains all the necessary clauses and information, as required by present laws and regulations, and by state and federal agencies. One employee should be designated to verify contracts before signature to ensure are complete in terms of required clauses. We also recommend that an employee be designated as preintervention officer to verify all contracts prepared.

**MANAGEMENT RESPONSE:** Management agrees with finding and took into account that recommendation, and these clauses were already included in contracts prepared during the year 2011-2012.

**Part III - Findings and Questioned Costs Related to Federal Awards:**

Presentation follows compliance requirements included in the Compliance Supplement of OMB Circular A-133 "Audits of States, Local Governments, and Non-profit Organizations".

**A - Activities Allowed or Unallowed**

None.

**B - Allowable Costs/Costs Principles**

None.

**C - Cash Management**

Not applicable

**D - Davis - Bacon Act**

Not applicable

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2011

Part III - Findings and Questioned Costs Related to Federal Awards:  
(Continued)

E - Eligibility

Not applicable

F - Equipment and Real Property Management

None.

G - Matching, Level of Effort and Earmarking

None.

H - Period of Availability of Federal Funds

None.

I - Procurement and Suspension and Debarment

None.

J - Program Income

None.

K - Real Property Acquisition and Relocation Assistance

Not Applicable.

L - Reporting

None.

N - Subrecipient Monitoring

None.

O - Special Test and Provisions

None.

COMMONWEALTH OF PUERTO RICO  
PUERTO RICO WOMEN'S ADVOCATE OFFICE  
SCHEDULE OF PRIOR AUDIT'S FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

Accounting Records (Condition and criteria as presented in Financial Statements as of June 30, 2010)

FINDING NUMBER 10-01: REQUIRED CLAUSES ON CONTRACTS

**CONDITION:** One (1) contract of a sample of ten (10) examined did not include the clause that Indicates that the entity can cancel the contract through a written notification within 30 Days.

**CRITERIA:** Sound government management requires disclosure of such information when a contract is prepared, in order to comply with the Article 5, L, of the Law # 237 of August 31, 2004 from the Comptroller's Office of Puerto Rico (COPR).

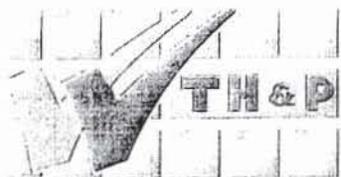
**STATUS:** Remain

FINDING NUMBER 10-02: INFORMATION NOT AVAILABLE ON EMPLOYEE FILES

**CONDITION:** Three (3) of ten (10) employee files examined did not include the double compensation certification signed, medical compensation and disclosure of other private service performed.

**CRITERIA:** In order to comply with laws and regulations issued by the PRWAO is Employee Manual, Article 13 and article 177. Also, sound government management requires PRWAO to maintain complete employee files, with specific documents required, and it be updated periodically.

**STATUS:** Remain



TORRES, HERNANDEZ & PUNTER, CPA, PSC  
Certified Public Accountants

To the clients and users of the financial statements  
reported upon by Torres, Hernández & Punter CPA, PSC  
Certified Public Accountants

The partners and staff of Torres, Hernández & Punter CPA, CSP are pleased to announce the successful completion of an independent peer review of our accounting and auditing practice. This review was undertaken as a condition of membership in the American Institute of Certified Public Accountants (AICPA), the national organization of CPA's in public practice, industry, government and education. Our participation in the Peer Review Program demonstrates our firm's commitment and desire of maintaining and improving the quality of our practice.

After thorough study of our policies and procedures, the team conducting the review concluded our firm complies with the quality control standards established by the AICPA and the Puerto Rico Society of CPA's (PRSCPA). Our firm is committed to periodic peer review to foster quality performance.

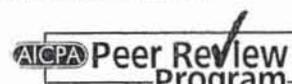
Bankers, bonding agents, investors, suppliers, legal advisors and others use the financial statements our firm audits, reviews, or compiles. We think those people, our clients, and our own staff deserve independent quality assurance that our firm provides quality services. We are proud of our peer review results and would be happy to answer any questions you might have.

Sincerely,

*Torres, Hernández & Punter, CPA, PSC*  
Torres, Hernández & Punter, CPA, CSP

*Added Value Services, Provided by Leading Professionals, Obtaining a Reasonable Return on Investment*

PO Box 4846, Carolina, PR 00984-4846  
Tel. (787) 752-4545 Fax (787) 752-4644  
[www.thncpa.com](http://www.thncpa.com)





# OCARIZ, GITLIN & ZOMERFELD, LLP

Certified Public Accountants & Consultants

999 Ponce de Leon Blvd.  
Suite 1045  
Coral Gables, FL 33134  
Tel 305.444.8288  
Fax 305.444.8280  
[www.ogz-cpa.com](http://www.ogz-cpa.com)

## System Review Report

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To the Partners of  
Torres, Hernandez & Punter, CPA, PSC  
And the Colegio de Contadores Publicos Autorizados  
de Puerto Rico

We have reviewed the system of quality control for the accounting and auditing practice of Torres, Hernandez & Punter, CPA, PSC (the firm) in effect for the year ended October 31, 2009. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under Governmental Auditing Standards and an audit of Employee Benefit Plan.

In our opinion, the system of quality control for the accounting and auditing practice of Torres, Hernandez & Punter, CPA, PSC in effect for the year ended October 31, 2009 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency (ies) or fail. Torres, Hernandez & Punter, CPA, PSC has received a peer review rating of pass.

*Ocariz, Gitlin, & Zomerfeld, LLP*

June 17, 2010