

**DEPARTMENT OF HEALTH OF THE
COMMONWEALTH OF PUERTO RICO**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
(WITH ADDITIONAL REPORTS REQUIRED BY THE GOVERNMENT AUDITING
STANDARDS AND THE UNIFORM GUIDANCE)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(WITH INDEPENDENT AUDITOR'S REPORT THEREON)**

COMMONWEALTH OF PUERTO RICO
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PART I - FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Víctor Ramos Otero, MD
Secretary
Department of Health of the
Commonwealth of Puerto Rico

Report on the Audit of the Financial Statement

Opinion

We have audited the accompanying cash basis financial statement of the Department of Health of the Commonwealth of Puerto Rico (the "PRDH"), which comprise cash receipts and cash disbursements, for the fiscal year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the PRDH basic financial statement as listed in the table of contents.

In our opinion, the financial statement referred to above presents fairly, in all material respects the cash receipts and disbursements of the PRDH, as of June 30, 2024, and for the year then ended in accordance with the basis of accounting as described in Note A to the financial statement.

Basis for Opinions

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the PRDH and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note A to the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting described in Note A to the financial, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the PRDH's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PRDH's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PRDH's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the PRDH's basic financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2025, on our consideration of the PRDH's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the PRDH's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PRDH's internal control over financial reporting and compliance.

Carolina, Puerto Rico
March 28, 2025



DLLC422-186

Department of Health of the Commonwealth of
Puerto Rico

Aquino, De Córdova, LLC
by Elvira González-Green
Lic. # 3171

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Program	State Funds		Federal Funds		Totals	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
Animal Control	\$ 5,600	\$ -	\$ -	\$ -	\$ 5,600	\$ -
ARPA Assistance to CDT	2,330,000	829,509	-	-	2,330,000	829,509
Assistance to First Responders	661,436	648,534	-	-	661,436	648,534
Auxiliary Services	6,107,902	6,643,534	-	-	6,107,902	6,643,534
Background Check	409,804	180,062	-	-	409,804	180,062
Bayamon Hospital	45,591,234	30,048,676	-	-	45,591,234	30,048,676
Bureau of Investigation	3,065,180	2,164,749	-	-	3,065,180	2,164,749
Center for Substance Abuse Prevention (CSAP)						
National Advisory Council	-	-	49,369	84,933.65	49,369	84,934
Clinical Laboratory Services	2,102,416	4,329,007	-	-	2,102,416	4,329,007
Commission for the Prevention of Suicide	432,107	160,101	-	-	432,107	160,101
Economic Aid to Medical Indigent	45,747,144	38,500,146	3,014,578,309	2,995,932,673	3,060,325,452	3,034,432,819
Epidemiology and Investigation	-	-	1,223,319	1,211,047	1,223,319	1,211,047
General Management	126,208	126,777	2,996,633	3,560,065	3,122,842	3,686,842
Health and Promotion	-	-	16,750	-	16,750	-
Health Institutions	22,420,876	29,792,637	-	-	22,420,876	29,792,637
Health Institutions - Health Centers	1,086,863	1,230,935	-	-	1,086,863	1,230,935
Health Promotion and Protection	8,843,853	8,524,862	3,865,912	3,847,613	12,709,765	12,372,476
Health Promotion and Protection - Bloque Titulo V	848,382	263,819	-	-	848,382	263,819
Health Promotion and Protection - Epidemiology (BRFSS)	102,000	67,353	-	-	102,000	67,353
Health Promotion and Protection - Ley 107	6,133	-	-	-	6,133	-
Health Promotion and Protection - OCASET	1,776,086	1,802,936	-	-	1,776,086	1,802,936
Human Resources	96,455	-	-	-	96,455	-
Incentives Personal face-to-face work during pandemic	(3,000,000)	694,545	-	-	(3,000,000)	694,545
Indirect Costs	6,478,536	7,572,343	-	-	6,478,536	7,572,343
Integrated Services to Communities	2,100,000	1,903,484	72,680,487	69,443,492	74,780,487	71,346,976
Intellectual Disability	57,919,411	57,634,715	-	-	57,919,411	57,634,715
Law 107	-	-	-	-	-	-
Management and Administration	73,945,841	81,813,671	7,089,463	8,675,162	81,035,304	90,488,833
Medicaid	23,259,000	20,506,836	-	-	23,259,000	20,506,836
Office of Research and Medicinal Cannabis	7,523,041	4,423,063	-	-	7,523,041	4,423,063
Opioids	43,927,400	1,045,034	-	-	43,927,400	1,045,034
Own Income Fund - Payroll	-	1,488	-	-	-	1,488
Own Income Fund - Services Purchased	(12,150)	-	-	-	(12,150)	-
Subtotal	\$ 353,900,758	\$ 300,908,815	\$ 3,102,500,241	\$ 3,082,754,987	\$ 3,456,401,000	\$ 3,383,663,802

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Program	State Funds		Federal Funds		Totals	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
Own Income Fund including Bureau of Investigation - Equipment Purchase	-	2,324	-	-	-	2,324
Own Income Fund including Bureau of Investigation - Facilities and Payments for Public Services	-	3,667	-	-	-	3,667
Own Income Fund including Bureau of Investigation - Materials and Supplies	-	10,450,402	-	-	-	10,450,402
Own Income Fund including Bureau of Investigation - Other Expenses	-	11,949	-	-	-	11,949
Own Income Fund including Bureau of Investigation - Services Purchased	-	43,905	-	-	-	43,905
Own Income Fund including Bureau of Investigation - Transportation and Subsistence Expenses	-	9,070	-	-	-	9,070
Planning, Evaluation and Statistics in the Health Area	4,600,986	6,926,613	4,993,679	4,947,348	9,594,665	11,873,961
Planning, Evaluation and Statistics in the Health Area - OIAT	243,005	2,592	-	-	243,005	2,592
Planning, Evaluation and Statistics in the Health Area - OPIOIDES	-	308,631	-	-	-	308,631
Planning, Evaluation and Statistics in the Health Area - Vital Statistic Cooperative Program	18,646	289,021	-	-	18,646	289,021
Premium Pay	(2,000)	-	-	-	(2,000)	-
Premium Pay - Hospitals	(264,940)	4,800	-	-	(264,940)	4,800
Program Integrity	493,382	-	-	-	493,382	-
Provided Enrollment	912,532	-	-	-	912,532	-
Public Health Preparation and Response Office	924,315	726,340	10,630,762	10,958,615	11,555,077	11,684,955
Registration and Issuance of Documents of the Demographic Register	11,276,709	9,655,681	-	-	11,276,709	9,655,681
Registration and Issuance of Documents of the Demographic Register - Enumeration at Birth	75,352	37,464	-	-	75,352	37,464
Registration and Issuance of Documents of the Demographic Register - Non Electronic Death Registration	114,387	75,322	-	-	114,387	75,322
Regulation and Accreditation of Health Facilities	3,836,790	2,668,861	1,039,546	922,175	4,876,336	3,591,036
Regulation and Certification of Health Professionals	8,579,365	5,300,944	-	22,771	8,579,365	5,323,715
Regulations on Health Environment	11,149,521	10,958,403	68,331,080	71,568,950	79,480,601	82,527,353
Regulations on Health Environment - MQSA Radiological Health	160,296	62,456	-	-	160,296	62,456
Regulations on Health Environment - PR Food Contract	19,640	-	-	-	19,640	-
Regulations on Health Environment - School Lunch	101,326	65,797	-	-	101,326	65,797
Ryan White - ASES	63,678,292	46,753,878	-	-	63,678,292	46,753,878
Ryan White - Rebates	2,602,592	2,721,497	-	-	2,602,592	2,721,497
Subtotal	462,420,954	397,988,430	3,187,495,308	3,171,174,846	3,649,916,262.50	3,569,163,276

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Program	State Funds		Federal Funds		Totals	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
Service of Excellence to Citizens	-	80,795	-	-	-	80,795
Special Account	116,357,458	98,962,824	-	-	116,357,458	98,962,824
Special Supplemental Nutrition Program for Woman, Infants and Children	4,734,985	-	190,250,227	176,525,147	194,985,212	176,525,147
Trauma Centers	34,066,053	7,201,000	-	-	34,066,053	7,201,000
University Adult Hospital	162,222,360	131,920,535	-	-	162,222,360	131,920,535
University Pediatric Hospital	90,306,681	68,202,081	1,675,498	2,707,051	91,982,179	70,909,132
Vaccination Incentive Program	-	123,647	-	-	-	123,647
Total	\$ 870,108,491	\$ 704,479,311	\$ 3,379,421,033	\$ 3,350,407,044	\$ 4,249,529,524	\$ 4,054,886,355

See notes to Statement of Cash Receipts and Disbursements.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The Department of Health of the Commonwealth of Puerto Rico (“the PRDH”) is an executive department of the Commonwealth of Puerto Rico (“the Commonwealth”) established under Article IV Section 6 of the Constitution with the objective of promoting and preserving health as a state or condition of physical, emotional and social well-being, that would allow human beings the full enjoyment of life and their contribution to the productive creative efforts of the society as a whole.

The PRDH is under the direction and supervision of a Secretary appointed by the Governor of the Commonwealth. The Secretary is responsible for the design, implementation and supervision of the operations for the PRDH including its fiscal organization.

Oversight responsibilities of the Secretary of the PRDH

The Secretary of the PRDH is a compulsory board member and has oversight responsibilities over several public corporations and entities of the Commonwealth. The accompanying financial statement does not include the activities of these public corporations and entities. Their operations are subject to separate financial or single audits, as applicable or required. The financial statements of these entities are all included in the Commonwealth’s financial statement. A brief description of these entities is as follows:

- Puerto Rico Medical Services Administration (“PRMSA”) – is a public corporation and an instrumentality of the Commonwealth ascribed to the PRDH. It was created by Act No. 66 dated June 22, 1978, as amended, to plan, organize, and administer the centralized health services, provided in support of the hospital and other functions, offered by the member institutions and users of the medical complex known as the Puerto Rico Medical Center.
- Puerto Rico Health Insurance Administration (“PRHIA”) – is a public corporation created by Act No. 72 of September 7, 1993, as amended. It was created for implementing, administering, and negotiating a health insurance system through contracts with insurance underwriters to provide quality medical and hospital care to low-income individuals, employees of the Commonwealth and policemen who voluntary subscribe to the Puerto Rico health insurance medical plan. PRHIA financial support is provided through legislative appropriations of the Commonwealth.
- Cardiovascular Center Corporation of Puerto Rico and the Caribbean (“CCCPRC”) – is a public corporation created by Act No. 51 of June 30, 1986, as amended. The purpose of the CCCPRC is to provide special treatment to patients suffering from cardiovascular diseases. The Commonwealth provides financial support to the CCCPRC through legislative appropriations.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - CONTINUED

- Mental Health and Anti-Addiction Services Administration (“MHAASA”) – was created by virtue of Public Law No. 67 of August 7, 1993. The MHAASA is responsible for the planning, implementation and evaluation of alcohol and drug abuse program, which use a dynamic approach across human development stages from prevention through treatment and rehabilitation. Also, the authority to approve the manufacturing, dispensing and distribution of controlled substances for therapeutic usage that previously rested on MHAASA has now been transferred to the Secretary. The operations of the MHAASA are funded through annual budgetary appropriations approved by the Legislature of the Commonwealth. In addition, MHAASA receives federal financial assistance for specific purposes. The Puerto Rico Department of the Treasury (“PRTD”) acts as the disbursing agent for MHAASA, except for certain payments made by specially appointed paymasters under the monitored supervision of the PRTD.

Complete financial statements of these entities can be obtained directly from their administrative offices at:

Puerto Rico Medical Services Administration
PO BOX 2129
San Juan, PR 00922-2129

Cardiovascular Center Corporation of
Puerto Rico and the Caribbean
PO Box 366528
San Juan, PR 00936-6528

Puerto Rico Health Insurance Administration
PO Box 195661
San Juan, PR 00919-5661

Mental Health and Anti- Addiction
Services Administration
PO Box 607087
Bayamón, PR 00960-7087

Summary of significant accounting policies

Basis of Presentation

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balanced set of accounts. The financial activities of the PRDH that are reported in the accompanying statement of cash receipts and disbursements have been classified into governmental funds. Major individual governmental funds are reported as separate columns, with non-major funds being combined into a single column. As more fully explained in Note A, each fund is accounted for with a set of accounts which include only cash receipts and cash disbursements. 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.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - CONTINUED

The programs included in these fund types are:

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

Auxiliary Services – This program is used to account for the resources and expenditures related to the management and administrative support provided to the program areas of the PRDH to assist them in meeting their program objectives.

Clinical Laboratory Services – This program is used to account for resources and expenditures related to clinical services provided for general bacteriology, immunology, rabies, tuberculosis and parasitology, as approved by the Control Disease Center (“CDC”); toxicology services provided to the Agencies of Law Enforcement; certification of laboratories for drinking water; and monitoring the quality of services offered by public and private clinical laboratories in Puerto Rico.

Economic Aid to Medical Indigent – This program is used to account for resources and expenditures related to providing access to quality health care to the medically indigent population financing the hospital medical expenses for people whose income and/or resources are insufficient to meet the costs for health care.

Health Institutions – This program is used to account for the resources and expenditures related to the administration of public health facilities providing state medical and hospital services primary, secondary and tertiary levels in different specialties and subspecialties of medicine.

Health Promotion and Protection - This program is used to account for resources and expenditures related to the development of standards, planning and evaluation of primary health services with a preventive, comprehensive and holistic approach to the individuals within the context of family group.

Indirect costs – Funds claimed reimbursed as part of the federal proposal grant to cover administrative efforts and or expenditures related to the federal grant. The amount is based on a ratio that may vary every year.

Integrated Services to Communities – This program is used to account for resources and expenditures related to the development of standards and planning and evaluation of primary health services, with a preventive and holistic approach of the individual, within the family context.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - CONTINUED

Intellectual Disability – This program is used to account for the resources and expenditures related to the offering of habilitation and clinical treatment services, focused on the individual, through Population Services Division with intellectual Disability.

Management and Administration - This program is used to account for resources and expenditures related to the supervision and coordination of all services and operation of central level to each department office around the island.

Planning, Evaluation and Statistics in the Health Area – This program is used to account for resources and expenditures related to health planning, evaluation and statistics which serves as the institutional instrument and support to different management levels of the PRDH to facilitate decision making and enable fulfillment of the mission of the PRDH, effectively and productively.

Registration and Certification of Health Professionals – Advises the Secretary of the Department of Health in the implementation of Law No. 11 of June 23, 1976, as amended, known as the “Puerto Rico Health Services Comprehensive Reform Act” and the Organic Laws of the Examining Boards; and supervises and audits the laws and regulations governing them. The Medical Discipline Examiner Board has the mission to regulate the practice of medicine in Puerto Rico and the development of education programs of medical clinics for students domiciled on the island and enrolled in foreign medical schools. In addition, it monitors and guards all records of health professionals and warns these professionals to meet the requirements of registration and continuing education.

Registration and Issuance of Documents of the Demographic Register – This fund is used to account for resources and expenditures related to the registration services and the issuance of vital events of the highest quality to ensure confidentiality, privacy and security.

Regulation and Accreditation of Health Facilities – This program is used to account for resources and expenditures related to the planning, issuance of regulatory standards and operating licenses to health care institutions to regulate and accredit institutions and health services.

Regulation and Certification of Health Professionals – This program is used to account for resources and expenditures related to the development and implementation of administrative arrangements for the proper functioning of the Board of Examiners and monitoring and auditing of the laws and regulations that govern it.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - CONTINUED

Regulations on Health Environment – This program is used to account for resources and expenditures related to the implementation and compliance with the sanitary laws and regulations established by the PRDH.

State Special Funds – The state special funds come from the Special Health Fund (Act. No. 220 of 9 August 1998), the Environmental Health Fund (Act No. 101 of 26 March 1999) and the Expert Fund of the Board of Licensing and Medical Discipline (Act. No. 139-2008, as amended by Act No. 57-2011). The use of these resources is provided by these laws to cover the operating costs of the PRDH.

Special Supplemental Nutrition Program for Women, Infants, and Children – This program is used to account for resources and expenditures related to the services provided in all municipalities to pregnant women, infants and children from 1 to 5 years of age, who have nutritional risk.

University Adult Hospital – This program is used to account for the resources and expenditures related to the tertiary health services provided to adults in the metropolitan area and the supra-tertiary services provided to all health regions in Puerto Rico.

University Pediatric Hospital – This program is used to account for the resources and expenditures related to the tertiary and supra-tertiary services provided to all children of Puerto Rico.

Basis of Accounting

The accompanying statement of cash receipts and disbursements has been prepared on 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. Under that basis, all transactions are recognized as either cash receipts or disbursements, when actual cash is received or paid, except for local funds appropriations for which cash is not received, but rather is made available for payments by the Treasury Department of the Commonwealth and non-cash transactions are not recognized.

a. Budgetary Accounting

Formal budgetary accounting is employed as a management control tool for all funds of the PRDH. Annual operating budgets are adopted each fiscal year through passage of an annual budget which is approved by the Legislature of the Commonwealth and amended as required throughout the year. All unencumbered budget appropriations of state funds lapse after the end of each fiscal year.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICES - CONTINUED

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.

b. General Fund

This is the main operating fund of the PRDH and is used to account for the funds appropriated by the Commonwealth.

c. Medical Assistance Program Fund

This fund consists of financial assistance received from federal agencies. Federal funds are legally restricted to expenditures for providing payments for medical assistance to low-income persons.

d. Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Program Fund

This fund consists of financial assistance received from federal agencies. Federal funds are legally restricted to expenditures for provide supplemental nutritious foods, nutrition education (including breastfeeding promotion and support), and referrals to health care for low-income persons during critical periods of growth and development specified purposes.

e. Other Federal Funds

These funds basically consist of indirect costs claims and financial assistance received from federal agencies to educate, promote, and preserve health.

NOTE B - RETIREMENT PLAN

The Employee's Retirement System of the Commonwealth of Puerto Rico and its Instrumentalities (the "System") is a cost-sharing multiple employers defined benefit pension plan sponsored by the Commonwealth of Puerto Rico. All regular full-time public employees of the PRDH under five (5) years at the date of employment become members of the System as a condition to their employment.

The System provides retirement, death and disability benefits pursuant to Act No. 447 of May 15, 1951, as amended. Disability retirement benefits are available to members for occupational and non-occupational disability benefits. Retirement benefits depend upon age at retirement and the number of years of creditable service. Benefits vest after ten years of plan participation.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE B - RETIREMENT PLAN - CONTINUED

No benefits are payable if the participant receives a refund of higher accumulated contributions. 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 an 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 and one-half percent of the average compensation, as defined, multiplied by the number of years of creditable service up to twenty (20) years, plus two percent of the average compensation, as defined, multiplied by the number of years of creditable service in excess of twenty (20) years.

In no case will the annuity be less than \$200 per month. Participants who have not attained fifty-five (55) years of age will receive 65% of the average compensation, as defined, or if they have attained age fifty-five (55) will receive 75% of the average compensation, as defined.

On September 24, 1999, an amendment to Act No. 447 of May 15, 1951, which created the System, was enacted with the purpose of establishing a new pension program (System 2000). Employee participation in the current system as of December 31, 1999, may elect to stay in the defined benefit plan or transfer to the new program. Persons joining the PRDH on or after January 1, 2000, will only be allowed to become members of System 2000. System 2000 will reduce the retirement age from 65 years to 60 for those employees who joined the current plan on or after April 1, 1990.

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. The Commonwealth will not guarantee benefits at retirement age. The annuity will be based on a formula which assumes that each year the employees' contribution (with a minimum of 8.275% of the employee's salary up to a maximum of 10%) will be invested in an account which will either: (1) earn a fixed rate based on the two-year constant Maturity Treasury Note or, (2) earn a rate equal to 75% of the return of the ERS's investment portfolio (net of management fees), or (3) earn a combination of both alternatives.

Participants will receive periodic account statements similar to those of defined contribution plans showing their accrued balances. Disability pensions will not be granted under System 2000. The employer's contribution (9.275% of the employee's salary) will be used to fund the current plan.

Government legislation requires employees to contribute 5.775% for the first \$6,600 of their monthly gross salary and 8.275% for the salary in excess of \$6,600. The PRDH was required by the same statute to contribute 9.275% of the participant's gross salary.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE B - RETIREMENT PLAN - CONTINUED

On April 4, 2013, the Act 3 - 2013 was signed, to amend Act No. 447 of May 15, 1951, to include new guidelines as corrective measures to the actual plan's unfunded status. Amendments consist of: (1) for active participants of the contributory defined benefit programs under Act No. 447 of 1951 and Act No. 1 of 1990, all retirement benefits accrued through June 30, 2013 were frozen, and thereafter, all future benefits will accrue under the defined contribution formula used for System 2000 participants, and will be paid at retirement through a lifetime annuity; (2) increased the minimum pension for current retirees from \$400 to \$500 per month; (3) the retirement age for Act No. 447 participants will be gradually increased from age 58 to age 61; (4) the retirement age for active System 2000 participants will be gradually increased from age 60 to age 65; (5) transitioning active participants under Act No. 1 and Act No. 447 to a defined contribution plan similar to System 2000; (6) eliminated the "merit annuity" available to participants who joined the System prior to April 1, 1990; (7) the retirement age for new employees was increased to age 67, except for new state and municipal police officers, firefighters, and custody officers, which will be age 58; (8) employee contribution rate was increased from 8.275% to 10%; (9) for System 2000 participants, the retirement benefits will no longer be paid as a lump sum distribution, instead, they will be paid through a lifetime annuity; (10) eliminated or reduced various retirement benefits previously granted by special laws, including Christmas and summer bonuses. The Christmas bonus payable to current retirees was reduced from \$600 to \$200 and was eliminated for future retirees. The summer bonus was eliminated. Resulting employer contribution savings will be contributed to the ERS; (11) disability benefits were eliminated and substituted for a mandatory disability insurance policy; and (12) survivor benefits were modified. The effective date of this Act will be July 1, 2013.

On October 30, 2016, the Fiscal Oversight Board for Puerto Rico designated the Government of Puerto Rico, the ERS for Government Employees, the Judicial ERS, and the Teacher ERS (together the "ERSs"), the University of Puerto Rico and 21 other public corporations of Puerto Rico as covered entities, subject to fiscal supervision in accordance with the federal legislation Puerto Rico Oversight, Management, and Economic Stability Act, better known as PROMESA.

Due to the lack of projected liquidity of the ERSs, the Government of Puerto Rico will protect payments to pensioners. Effective July 1, 2017, the Government of Puerto Rico adopted the "PayGo" system. Under this new system, the Government will be responsible for paying the deficiency of the ERSs to provide retirement benefits for the pensioners.

Also, as of July 1, 2017, employer contributions, contributions under special laws and the Uniform Additional Contribution (Law no. 32-2013) will be eliminated and replaced with the "PayGo".

On August 23, 2017, Law Number 106 was established to guarantee payment to pensioners and establish a new defined contribution plan for public employees.

Accordingly, the Puerto Rico Department of the Treasury will bill government agencies, public corporations, municipalities, the executive branch, the legislative branch and the judicial branch (together the "Government Agencies") a monthly charge to cover the retirement benefits to their pensioners. The ERSs will determine and administer the amount of the payment by pensioner that will correspond to each of the Government Agencies. This charge is known as the "PayGo".

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE B - RETIREMENT PLAN- CONTINUED

The ERSs will determine and administer the amount of the payment by pensioner that will correspond to each of the Government Agencies. This charge is known as the “PayGo”. For the fiscal year 2023-2024 the Department budgeted the amount of \$71.6 millions for purpose of the “PayGo”.

Additional information on the Retirement System is provided in its financial statements, a copy of which can be obtained at: Retirement System, Minillas Station, P.O. Box 42003, San Juan, Puerto Rico 00940-2003.

NOTE C - COMMITMENTS

Operating Leases - The PRDH is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, neither the assets nor the liabilities of the lease agreements are reflected in the accounting records. Real property is leased from the Puerto Rico Public Buildings Authority, a component unit of the Commonwealth, and from other private entities.

Rent paid during the fiscal year ended June 30, 2024, under these lease agreements amounted to approximately \$11.2 millions. Information of the future minimum rental payments required under these operating leases was not available.

NOTE D - CONTINGENCIES

Litigation and Claims - The PRDH is a defendant in lawsuits arising in the normal course of operations. The Commonwealth's Act No. 104 of June 30, 1955, as amended, establishes that any claims and lawsuits initiated against an agency or instrumentality of the Commonwealth, or against any of its employees, directors, majors, and others, may be represented by the Department of Justice of the Commonwealth. Any adverse claim to the defendants is to be paid by the General Fund of the Commonwealth. However, the Secretary of the Treasury of the Commonwealth has the discretion of requesting reimbursement of the funds expended for these purposes from public corporations, governmental institutions, or municipalities of the defendants. As of June 30, 2024, the estimate of litigations that the PRDH evaluates probable and reasonably probable amounts \$775,000 and \$27.5 millions, respectively

Collective Bargaining Agreement - As of June 30, 2024, PRDH had 3,788 employees of which 1,455 employees were covered by a collective bargaining agreement. Under the provisions of the agreement the PRDH must comply with specific requirements related to compensation, fringe benefits and other related matters. The union agreement expired on June 30, 2015. As of the date of the financial statement, there is no new collective bargaining agreement.

Federal Awards - The PRDH is a grantee in various Federal Financial Assistance Programs funded by the Federal Government. Entitlement to the resources is generally based on compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE D - CONTINGENCIES- CONTINUED

The Medical Assistance Program as a normal course of the program under the Department of Health must have methods of determining criteria for identifying suspected fraud cases, methods for investigating these cases and procedures, developed in cooperation with legal authorities, for referring suspected fraud cases to law enforcement officials to the Medical Fraud Control Unit (MFCU).

Substantially all grants are subject to financial and compliance audits by the grantor agencies. All disallowed costs as a result of these audits become a liability of the fund that receives the grant and must be reimbursed to the Federal Government from the PRDH's local funds. The Schedule of Findings and Questioned Costs for the fiscal year ended June 30, 2024, disclosed several instances of non-compliance with applicable laws and regulations and internal accounting and administrative control structure. The amount, if any, of expenditures which may be disallowed cannot be determined at this time.

NOTE E - PUERTO RICO OVERSIGHT, MANAGEMENT, AND ECONOMIC STABILITY ACT (PROMESA)

The Puerto Rico Oversight, Management, and Economic Stability Act, Pub. Law 114-187 ("PROMESA" or the "Act"), was enacted into law on June 30, 2016. It is a US and PR law enacted in 2016 that established a process for Puerto Rico to restructure its debt and achieve fiscal responsibility, including the creation of the Financial Oversight and Management Board for Puerto Rico. A fiscal plan was developed that provides a method to achieve fiscal responsibility among other targets. The operations of PRDH as all the Puerto Rico instrumentalities are subject to the oversight of the Board.

NOTE F - SUBSEQUENT EVENTS

The PRDH evaluated subsequent events through March 28, 2025, the date which the financial statement was available to be issued. Management has determined there are no material subsequent events that would require adjustments in the accompanying financial statement for the fiscal year ended June 30, 2024.

**PART II- SUPPLEMENTARY INFORMATION AND COMPLIANCE
SECTION**

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Agency/Pass-Through Agency/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Pass- Through to Subrecipient	Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Direct Programs				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	NAV	-	\$176,174,924
W.I.C. Grants to States (WGS)	10.578	NAV	-	350,224
Sub-total U.S. Department of Agriculture			-	176,525,148
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program				
Housing Opportunities for Persons with AIDS	14.241	NAV	-	64,329
<u>U.S. Department of Transportation</u>				
Direct Program				
Alcohol Open Container Requirements	20.607	NAV	-	348,856
<u>U.S. Environmental Protection Agency/Office of Water</u>				
Direct Programs				
State Public Water System Supervision	66.432	NAV	-	785,668
Capitalization Grants for Drinking Water State Revolving Funds	66.468	NAV	-	743,105
Sub-total U.S. Environmental Protection Agency/Office of Water			-	1,528,773
<u>U.S. Department of Education</u>				
Direct Program				
Special Education-Grants for Infants and Families	84.181	NAV	-	2,878,191
<u>U.S. Department of Homeland Security</u>				
Direct Program				
Disaster Grants- Public Assistance (Presidentially Declared Disaster)- Hurricane Irma	97.036	NAV	-	(197,810)
Disaster Grants- Public Assistance (Presidentially Declared Disaster)-Earthquake	97.036	NAV	-	11,101
Disaster Grants- Public Assistance (Presidentially Declared Disaster- Hurricane Maria	97.036	NAV	-	2,876,810
COVID-19- Disaster Grants- Public Assistance (Presidentially Declared Disaster)	97.036	NAV	-	662,275
Sub-total Department of Homeland			-	3,352,376
Sub-total carried to next page				184,697,673

See Notes to Schedule of Expenditures of Federal Awards

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Agency/Pass-Through Agency/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipient	Federal Expenditures
Sub total brought from previous page				\$ 184,697,673
<u>U.S. Department of Health and Human Services</u>				
<u>Cluster Programs</u>				
Public Health Crisis Response	93.069	NAV	-	6,731,064
<u>Direct Programs</u>				
National Association of County and City Health Officials	93.008	NAV	-	615,049
COVID-19 Promotion of Independence Living	93.048	NAV	-	60,012
Puerto Rico Comprehensive Public Health Approach to Ashtma Control	93.070	NAV	-	332,066
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	NAV	-	477,375
Maternal and Child health Federal Consolidated Programs	93.110	NAV	-	121,289
Project Grants and Coopetative Agreements for Tuberculosis Control	93.116	NAV	-	323,531
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	NAV	-	239,207
PR Overose Data to Action	93.136	NAV	-	2,669,970
COVID-19 Rape Prevention and Education	93.136	NAV	-	5,300
Sub-total Injury Prevention and Control Research and State and Community Based Programs			-	2,675,270
Puerto Rico Childhood Lead Poisoning Prevention Program (CLPPP)	93.197	NAV	-	311,629
Title V State Sexual Risk Avoidance Eduacation (Title V State SRAE) Program	93.235	NAV	-	1,312,642
Grants to States to Support Oral Health Workforce Activities	93.236	NAV	-	55,547
Substance Abuse and Mental Health Services	93.243	NAV	-	84,934
Early Hearing Detection and Intervention	93.251	NAV	-	279,264
Children's Hospitals Graduate Medical Education Payment Program	93.255	NAV	-	2,707,050
Immunization Cooperative Agreements - Immunization and Vaccines PPHF	93.268	NAV	-	3,697,666
COVID 19 - Immunization Cooperative Agreements	93.268	NAV	-	6,888,080
Sub-total Immunization Cooperative Agreements			-	10,585,746
Viral Hepatitis Prevention and Control	93.270	NAV	-	304,885
Sub- total carried to next page				211,914,233

See Notes to Schedule of Expenditures of Federal Awards

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Agency/Pass-Through Agency/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipient	Federal Expenditures
Sub total brought from previous page				\$ 211,914,233
U.S. Department of Health and Human Services - continued				
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	NAV	-	121,114
Covid-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NAV	-	67,350,860
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NAV	-	2,174,160
Sub-total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			-	69,525,020
The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	93.334	NAV	-	25,684
Behavioral Risk Factor Surveillance System	93.336	NAV	-	5,786
COVID-19 PR BRFSS Surveillance System	93.336	NAV	-	5,903
PR BRFSS Surveillance System	93.336	NAV	-	563,573
Sub-total Behavioral Risk Factor Surveillance System Programs			-	575,262
COVID-19 Workforce Supplementary Funding	93.354	NAV		5,124,976
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	NAV		52,483
Sub-total Public Health Emergency Response; Cooperative Agreement Programs			-	5,177,459
Prevention & Control Of Chronic Disease And Associated Risk Factor In PR	93.377	NAV	-	885,340
Health/Wellness/ National and State Tobacco Control	93.387	NAV	-	8,633
Optimize PRQ Tobacco Education	93.387	NAV	-	69,397
Sub-total National and State Tobacco Control Programs			-	78,030
COVID-19 Health Disparities	93.391	NAV	-	2,619,652
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	NAV	-	(5,882)
Family Violence Prevention and Services/ Sexual Assault/Rape Crisis Services and Supports	93.497	NAV	-	-
Children's Health Insurance Program	93.767	NAV	-	77,956,093
Cares Act Award	93.777	NAV	-	22,771
Clinical Laboratory Services	93.777	NAV	-	463,467
Health Insurance Benefits Program	93.777	NAV	-	432,638
IMPACT Award	93.777	NAV	-	26,070
Sub-total State Survey and Certification of Health Care Providers and Suppliers Medicare Programs			-	944,946
COVID-19 Medical Assistance Program	93.778	NAV		40,947,618
Medical Assistance Program	93.778	NAV		2,876,861,580
Sub-total Medical Assistance Program Programs			-	2,917,809,198
Sub-total carried to next page				3,287,626,149

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

See Notes to Schedule of Expenditures of Federal Awards

Federal Agency/Pass-Through Agency/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipient	Federal Expenditures
Sub total brought from previous page			-	3,287,626,149
Money Follows the Person Rebalancing Demonstration	93.791	NAV	-	167,381
Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NAV	-	1,018,595
COVID-19 Maternal, Infant and Early Childhood Home Visiting Grant	93.870	NAV	-	170,739
Sub-total Maternal, Infant and Early Childhood Home Visiting Grant			-	1,189,334
COVID-19 Hospital Preparedness Program	93.889	NAV	-	3,612,502
HIV Care Formula Grants	93.917	NAV	2,823,818	28,437,327
HIV Prevention Activities Health Department Based	93.940	NAV	1,005,669	6,262,460
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	NAV	-	559,592
Chronic Disease Prevention and Control	93.945	NAV	-	5,728
Puerto Rico Pregnancy Risk Assessment System	93.946	NAV	-	234,342
US Public Health	93.967	NAV	-	436,410
COVID-19 Strengthening US Public Health	93.967	NAV	11,996	3,123,655
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	NAV	-	1,907,117
Preventive Health Services Grant	93.991	NAV	-	2,075,194
Maternal and Child Health Services Grant	93.994	NAV	38,820	14,283,702
Puerto Rico Autism and Development	93.998	NAV	-	486,151
Sub-total U.S. Department of Health and Human Services			3,880,303	62,780,895
Total			\$ 3,880,303	\$ 3,350,407,044

See Notes to Schedule of Expenditures of Federal Awards

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the PRDH under programs of the federal government for the fiscal year ended June 30, 2024. The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the PRDH it is not intended to and does not present the financial position, changes in net position or cash flows of PRDH.

NOTE B - ACCOUNTING BASIS

Expenditures reported on the Schedule are reported on the cash basis method of accounting. They are drawn primarily from the PRDH's internal accounting records, which are the basis for the PRDH's statement of cash receipts and cash disbursements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE C - ASSISTANCE LISTING NUMBER (ALN)

Assistance Listing Number, formerly Catalog of Federal Domestic Assistance (CFDA), is a five-digit number. The first two digits represent the funding agency and the last three represent the assistance listing. SAM.gov serves as the authoritative source for all assistance listing numbers (ALN), including assistance listing under the American Recovery and Reinvestment Act (ARRA) of 2009.

NOTE D - MAJOR FEDERAL PROGRAMS

Major programs are identified in the summary of auditor's results section in the schedule of findings and questioned costs. Federal programs are presented by federal agencies.

NOTE E - SUB-RECIPIENTS

During fiscal year ended June 30, 2024, the PRDH disbursed \$3,880,303 to sub-recipients to carry out healthcare, public service, diagnosis and sexual education for HIV patients.

NOTE F - DE MINIMIS COST RATE

The PRDH has not elected to use the 10 percent de-minimis indirect cost rate allowed under the Uniform Guidance.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE G - CLUSTERS

A cluster of programs means federal programs with different Assistance Listing Numbers that are defined as a cluster of programs, because they are closely related programs that share common requirements. The Schedule includes the following clusters:

Agency	Federal Program	Assistance Listing Number	Total disbursement amount
U.S. Health and Human Services	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	\$ 944,946
	Medical Assistance Program	93.778	2,917,809,198
			<u>\$ 2,918,754,144</u>

NOTE H – NEGATIVE AMOUNTS

Negative amounts reflected in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND ON
COMPLIANCE AND OTHER MATTERS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Honorable Víctor Ramos Otero, MD
Secretary
Department of Health of the Commonwealth of
Puerto Rico

We have audited, in accordance with the 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, the statement of cash receipts and disbursements of the governmental activities, of the Department of Health of the Commonwealth of Puerto Rico, (the "PRDH") for the fiscal year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the PRDH's financial statement and have issued our report thereon dated June 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered PRDH's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PRDH's internal control. Accordingly, we do not express an opinion on the effectiveness of PRDH's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control 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 financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be material weakness.

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 finding 2024-002 to be significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PRDH's financial statement is free from 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 financial statement. 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 2024-001 and 2024-002.

PRDH's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the PRDH's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The PRDH's responses were not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carolina, Puerto Rico
March 28, 2025



DLLC422-187

Department of Health of the Commonwealth of
Puerto Rico

Aquino, De Córdova, LLC
by Edward Giviler-Green
LLC # 3171



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Honorable Víctor Ramos Otero, MD
Secretary
Department of Health of the Commonwealth of Puerto Rico

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the Puerto Rico Department of Health (the "PRDH")' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have direct and material effect on each of the PRDH's major federal programs for the fiscal year ended June 30, 2024. The PRDH's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Maternal and Child Health Services Block Grants to the States (AL 93.994)

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, PRDH complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Maternal and Child Health Services Block Grants to the States (AL 93.994) for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, PRDH complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform

Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PRDH and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of PRDH's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Maternal and Child Health Services Block Grants to the States (AL 93.994)

As described in the accompanying schedule of findings and questioned costs, PRDH did not comply with requirements regarding Maternal and Child Health Services Block Grants to the States (AL 93.994) as described in finding 2024-003 for Earmarking and 2024-007 for Reporting.

Compliance with such requirements is necessary, in our opinion, for PRDH to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to PRDH's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PRDH's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about PRDH's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding PRDH's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of PRDH's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of PRDH's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-003 and 2024-007 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of

findings and questioned costs as items 2024-004, 2024-005 and 2024-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on PRDH's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. PRDH's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carolina, Puerto Rico
March 28, 2025



DLLC422-188

Department of Health of the Commonwealth of
Puerto Rico

Aquino, De Córdova, LLC
by Edward González-Green
LIC. # 3171

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I- Summary of Auditor's Results

A. Summary of audit results:

Part I- Financial Statements

1. Type of auditor's report issued: ☒ Unmodified opinion ☐ Qualified opinion
☐ Adverse opinion ☐ Disclaimer of opinion

Internal control over financial reporting:

2. Significant deficiencies identified? ☒ Yes ☐ No
3. Significant deficiencies reported as material weaknesses? ☒ Yes ☐ No
4. Noncompliance material to financial statements noted? ☒ Yes ☐ No

Part II- Federal Awards

Internal control over major programs:

1. Significant deficiencies identified? ☒ Yes ☐ No
2. Significant deficiencies reported as material weaknesses? ☒ Yes ☐ None reported
3. Type of auditors' reported on compliance for major programs: ☐ Unmodified opinion ☒ Qualified opinion
☐ Adverse opinion ☐ Disclaimer opinion
4. Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance ☒ Yes ☐ No

5. Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
93.268	Immunization Cooperative Agreement
97.036	Disaster Grants- Public Assistance (Presidentially Declared Disaster)
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases
93.767	Children's Health Insurance Program
93.777 / 93.778	Medical Assistance Program- Cluster
93.994	Maternal and Child Health Services Block Grant to the States

6. Dollar threshold used to distinguish between Type A and Type B programs:

\$10,051,221

7. Auditee qualified as low-risk? ☐ Yes ☒ No

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section II- Financial Statement Audit

Finding Number: 2024-001

Agency: U.S. Department of Health & Human Services

Federal Program: All Programs

ALN: 93.268, 93.323, 93.778 / 93.777, 93.767, 93.994, 97.036

Compliance Requirement: Financial Administration- Standards for Financial Management System

Category: Material Weakness on Financial Internal Control and Noncompliance

Criteria

45 CFR, Part 74, Subpart C, Section 74.21; 7 CFR, Part 3016, Subpart C, Section 3016.20 establishes the following:

- a) A State must expend and account for grant funds in accordance with State Laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its sub-grantees and cost-type contractors, must be sufficient to:
 - 1. Allow preparation of reports required by this part and the statutes authorizing the grant, and
 - 2. Allow the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.
- b) The financial management systems of the grantees and sub-grantees must meet the following standards:
 - 1. Financial reporting - Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or sub-grant.
 - 2. Accounting records - Grantees and sub-grantees must maintain records that adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or sub-grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

3. Internal control - Effective control and accountability must be maintained for all grant and sub-grant cash, real and personal property, and other assets. Grantees and sub-grantees must adequately safeguard all such property and must ensure that it is used solely for authorized purposes.
4. Budget control - Actual expenditures or outlays must be compared with budgeted amounts for each grant or sub-grant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or sub-grant agreement. If unit cost data are required, estimates based on available documentation will be accepted, whenever possible.
5. Source documentation - Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and sub-grant award documents, etc.

Condition

During our audit procedures for the fiscal year ended June 30, 2024, we noted the following deficiencies related with the accounting procedures and financial reporting practices of the PRDH:

- a) The PRDH has inappropriate and/or incomplete cut-off procedures, as well as incomplete month-end and year-end reconciliation and closing procedures which prevent the timely processing of adjustments. Many transactions and adjustments are posted months after the applicable closing with a retroactive effect due to delays in the processing of information, especially those related to payroll transactions.
- b) During our audit procedures related to compliance with the reporting requirements, we noted that the Finance Department does not reconcile, on a timely basis, the accounting transactions recorded in their system with the subsidiary ledger and reports prepared by the federal programs administration.

Cause

PRDH management has not implemented effective internal controls to ensure a reliable accounting system to accurately account for funds administered. Also, is caused by the lack of analysis of financial transactions recorded during the fiscal year and the lack of monitoring and supervision by the PRDH's management.

Effect

The PRDH is unable to prepare accurate and complete financial reports on a timely basis. Due to significant reconciliation efforts, report may contain significant errors that may pass undetected.

Questioned Costs

None

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Perspective Information

Finding represents a significant problem. The PRDH must plan to improve accounting and financial reporting practices.

Prior Year Audit Finding

2023-001

Recommendation

PRDH should evaluate their current accounting and financial reporting software to ensure that the PRDH maximizes its use, establishment or revision of policies and procedures, establishment of periodic reconciliation and analysis of accounting transactions and additional training to accounting personnel related to accounting and financial reporting matters, including year-end closing procedures.

Views of Responsible Officials

The PRDOH agrees with the finding. However, PRDOH has implemented several corrective actions. Regarding Project Costing Module, the PRDOH already has implemented the Travel and Expenses Module, Payment Management System (PMS), which integrates with the Account Receivable to streamline revenue records payroll. The changes already can be observed during the fiscal year 2024-2025. Also, there is a new initiative with the Central Government who are currently working on the implementation of ERP in all government agencies. At this time the State Treasury Department is running the test in order to validate all the balances of the accounts, this new ERP should be in place by October 2025. Furthermore, the PRDOH has established control in order for all program to ensure the timely performed reconciliations between the finance office, the Division of External Resources (Federal Programs), this procedure has started since August 2022. This procedure will be in place with the new ERP in October 2025. Also, the PRDOH at this moment is working on the update of all the finance procedures.

Responsible Officials

Mrs. Velmary Martínez Yace	Finance Director	Tel. 787-765-2929 ext. 3291
Mrs. Mayra Reyes	Accounting Office Supervisor	Tel. 787-765-2929 ext. 3294

Estimated Completion Date

Implementation is expected to be completed on or before the end of October 2025.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Finding Number: 2024-002

Agency: U.S. Department of Health & Human Services

Federal Program: All Federal Programs

ALN: All Federal Agencies

Compliance Requirement: Payroll and Personnel Files

Category: Significant Deficiency in Internal Control over
Payroll and Personnel Files - Accurate and
Completeness of Personnel Files

Criteria

2 CFR 200.303 establish that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

2 CFR 200.430 establishes that the cost of compensation for personnel services is allowable to the extent that it follows an appointment made in accordance with the governmental unit's laws and rules and meets the merit system or other requirements required by federal law, where applicable. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;
 - (2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
 - (3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable.
- (i) The Non-Federal entity establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Condition

- a. During our audit, on a sample of sixty (60) personnel files, we observed that the personnel files are not being kept current and in some instances were incomplete.

Compliance Requirement	Documents not observed
ID	5
Social Security Card	2
Birth Certificate	3
Criminal Record Certificate	1
I-9 Employment Eligibility	2
Withholding Form (499-R)	3
ASSUME Debt Negative Certification	2
Academy Certifications	5
Transcription of Credits	4
Resume	3
PR Treasury Department Debt Certification	1
Compliance Notification for "Drug Free"	6
State Registration for New Employees Form	3
CRIM Debt Certificate	1
Confidentiality Agreement	5
Public Policy of "Sustancias Controladas"	6

- b. The PRDH does not have established written policies and manuals which can define standard internal controls for each program and / or region of the entity.

Cause

PRDH has not established an effective internal control designed to ensure the accuracy and completeness of the employee files. Also, the incompleteness of the files may depend on the time that the employee started working in the agency.

Effect

Due to law and regulation changes, incomplete files may result in inadequate documentation to support compliance with the criteria over management and administration of personnel files. Also, in the case of employees paid with federal funds, it may result in cost disallowances for personnel that do not meet the requirements to be employed by the corresponding federal program.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Questioned Costs

None

Perspective Information

Finding does not represent a significant problem. The Department has addressed this finding and it's been taking the steps necessary to reduce incidences to a minimum. We selected 60 employee files from the agency.

Prior Year Audit Finding

2023-002

Recommendation

PRDH should immediately undertake a process to review all personnel files and validate that the minimum requirement documents are appropriately completed and included in each personnel file. Also, the PRDH must update the salary change form in file in order to reflect current salary as stated in the digital information system.

Views of Responsible Officials

PRDOH has established several corrective actions. PRDOH established an internal control to ensure that the required documents are recorded in the files. The Director of Human Resources has presented a work plan together with a directive, in order to implement an effective procedure for reviewing files. A control sheet of documents required to active records was established in which the Human Resources Officers of the regions and Hospital were requested to verify the employee's files for the required documentation that is need it in the files.

Responsible Officials

Lcdo. Luis Rivera Villanueva	Human Resources Auxiliary Secretary	787-765-2929 ext. 4273
Mrs. Luz S. Ramos Pedroza	Specialist	787-765-2929 ext. 4273

Estimated Completion Date

This is an ongoing process for the new check list it has been implemented, there are also working with the old files as well. It should be done by June 2025.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Finding Number: 2024-003

Agency: Department of Health & Human Services

Federal Program: Maternal and Child Health Services Block Grants to the States

ALN: 93.994

Compliance Requirement: Earmarking

Category: Material Weakness in Internal Control over Compliance

Criteria

45 CFR sections 92.20(a) and (b) (1) to (4) establish that:

a) A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be enough to,

1. Permit preparation of reports required by this part and the statutes authorizing the grant, and
2. Permit the tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

b) The financial management systems of other grantees and subgrantees must meet the following standards:

1. Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
2. Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. if unit cost data are required, estimates based on available documentation will be accepted whenever possible.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Condition

We noted the following deficiencies related to the grant awards B04MC47443:

- a. The PRDH does not segregate financial records sufficiently in order to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the percentage restrictions of the grant award.
- b. We could not evaluate if the program is in compliance with the established earmarking requirements since the expenses were recorded for each of the award components and not the earmarking activity.

Cause

This situation occurs because the accounting records currently used by the PRDH do not have a reliable system to account for funds awarded to them. The chart of accounts in the financial system is not sufficiently expanded to account for each of the earmark requirements.

Effect

The PRDH could exceed the established expenditures limits per activity for the grant award. Noncompliance with the earmarking requirements could lead to significant administrative sanctions by the grantor, including reduction in the amounts to be awarded. It could also be interpreted as a failure to achieve program objectives.

Questioned Costs

None

Perspective Information

Finding represents a significant problem. The agency will review internal controls to ensure that comply with federal government requirements.

Prior Year Audit Finding

2023-004

Recommendation

The PRDH must expand the chart of accounts in order to account for the amounts claimed for administrative expenditures independently. This expansion would permit the tracing of funds to a level of expenditure to establish that such funds have not been used in violation of the restrictions and prohibitions of the program as defined in 42 USC 705(a)(3). Also, payroll expenses must be recorded into each of the corresponding program activities, as follows:

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

- a) Preventive and primary care services for children.
- b) Services for children with special health care needs.

Views of Responsible Officials

PRDOH agrees with the finding. PRDOH has fixed the segregation of financial record, we already have the system in place in People Soft 8.4 in which permit the tracing of the funds to the level of expenditures that will be adequate.

Responsible Officials

Dr. Manuel Vargas Bernier	Program Director	787-765-2929 ext. 4583
Mrs. Diana Ferrer Rivera	Senior Accountant	787-765-2929 ext. 4551
Mrs. Lydia Magaly Cabrera	Accountant	787-765-2929 ext. 4587

Estimate Date of Completion

The process is in place for the grants that start for the fiscal year 2024-2025.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Finding Number: 2024-004

Agency: Department of Health & Human Services

Federal Program: Immunization Cooperative Agreement

ALN: 93.268

Grant Number: Various

Compliance Requirement: Cash Management

Category: Significant Deficiency in Internal Control over Compliance

Criteria

2 CFR 200.302 states that each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds.

2 CFR 200.333 states that financial records, supporting documents, statistical records, and all other non-Federal entity records must be retained for a period of three years from the date of submission of the final expenditure report. For Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.

Condition

During our procedures, we found the following exceptions:

- a) In a sample of twenty-five (25) cash drawdown petitions for the Immunization Cooperative Agreement, we observed transactions with the check issued after the required time lapsed in accordance with the program advance type request.

Drawdown No.	Type	Receipt Date	Document No.	Check Issuance Date	Amount
1525240381	Advance	November 1, 2023	483269	November 22, 2023	1,110
1525240707	Advance	February 8, 2024	494281	March 13, 2024	17,250
1525240827	Advance	March 19, 2024	498885	May 22, 2024	3,029
1525240882	Advance	April 16, 2024	500724	April 26, 2024	59,442
1525241024	Advance	May 21, 2024	507359	June 7, 2024	61,226
1525241100	Advance	June 17, 2024	509470	July 5, 2024	1,878

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cause

Programs have not established written procedures and internal controls to properly follow up the finance division in order to pay to the suppliers and service providers on a timely basis.

Effect

Failure to minimize the time elapsed between the drawdown from the US Treasury to the actual check issue date may result in the calculation and determination by the Federal grantors of interest costs on the average balance of funds held beyond the reasonable time. This situation may also expose the PRDH to possible sanctions by federal grantors, such as withholding payments, or other special conditions.

Questioned Costs

None

Perspective Information

Finding represents a significant and repetitive problem. The Department will reinforce procedures over the disbursement process to ensure that all program payments are made within the 3 days timeframe.

Prior Year Audit Finding

None

Recommendation

The PRDH should establish written procedures that payments are issued promptly after the drawdown is made. This will minimize the time elapsed between the drawdown and the payment of funds. The PRDH should also establish a procedure to periodically monitor the cash balances of Federal programs for the possible identification, investigation, and resolution of unused funds.

Views of responsible officials

The PRDOH is working with the Finance Department to establish and strengthen our internal controls to ensure all payments comply with the guidelines established by the Federal Government. On the other hand, the PRDOH is working and verifying our own written procedures to ensure that payments are issued promptly after the drawdown is made.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Responsible Officials

Mrs. Camille Francisco Peguero	Program Accountant	787-765-2929 ext. 3287
Dr. Angel M. Rivera Garcia	Program Director	787-765-2929 ext. 3338

Estimated Completion Date

The Completion date for the revised procedures will be by December 2025.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Finding Number: 2024-005
Agency: Department of Health & Human Services
Federal Program: Maternal and Child Health Services Block Grant to the State
ALN: 93.994
Grant Number: Various
Compliance Requirement: Cash Management
Category: Significant Deficiency in Internal Control over Compliance

Criteria

2 CFR 200.302 states that each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds.

2 CFR 200.333 states that financial records, supporting documents, statistical records, and all other non-Federal entity records must be retained for a period of three years from the date of submission of the final expenditure report. For Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.

Condition

During our procedures, we found the following exceptions:

- a) In a sample of fifteen (25) cash drawdown petitions for Maternal and Child Health Services Block Grant to the State, we observed transactions with the check issued after the required time lapsed in accordance with the program advance type request.

Drawdown No.	Type	Receipt Date	Document No.	Check Issuance Date	Amount
1525241078	Advance	June 6, 2024	507969	June 12, 2024	1,640
1525240840	Advance	March 27, 2024	498194	April 19, 2024	8,661
1525240791	Advance	March 7, 2024	497337	March 20, 2024	1,640
1525240636	Advance	January 22, 2024	489915	February 2, 2024	1,959
1525240546	Advance	December 21, 2023	489057	June 26, 2024	303
1525240521	Advance	December 14, 2023	488491	February 23, 2024	2,765
1525240276	Advance	October 4, 2023	478810	October 13, 2023	1,640
1525240078	Advance	August 8, 2023	473316	August 23, 2023	1,311

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cause

Programs have not established written procedures and internal controls to properly follow up the finance division in order to pay to the suppliers and service providers on a timely basis.

Effect

Failure to minimize the time elapsed between the drawdown from the US Treasury to the actual check issue date may result in the calculation and determination by the Federal grantors of interest costs on the average balance of funds held beyond the reasonable time. This situation may also expose the PRDH to possible sanctions by federal grantors, such as withholding payments, or other special conditions.

Questioned Costs

None

Perspective Information

Finding represents a significant and repetitive problem. The Department will reinforce procedures over the disbursement process to ensure that all program payments are made within the 3 days timeframe.

Prior Year Audit Finding

None

Recommendation

The PRDH should establish written procedures that payments are issued promptly after the drawdown is made. This will minimize the time elapsed between the drawdown and the payment of funds. The PRDH should also establish a procedure to periodically monitor the cash balances of Federal programs for the possible identification, investigation, and resolution of unused funds.

Views of responsible officials

The PRDOH is working with the Finance Department to establish and strengthen our internal controls to ensure all payments comply with the guidelines established by the Federal Government. On the other hand, the PRDOH is working and verifying our own written procedures to ensure that payments are issued promptly after the drawdown is made.

Responsible Officials

Dr. Manuel Vargas Bernier	Program Director	787-765-2929 ext. 4583
Mrs. Diana Ferrer Rivera	Senior Accountant	787-765-2929 ext. 4551
Mrs. Lydia Magaly Cabrera	Accountant	787-765-2929 ext. 4587

Estimated Completion Date

The Completion date for the revised procedures will be by December 2025.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Finding Number: 2024-006

Agency: Department of Health & Human Services

Federal Program: Epidemiology and Laboratory Capacity for Infectious Diseases

ALN: 93.323

Grant Number: Various

Compliance Requirement: Cash Management

Category: Significant Deficiency in Internal Control over Compliance

Criteria

2 CFR 200.302 states that each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds.

2 CFR 200.333 states that financial records, supporting documents, statistical records, and all other non-Federal entity records must be retained for a period of three years from the date of submission of the final expenditure report. For Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.

Condition

During our procedures, we found the following exceptions:

- a) In a sample of fifteen (25) cash drawdown petitions for Epidemiology and Laboratory Capacity for Infectious Diseases, we observed transactions with the check issued after the required time lapsed in accordance with the program advance type request.

Drawdown No.	Type	Receipt Date	Document No.	Check Issuance Date	Amount
1525240007	Advance	July 7, 2023	464449	August 16, 2023	\$ 1,820,125

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Cause

Programs have not established written procedures and internal controls to properly follow up the finance division in order to pay to the suppliers and service providers on a timely basis.

Effect

Failure to minimize the time elapsed between the drawdown from the US Treasury to the actual check issue date may result in the calculation and determination by the Federal grantors of interest costs on the average balance of funds held beyond the reasonable time. This situation may also expose the PRDH to possible sanctions by federal grantors, such as withholding payments, or other special conditions.

Questioned Costs

None

Perspective Information

Finding represents a significant and repetitive problem. The Department will reinforce procedures over the disbursement process to ensure that all program payments are made within the 3 days timeframe.

Prior Year Audit Finding

None

Recommendation

The PRDH should establish written procedures that payments are issued promptly after the drawdown is made. This will minimize the time elapsed between the drawdown and the payment of funds. The PRDH should also establish a procedure to periodically monitor the cash balances of Federal programs for the possible identification, investigation, and resolution of unused funds.

Views of responsible officials

The PRDOH is working with the Finance Department to establish and strengthen our internal controls to ensure all payments comply with the guidelines established by the Federal Government. On the other hand, the PRDOH is working and verifying our own written internal procedures to ensure that payments are issued promptly after the drawdown is made.

Responsible Officials

Mrs. Sylvianette Luna Anavitae Program Director 787-765-2929 ext. 3121
Mr. Bryan Santos Martínez Financial and Accountant Analyst 787-765-2929 ext. 3361

Estimated Completion Date

The Completion date for the revised procedures will be by December 2025.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Finding Number: 2024-007

Agency: Department of Health & Human Services

Federal Program: Maternal and Child Health Services Block Grant to the State

ALN: 93.994

Grant Number: 23B04MC47443

Compliance Requirement: Reporting

Category: Material Weakness on Internal Control and Noncompliance

Criteria

2 CFR Part 200 Section 328 established unless otherwise approved by OMB, the Federal awarding agency must solicit only the OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future, OMB-approved, governmentwide data elements available from the OMB-designated standards lead. This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting. The Federal awarding agency must use OMB-approved common information collections, as applicable, when providing financial and performance reporting information.

2 CFR Part 200 Section 303 states that the entity must be established and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards. Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

Condition

We could not observe the SF-425 reports for the grant 23B04MC47443. According to the program accountant, the SF-425 report for the current period was due on December 30, 2024, as specified in the Notice of Award. The program requested a waiver to submit the report on January 31, 2025. The Department of Health's Office of External Resources submitted the request through the Payment Management System on January 9, 2025. As of now, the federal government has not responded to this waiver request.

Cause

The PRDH has not established effective procedures for the timely filing of the required financial reports.

Effect

The PRDH is not in compliance with the federal regulations on reporting. The inaccurate and untimely reporting prevents the Federal awarding agency and PRDF's management from monitoring the program financial activities, assessing the achievements of the program, and evaluating the grant award for subsequent years.

Questioned Costs

None

Perspective Information

As part of our audit procedures over reporting requirements, we evaluated Federal Financial Reports (SF-425) for the quarter ended on July 31, 2024. The test revealed that the report was not in compliance.

Prior Year Audit Finding

None

Recommendation

Management should take appropriate actions to implement internal controls procedures should be enforced to ascertain that required reports are timely filed; otherwise, a waiver or extension of time must be obtained.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Views of responsible officials

PRDH agrees with the finding. In this case there were three (3) more reports submitted for extension to the federal government, however, with this particular report the PRDH did not receive an answer. However, we have procedures in place in order to meet the reporting requirements to all federal programs be submitted on time.

The PRDH is working with the Division of External Resources (Federal Program) to establish and strengthen our internal controls to ensure all federal reports comply with the guidelines established by the Federal Government.

Responsible Officials

Dr. Manuel Vargas Bernier	Program Director	787-765-2929 ext. 4583
Mrs. Diana Ferrer Rivera	Senior Accountant	787-765-2929 ext. 4551
Mrs. Lydia Magaly Cabrera	Accountant	787-765-2929 ext. 4587

Estimated Completion Date

Estimated date of completion immediately.

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
AUDITOR'S REBUTTALS TO PRDOH AUDIT FINDINGS RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Original Finding Number	Category	Condition Found	Finding Status	Management Response / CAP	Assigned Responsibility
2023-001	Financial, Internal Control Weakness	<p>During our audit procedures for the fiscal year ended June 30, 2023, we noted the following deficiencies related with the accounting procedures and financial reporting practices of the PRDH:</p> <p>a) The PRDH has inappropriate and/or incomplete cut-off procedures, as well as incomplete month-end and year-end reconciliation and closing procedures which prevent the timely processing of adjustments. Many transactions and adjustments are posted months after the applicable closing with a retroactive effect due to delays in the processing of information, especially those related to payroll transactions.</p> <p>b) During our audit procedures related to compliance with the reporting requirements, we noted that the Finance Department does not reconcile, on a timely basis, the accounting transactions recorded in their system with the subsidiary ledger and reports prepared by the federal programs administration.</p>	Prevails 2024-001	<p>The PRDOH agrees with the findings. However, PRDOH has implemented several corrective actions. Regarding Project Costing Module, the PRDOH already has implemented the Travel and Expenses Module, Payment Management System (PMS), which integrates with the Account Receivable to streamline revenue records payroll. The changes already can be observed during the fiscal year 2024-2025. Also there is a new initiative with the Central Government are currently working on the ERP implementation in all government agencies. At this time the State Treasury Department is running the test in order to validate all the balances of the accounts, this new ERP should be in place by October 2025. Furthermore, the PRDOH has established control in order for all program to ensure the timely performed reconciliations between the finance office, the Division of External Resources (Federal Programs), this procedure has started since august 2022. This procedure will be in place with the new ERP on October 2025. Also, the PRDOH at this moment is working in the update of all the finance procedure.</p>	Mrs. Velmary Martínez Yace

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Original Finding Number	Category	Condition Found	Finding Status	Management Response / CAP	Assigned Responsibility
2023-002	Significant Deficiency in Internal Control	<p>a. During our audit, on a sample of sixty (60) personnel files, we observed that the personnel files are not being kept current and in some instances were incomplete.</p> <p>Compliance Requirement Documents not observed</p> <p>ID 3</p> <p>Social Security Card 4</p> <p>Birth Certificate 3</p> <p>Criminal Record Certificate 1</p> <p>I-9 Employment Eligibility 3</p> <p>Withholding Form (499-R) 2</p> <p>ASSUME Debt Negative Certification 4</p> <p>Certification of Academic Preparation 2</p> <p>Transcription of Credits 4</p> <p>Resume 1</p> <p>PR Treasury Department Debt Certification 1</p> <p>Compliance Notification for “Drug Free” 7</p> <p>State Registration for New Employees Form 2</p> <p>CRIM Debt Certificate 3</p> <p>Confidentiality Agreement 3</p> <p>Public Policy of “Sustancias Controladas” 7</p> <p>Annual Evaluation 2</p> <p>b. The PRDH does not have established written policies and manuals which can define standard internal controls for each program and / or region of the entity.</p>	Prevails 2024-002	<p>PRDOH has established several corrective actions. PRDOH established an internal control to ensure that the required documents are recorded in the files. The Director of Human Resources has presented a work plan together with a directive, in order to implement an effective procedure for reviewing files. A control sheet of documents required to active records was established in which the Human Resources Officers of the regions and Hospital were requested to verify the employee's files for the required documentation that is need it in the files.</p>	Lcdo. Luis Rivera Villanueva; Luz S. Ramos Pedroza

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Original Finding Number	Category	Condition Found	Finding Status	Management Response / CAP	Assigned Responsibility										
2023-003	Significant Deficiency in Internal Control over Compliance	<div>The annual SF-425 report was not filed on time:</div> <table><tr><th>Report</th><th>Grant</th><th>Quarter</th><th>Due date</th><th>Filing Date</th></tr><tr><td>SF-425</td><td>19NU50CK000526</td><td>7/31/2023</td><td>8/31/2023</td><td>10/28/2023</td></tr></table>	Report	Grant	Quarter	Due date	Filing Date	SF-425	19NU50CK000526	7/31/2023	8/31/2023	10/28/2023	Corrected	PRDOH agrees with the finding. In this report there was confusion on the date as to when it to be submitted by the federal government. However, we have procedures in place in order to meet the reporting requirements to all federal programs be submitted on time.	Mrs. Sylvianette Luna Anavitate, Program Director
Report	Grant	Quarter	Due date	Filing Date											
SF-425	19NU50CK000526	7/31/2023	8/31/2023	10/28/2023											

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Original Finding Number	Category	Condition Found	Finding Status	Management Response / CAP	Assigned Responsibility
2023-004	Significant Deficiency and Noncompliance	<p>We noted the following deficiencies related to the grant awards B04MC40159, B04MC45241:</p> <p>a. The PRDH does not segregate financial records sufficiently in order to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the percentage restrictions of the grant award.</p> <p>b. We could not evaluate if the program is in compliance with the established earmarking requirements since the expenses were recorded for each of the award components and not the earmarking activity.</p>	Prevails 2024-003	PRDOH agrees with the finding. PRDOH has fixed the segregation of financial record, we already have the system in place in People Soft 8.4 in which permit the tracing of the funds to the level of expenditures that will be adequate.	Dr. Manuel Vargas Bernier, Program director

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Original Finding Number	Category	Condition Found	Finding Status	Management Response / CAP	Assigned Responsibility
2023-005	Material Weakness and Noncompliance	PRDOH does not agreed with the finding. As stated in our response the MCO should have received a SOC 1 Type 1 and Type 2 Report. The PRDOH has requested this information from the MCO however it has not been provided yet. Also we are following up to the SOC for 2024 and we do not have an answer from the MCO at this time.	Corrected	PRDOH does not agree with the finding. As stated in our response the MCO should have received a SOC 1 Type 1 and Type 2 Report. The PRDOH has requested this information from the MCO however it has not been provided yet. Also, we are following up to the SOC for 2024 and we do not have an answer from the MCO at this time.	Dinorah Collazo Ortiz, Executive Director

DEPARTMENT OF HEALTH OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS- CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Original Finding Number	Category	Condition Found	Finding Status	Management Response / CAP	Assigned Responsibility
2023-006	Significant Deficiency in Internal Control and Noncompliance	The Single Audit Report for the fiscal year ended June 30, 2023, of the PRDH with due date of March 31, 2024, was submitted after the 9 months deadline. The Single Audit related to such a period was completed after the 9-month deadline.	Corrected	PRDOH accepts the finding, however that particular report was already submitted, and we are working on the submission on time of the 2024 report.	Hector Stewart, Federal Programs Division Director