

**OFFICE OF THE OMBUDSMAN
FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
NET CHANGES - GOVERNMENTAL FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(With additional reports required by the
Government Auditing Standards
and the Uniform Guidance)**

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To: Office of the Ombudsman for Persons with Disabilities
of the Commonwealth of Puerto Rico
San Juan, Puerto Rico

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statement

We have audited the accompanying statement of cash receipts, disbursements and net changes - governmental funds (cash basis) of the Office of the Ombudsman for Persons with Disabilities of the Commonwealth of Puerto Rico (the Agency) for the fiscal year ended June 30, 2019, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the statement of cash receipts, disbursements and net changes - governmental funds (cash basis) referred in the first paragraph of this report present fairly, in all material respects, the cash receipts, disbursements and net changes transactions of the Agency for the fiscal year ended June 30, 2019, on the basis of accounting described in Note 2 to the financial statement.

Basis of Accounting

We draw attention to Note 2 of the financial statement, which describes the basis accounting. The financial statement has been prepared on a cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Other Information

Our audit was conducted for forming an opinion on the statement of cash receipts and disbursements and net changes - governmental funds. The Schedule of Expenditures of Federal awards is presented for purposes of additional analysis as required by the U.S. Code of Federal Regulations Title 2 Subtitle A Chapter II Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement itself, 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 in all material respects in relation to the financial statement as a whole.

The financial statement of the Agency is intended to present the statement of cash receipts, disbursements and net changes - governmental funds of only that portion of the financial reporting entity of the Commonwealth of Puerto Rico that is attributable to the transactions of the Agency. They do not purport to, and do not, present fairly the financial position of the Commonwealth of Puerto Rico as of June 30, 2019, the changes in its financial position or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Governmental Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 16, 2020, on our consideration of the Agency'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliances. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control over financial reporting and compliance.

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Subsequent Events

The COVID-19 worldwide outbreak has caused the disruption through mandated and voluntary closings of multiple companies, municipalities, and governmental agencies in the island abroad. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of the closings and full reopening. Therefore, the Agency has not been able to resume its operations and provided all the services it offers.

San Juan, Puerto Rico

July 16, 2020

Stamp No. E423862 was affixed to the original of this report.

Rodriguez Samabria & Co., CPA's, PSC

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
NET CHANGES - GOVERNMENTAL FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>State General Fund</u>	<u>State Special Fund</u>	<u>Federal Grants Fund</u>	<u>Total Government Funds</u>
CASH RECEIPTS:				
Appropriations from the Commonwealth of P.R. Puerto Rico Treasury Department advances (reclassifications)	\$ 1,367,000	\$ 71,000	\$ -	\$ 1,438,000
Federal Grants	-	-	965,461	965,461
Total Cash Receipts	<u>1,367,000</u>	<u>71,000</u>	<u>1,268,976</u>	<u>2,706,976</u>
CASH DISBURSEMENTS:				
State General Funds	838,780	48,742	-	887,522
Developmental Disabilities Basic Support and Advocacy Grants	-	-	781,454	781,454
Traumatic Brain Injury State Protection and Advocacy	-	-	46,991	46,991
Voting access for Individuals with Disabilities Grant for Protection and Advocacy Systems	-	-	61,653	61,653
Rehabilitation Service-Client Assistance Program Program of Protection and Advocacy of Individual Rights	-	-	179,880	179,880
Protection and Advocacy for Individual with Mental Illness	-	-	501,610	501,610
Assistive Technology State Grants for Protection and Advocacy	-	-	22,257	22,257
Social Security Grants for Work Incentives Assistance to Disabled Beneficiaries	-	-	101,405	101,405
Total Cash Disbursements	<u>838,780</u>	<u>48,742</u>	<u>1,819,454</u>	<u>2,706,976</u>
EXCESS (DEFICIT)	528,220	22,258	(550,478)	-
RECLASSIFICATIONS	<u>(528,220)</u>	<u>(22,258)</u>	<u>550,478</u>	<u>-</u>
NET CHANGES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statements.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES -GOVERNMENTAL
FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

1. ORGANIZATION AND FINANCIAL REPORTING ENTITY

Organization

The Office of the Ombudsman for Persons with Disabilities of the Commonwealth of Puerto Rico (the Agency) was established under the Law No.2 of September 27, 1985, as amended. According with the Plan of Reorganization Number 1 of June 22, 2011 (the Plan), a new office was created, Office of Management of the Ombudsman Offices. The responsibilities of this office was consolidated all administrative faculties and functions of all ombudsman offices in Puerto Rico, and promoted an organizational structure that permit provided a better service to citizens they serve. As per the Plan, a new office of the Agency was created, with similar functions as the previous entity, and shall assist and help to solve the problems and need of persons with disabilities in the areas of education, health, employment, free entrepreneurship of commercial, civil and political rights, social, labor and tax legislation, housing, transportation, recreation, environmental protection, and culture, among others. In addition, the Agency responsibility is to promote the integration of persons with the physical, mental or sensorial disabilities in the programs of conservation, education, and environment preservation with other agencies and instrumentalities of the Commonwealth of Puerto Rico. The Ombudsman is designated by the Governor with the advice and consent of the Senate for a ten-year term. The Agency is subsidized by appropriations from the Commonwealth of Puerto Rico and by federal grants received from the U.S. Department of Health and Human Services, the U.S. Department of Education, and the Social Security Administration.

During the year ended June 30, 2016, and in accordance with Law 158 of September 24, 2015, the Agency changed its legal name to “Defensoría de las Personas con Impedimentos del Estado Libre Asociado de Puerto Rico”. As part of the law provisions, the Agency will have fiscal autonomy and independence in its operating and administrative operations among others.

On March 14, 2019, the Puerto Rico Fiscal Agency and Financial Advisory Authority (herein thereafter “AAFAF”) Board of Directors issued Resolution 2019-22 in which the Agency was submitted to a syndicator in order to comply with Puerto Rico Government Fiscal Plan and Certified Budget, as defined. As part of the syndication procedures, AAFAF may establish among others, specific fiscal guidelines and conditions to the Agency to ensure compliance with state and/or federal regulations.

Financial Reporting Entity

The accompanying financial statement includes all divisions whose funds are under the custody and control of the Agency. In evaluating the Agency as a reporting entity, management has addressed all the potential component unit. The decision to include a potential component unit in the reporting entity was made by applying the provisions of the Codification of Governmental Accounting and Financial Reporting Standard, Section 2100.

For financial reporting purposes, the Agency is part of the Commonwealth of Puerto Rico. Accordingly, its financial data is included as part of the Commonwealth of Puerto Rico financial statements. The accompanying financial statement is issued solely to comply with the Single Audit Act Amendments of 1996 (P.L.104-156) and for the information and used of the Agency’s management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES - GOVERNMENTAL
FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting

The Agency's accompanying financial statement have been prepared in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standard Board. The basis of accounting involves the reporting of only cash resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. Noncash transactions are not recognized in the statement.

This cash basis of accounting differs from GAAP primarily because revenue (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. The amounts reported as cash receipts are those received during the fiscal year 2018-2019. No accrual was recognized.

Capital assets resulting from cash transactions are reported as cash disbursement in the acquiring governmental fund upon cash acquisition. No capital assets, long-term debt or accrued compensated absences are reported in the Agency's financial statement. Compensated absences resulting from cash transactions are reported as cash disbursements in the governmental funds column upon cash payment. The Agency's funds are under custody and control of the Secretary of the Department of Treasury of the Commonwealth of Puerto Rico and are also accounted for in the Central Government Accounting System. The Agency prepares its financial statements for the general operational fund and other funds on the cash basis method. A statement of net assets has not been presented because, as of June 30, 2019, it had not available cash under its custody.

The accounts of the Agency are organized on the basis of fund types, which are responsible for the coordination, receipt, and management of funds principally approved by the U.S. Department of Health and Human Services. These are composed of three funds which are described below. The accounts of the Agency are accounted for with a set of accounts which is only include cash receipts and cash disbursements. No balance sheet accounts are maintained or reported. The following individual programs account for the governmental resources allocated to them for the purpose of carrying on specified activities in accordance with laws, regulations, and other restrictions:

State General Fund – It is the primary operating fund of the Agency and is always classified as a major fund. It is used to account for all activities resources except those required to be accounted for separately.

State Special Fund – Accounts for resources received from enacted law by the Commonwealth of Puerto Rico to assist in the implementation of various programs.

Federal Grants Fund – Accounts for the financial resources related to the Federal Grant Awards administered by the Agency.

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**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES - GOVERNMENTAL
FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Continued...

Budgetary Information

The revenues recognized in the General Fund consist of appropriations from the Office of Management and Budget of the Commonwealth of Puerto Rico for recurrent and ordinary functions of the Agency. The procedures followed in approving the annual budget is as follows:

- a. Between November and December, the Agency submits to the Office of Management and Budget of the Commonwealth of Puerto Rico an operating budget petition for the fiscal year commencing the following July 1.
- b. At the beginning of the ordinary session of the Legislative Assembly of the Commonwealth of Puerto Rico, the governor submits a proposed budget for the fiscal year covering the whole operations of the Commonwealth. The proposed budget includes estimated expenditures and resources of financing them.
- c. The annual budget is legally enacted through the approval of the Legislative Assembly of the Joint Resolution of the General Budget. Subsequently to enactment, the Office of Management and Budget of the Commonwealth of Puerto Rico has the authority to make the necessary adjustments to it.

Federal grant funds can be carried over a specified amount of time, upon request to, and approval by federal agencies. The financial statement is presented at the programmatic level. However, budgetary control and accounting is exercised at a lower level providing management with detailed control over expenditures at an appropriated budget level. Budgetary Comparison Schedules is not legally required to do so.

Interfund Transactions

The Agency has the following types of transactions among funds:

Interfund Transfers - Legally required transfers that are reported when incurred as transfer-in by the recipient fund and as transfer-out by the disbursing funds.

Risk Financing

The Agency is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, injuries to employees' health, and natural disasters. Commercial insurance policies covering such risks are negotiated by the Puerto Rico Treasury Department and costs are allocated among all the municipalities and Commonwealth of Puerto Rico instrumentalities. Management believes such coverage is sufficient to preclude any significant uninsured losses to it.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES - GOVERNMENTAL
FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Accounting for Pension Costs

The Agency adopted the provision of Codification of the Governmental Accounting and financial Reporting Standard Section Pe5, Pension Plans – Defined Benefit, by requiring disclosure of how the contractually required contribution rate is determined by governments participating in multi-employer cost-sharing pension plans. It accounts for pension costs from the standpoint of a participant in a multiple employer cost-sharing plan. Accordingly, pension costs recognized in the accompanying financial statement are equal to the statutorily required contributions.

For the purposes of applying the requirements of the Codification, the Government is considered to be the sponsor of the Employees' Retirement System of the Commonwealth of Puerto Rico and its Instrumentalities (ERS) and System 2000, a multiemployer cost-sharing defined benefit pension plan and a hybrid defined contribution plan, respectively, in which the employees of the Agency participate. It is considered a participant, and not a sponsor, of these retirement systems since the majority of the participants in the aforementioned pension trust funds are employees of the Commonwealth of Puerto Rico and the basic financial statements of such retirement system are part of the financial reporting entity of the Commonwealth of Puerto Rico.

3. CASH

The funds of the Agency are under the custody of the Secretary of the Puerto Rico Treasury Department pursuant to Act No.230 of July 23, 1974, as amended, known as "Government of Puerto Rico Accounting Law". The Treasury Department follows the practice of pooling cash equivalents under the custody and control of the Secretary of the Treasury. The funds of the Agency in such pooled cash accounts are available to meet its current operating requirements and consist of demand deposits in private financial institutions, recorded at cost, which approximates fair value.

4. LEASE COMMITMENTS

The Agency rent its facilities through operating lease agreements with private entities. During the period ended June 30, 2019, rent expenditures related to those agreements amounted to approximately \$93,000.

5. PENSION PLAN

Description of the Plan

Retirement Systems - the Commonwealth sponsors three contributory defined benefit pension plans (collectively known as the Retirement Systems), which are reported in the accompanying statement of fiduciary net position:

- Employees' Retirement System of the Government of the Commonwealth of Puerto Rico (ERS)
- Retirement System for the Judiciary of the Commonwealth of Puerto Rico (JRS)
- Puerto Rico System of Annuities and Pensions for Teachers (TRS)

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**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES - GOVERNMENTAL
FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Continued...

Each system is independent; thus, their assets or liabilities may not be transferred from one system to another or used for any purpose other than to benefit the participants of each system. The Retirement Systems issue financial reports, which are publicly available and include the basic financial statements, the required trend information, and any other required supplementary information.

Employees of the Agency participate in the Employee's Retirement System of the Commonwealth of Puerto Rico and its Instrumentalities (ERS). The ERS is a cost – sharing multiple employer defined benefit pension plan sponsored by the Commonwealth of Puerto Rico pursuant to Act No.447 dated May 15, 1951, as amended. ERS covers all regular employees of the Commonwealth and its instrumentalities and of certain municipalities and components units not covered by their own retirement systems.

Participation is mandatory except for members of the Legislature, Government Secretaries, Head of Agencies and Public Instrumentalities, Assistants to the Governor, the Comptroller of Puerto Rico, Gubernatorial Board and Committee appointees and Experimental Service Station employees.

The Commonwealth has already taken critical steps towards a comprehensive reform of the ERS. On September 30, 2016, the ERS was designated by the Oversight Board as a "covered instrumentality" pursuant to the provisions of PROMESA. The Act requires covered instrumentalities to develop fiscal plans and accordingly, a pension fiscal reform was included as part of the Commonwealth's fiscal plan which was proposed and approved by the Oversight Board on March 13, 2017. As a result of the ERS's severe fiscal and liquidity crisis, on May 21, 2017 the Oversight Board filed a voluntary petition under Title III of PROMESA in the United States District Court for the District of Puerto Rico (the "District Court").

Act No. 106 of August 23, 2017 ("Act 106") was enacted to reform the Commonwealth retirement systems and, among other dispositions, provide the necessary legal and operational structure of the determination and payment of accrued pension benefits as of June 30, 2017, the creation and transition to a new defined contribution plan and the reform of ERS's governance, effective on July 1, 2017. Those dispositions are summarized as follows:

Effective July 1, 2017 participants ceased to accrue new pension benefits and are no longer able to make direct credit payments or to make additional contributions to the ERS. The ERS created and will maintain, for each participant or actual beneficiary, an individual record as of June 30, 2018 which includes the accrued pension benefits, employment history and accumulated contributions made. All benefits including retirement, disability, death, and other pensioner additional benefits were determined in accordance to the specific benefit structures under Act 447, Act 1, Act 305 and Act 3 and will be paid based on the information provided in the individual record. The accrued pension benefits will be funded through:

- The net proceeds of the sale of ERS's assets,
- A pay-as-you-go ("PayGo") charge to the participant employers determined by ERS and billed by the P.R. Department of Treasury ("PRDT"),
- Commonwealth's legislative expenditure appropriations,
- 25% of first or periodic payments on public-private partnership contracts,
- Other funds determined by the Commonwealth's Legislature.

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**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES - GOVERNMENTAL
FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Continued...

On June 27, 2017 the PRDT issued the Circular Letter No. 1300-46-17 to communicate to the Commonwealth, the Municipalities and other participants of the ERS the conversion procedures to a new PayGo model, effective on July 1, 2017. Under the PayGo funding, the participant employers directly pay the pension benefits as they are due rather than attempt to build up assets to pre-fund future benefits. This funding method allows the retirement systems to continue to pay benefits even after the plans' assets have been exhausted. In addition, as a result of the implementation of PayGo funding, employers' contributions related to special laws and additional uniform contributions are eliminated. Payments are made by the employers (the EQB) through a government treasury single account (TSA) maintained on a separate trust under the custody of PRDT. TSA funds are deposited and maintained in a private commercial bank. It is expected that, as the ERS's assets become depleted, the PayGo charge will increase.

CONTINGENCIES

Grant Programs

In the normal course of operations, the Agency participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agencies, the purpose of which is to ensure compliance with the specific conditions of the grant. If expenditures are disallowed due to noncompliance with grant program requirements, it may be required to reimburse the grantor or pass-through Agency. As of June 30, 2019, the Agency is classified as a High-Risk entity by the Federal government. Accordingly, expenditures incurred were financed by the Puerto Rico Treasury Department. In addition, special conditions regarding fund uses and reporting requirements were imposed.

Litigations

The Agency is involved in litigation arising in the normal course of operations. Because of its use of the cash basis of accounting, the financial statement does not include accrual or provision for loss contingencies that may result from these proceedings. The outcome of these matters and their potential financial effect cannot be predicted at this time. Any disbursement related to a settlement of litigation will be recognized in the statement of cash receipts, disbursement and net changes for the general operational fund of the Agency at the time the payment is made. Under certain circumstances, as provided in Act No. 9 of November 26, 1975, as amended, the Commonwealth of Puerto Rico may provide its officers and employees with legal representation, as well as assume the payment of any judgment that may be entered against them.

The Agency is subject to a legal claim for illegal termination of an employee. As of March 10, 2020, the case is pending a hearing before the Appellate Commission. The Agency, after consulting it with its internal counselor, estimates that an unfavorable outcome is probable. The estimated range for such claims amounts from \$250,000 to \$500,000. On June 30, 2016, the United States of America Congress enacted the "Puerto Rico Oversight, Management, and Economic Stability Act" (Public Law 114-187) (known as "PROMESA"). As part of PROMESA implementation, all legal claims related to governmental agencies are subject to an "automatic stay" under the provisions of the United States of America Bankruptcy Code.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES - GOVERNMENTAL
FUNDS (CASH BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

6. RELATED PARTY TRANSACTIONS

During the year ended June 30, 2019, the Agency paid to other governmental entities \$1,700 for motor vehicles maintenance and related.

7. SUBSEQUENT EVENTS

The Agency's management evaluated subsequent events through July 16, 2020, the date which the financial statement was available to be issued.

The COVID-19 worldwide outbreak has caused the disruption through mandated and voluntary closings of multiple companies, municipalities, and governmental agencies in the island abroad. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of the closings and full reopening. Therefore, the Agency has not been able to resume its operations and provided all the services it offers.

Except for the subsequent event as mentioned above, there were no subsequent events that required additional disclosure and/or adjustment to the financial statements.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
 OF THE COMMONWEALTH OF PUERTO RICO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Federal Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:		
Direct Programs:		
Developmental Disabilities Basis Support and Advocacy Grants	93.630	\$ 781,454
Protection and Advocacy for Individuals with Mental Illness	93.138	501,610
Traumatic Brain Injury Protection and Advocacy	93.267	46,991
Voting Access for Individuals with Disabilities – Grants for Protection and Advocacy Systems	93.618	61,653
		<u>1,391,708</u>
U.S. DEPARTMENT OF EDUCATION:		
Direct Programs:		
Rehabilitation Services – Client Assistance Program	84.161A	124,204
Program of Protection and Advocacy of Individual Rights	84.240A	179,880
Assistive Technology – State Grants for Protection and Advocacy	84.343A	22,257
		<u>326,341</u>
U.S. SOCIAL SECURITY ADMINISTRATION:		
Direct Programs:		
Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries	96.009	101,405
		<u>101,405</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 1,819,454</u>

See notes to schedule of expenditures of federal awards.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

1. BASIS OF PRESENTATION –

The Supplementary Schedule of Expenditures of Federal Awards (SEFA) includes the federal grants activities of the Office of the Ombudsman for Persons with Disabilities of the Commonwealth of Puerto Rico (the Agency). The information in the SEFA is presented in accordance with the requirements of the U.S. Code of Federal Regulations Title 2 Subtitle A Chapter II Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards section 510 (b).

Therefore, some amounts presented in the SEFA may differ from amounts presented in the preparation of the financial statement. The Agency reporting entity is defined in Note 1 to the financial statement. All federal financial awards received directly from federal Agency as well as federal financial awards passed-through other governmental agencies, if any, are included on the SEFA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –

- A. Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the U.S. Code of Federal Regulations Title 2 Subtitle A Chapter II Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards section 200.502.
- B. Negative amounts, if any, shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
- C. Pass-through entity identifying numbers are presented where available and applicable.

3. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER –

The CFDA numbers included in the SEFA are determined based on the program name, review of grant contract information and the U.S. Office of Management and Budget's Catalogue of Federal Domestic Assistance.

**4. RELATIONSHIP TO STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND NET CHANGES -
GOVERNMENTAL FUNDS –**

Expenditures of federal awards are reported in the Agency's Statement of Cash Receipts, Disbursement, and Net Changes - Governmental Fund in the Federal Grants Fund column.

5. INDIRECT COST –

The Agency has not elected to use the 10% "*de minimis*" indirect cost rate nor has a formal indirect cost rate approved. Accordingly, no indirect costs were charged.

To: Office of the Ombudsman for Persons with Disabilities
of the Commonwealth of Puerto Rico
San Juan, Puerto Rico

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

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, Disbursement and Net Changes-Governmental Funds of the Office of the Ombudsman for Persons with Disabilities of the Commonwealth of Puerto Rico (the Agency) for the fiscal year ended June 30, 2019, and the related notes to the financial statement, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated July 16, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 statements will not be prevented, detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item **2019- II - 01** to be a material weakness.

Continues...

Continued...

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, non - compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of non-compliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item **2019- III - (01-02)**.

The Agency's Response to Findings

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Its response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Juan, Puerto Rico
July 16, 2020

Stamp No. E423863 was affixed to the
original of the report.

Rodriguez Sanabria & Co., CPAs, PSC

To: Office of the Ombudsman for Persons with Disabilities
of the Commonwealth of Puerto Rico
San Juan, Puerto Rico

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

Report on Compliance for Each Major Federal Program

We have audited Office of the Ombudsman for Persons with Disabilities (the Agency) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2019. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. 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 for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Continues...

Continued...

Basis for Qualified Opinion on Protection and Advocacy for Individuals with Mental Illness and Developmental Disabilities Basic Support and Advocacy Grants

As described in the accompanying schedule of findings and questioned costs, the Agency did not comply with the following requirements:

- Allowable Costs/Costs Principles for 93.138 Protection and Advocacy for Individuals Mental Illness and 93.630 Developmental Disabilities Basic Support and Advocacy Grants as described in findings numbers **2019-II-01** and **2019-III-01**.
- Eligibility requirements for 93.138 Protection and Advocacy for Individuals Mental Illness as described in finding number **2019-III-02**.

Compliance with such requirements are necessary, in our opinion, for Office of the Ombudsman for Persons with Disabilities to comply with the requirements applicable to these programs.

Qualified Opinion on Protection and Advocacy for Individuals with Mental Illness and Developmental Disabilities Basic Support and Advocacy Grants

In our opinion, except for the noncompliance as described above, the Agency's complied, in all material respects, with the types of compliance requirements referred to in the first paragraph of this report that could have a direct and material effect for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph of this report. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be material weaknesses.

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 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.

Continues...

Continued...

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items **2019-II-01** and **2019-III-(01-02)** 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.

The Agency response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Its response was not subjected to the 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.

San Juan, Puerto Rico
July 16, 2020

Stamp No. E423864 was affixed to the original of this report.

Rodriguez Samabia & Co., CPAs, PSC

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unqualified

Internal control over financial reporting:

- | | | | | | |
|---|---|-------------------|-----|-------------------|----|
| • | Material weakness(es) identified? | <u> X </u> | Yes | <u> </u> | No |
| • | Significant deficiency (es) identified? | <u> </u> | Yes | <u> X </u> | No |

Noncompliance material to financial statements noted?	<u> X </u>	Yes	<u> </u>	No
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Federal awards:

Internal control over major programs:

- | | | | | | |
|---|---|-------------------|-----|-------------------|----|
| • | Material weakness(es) identified? | <u> X </u> | Yes | <u> </u> | No |
| • | Significant deficiency (es) identified? | <u> </u> | Yes | <u> X </u> | No |

Type of auditors’ report issued on compliance for major programs:

Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	<u> X </u>	Yes	<u> </u>	No
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Identification of major programs:

<u>Name of Federal Program:</u>	<u>CFDA</u>
Protection and Advocacy for Individuals with Mental Illness * **	93.138
Development Disabilities Basic Support and Advocacy Grants *	93.630

- * Grantor - Department of Health of Human Services
Due to high - risk condition, it was selected by auditor judgmentally even the amount expended
- ** did not surpassed the threshold of \$750,000.

Dollar threshold used to distinguish between type A and type B programs

\$750,000

Auditee qualified as low-risk auditee?

No

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

SECTION II – FINANCIAL STATEMENTS FINDINGS

Finding 2019-II-01

Category:

Allowable costs/Costs principles

Programs:

93.138 - Protection and Advocacy for Individuals with Mental Illness
93.630 - Developmental Disabilities Basis Support and Advocacy Grants

Type of finding:

Material Noncompliance / Material Weakness

Criteria or specific requirement:

The Uniform Guidance section 200.405 - Allocable costs (a) establishes that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to that Federal Award or cost objective in accordance with relative benefits received. Uniform Guidance section 200.405 - Direct cost allocation principles (d) states that if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

Condition:

During the disbursement test, we noted that compensation of employees is not distributed based on the actual time devoted or identified specifically to the performance of those awards. The Agency established a formal time distribution structure and is currently in the final phase of its implementation.

Questioned costs:

Not determined.

Cause:

The Agency does not have a formal time distribution plan for employees' compensation between the programs served.

Continues...

Continued...

Effect:

The Agency is not allocating its direct costs on the time and resources devoted to each program, which may result in overcharging of it to programs that may not be benefited from the services of the employees. This situation could lead to an incorrect distribution of disbursement amounts among the programs presented in the statement of cash receipts, disbursements and net-changes (cash basis).

Recommendations:

We recommend the Agency to finalize its time distribution structure implementation as soon as possible in order assign costs objectives in accordance with the relative benefits received.

Views of responsible officials and planned corrective action:

See the Agency's Corrective Action Plan.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-III-01

Category:

Allowable costs/Costs principles

Programs:

93.138 - Protection and Advocacy for Individuals with Mental Illness
93.630 - Developmental Disabilities Basis Support and Advocacy Grants

Type of finding:

Material Noncompliance / Material Weakness

Criteria or specific requirement:

The Uniform Guidance section 200.405 - Allocable costs (a) establishes that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to that Federal Award or cost objective in accordance with relative benefits received. Uniform Guidance section 200.405 - Direct cost allocation principles (d) states that if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

Condition:

During the disbursement test, we noted that compensation of employees is not distributed based on the actual time devoted or identified specifically to the performance of those awards. The Agency established a formal time distribution structure and is currently in the final phase of its implementation.

Questioned costs:

Not determined.

Cause:

The Agency does not have a formal time distribution plan for employees' compensation between the programs served.

Continues...

Continued...

Effect:

The Agency is not allocating its direct costs on the time and resources devoted to each program, which may result in overcharging of it to programs that may not be benefited from the services of the employees. This situation could lead to an incorrect distribution of disbursement amounts among the programs presented in the statement of cash receipts, disbursements and net-changes (cash basis).

Recommendations:

We recommend the Agency to finalize its time distribution structure implementation as soon as possible in order assign costs objectives in accordance with the relative benefits received.

Views of responsible officials and planned corrective action:

See the Agency's Corrective Action Plan.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Findings 2019-III-02

Category:

Eligibility

Program:

93.138 - Protection and Advocacy for Individuals with Mental Illness

Type of finding:

Material Noncompliance / Material Weakness

Criteria or specific requirement:

U.S. Code - Title 42 Chapter 114 - Subchapter I Part A Section 10802 - Definitions (4) establishes in part the following: "The term "individual with mental illness" means an individual - who has a significant mental illness or emotional impairment, as determined by a mental health professional qualified under the laws and regulations of the State".

Condition:

During the Eligibility Test, we noted that for a sample of fifteen (15) participants, evidence of mental illness was not found in one (1) instance at the date was determined to be eligible. The following is a summary:

<u>Social Security Number</u>	<u>Case Number</u>	<u>Eligibility date</u>	<u>Medical evidence in file date</u>
9973	SJ 2018-09-0115	August 17, 2018	October 17, 2018

Questioned costs:

Not determined.

Cause:

The applicable official did not obtained evidence of mental illness of the participant during the eligibility determination process.

Continues...

Continued...

Effect:

The costs incurred by the Agency may be disallowed and subject to reimbursement to grantor, since services should be provided only to eligible participants.

Recommendations:

We recommend the Agency to stress its employees the importance to obtain such information always. In the event, that such information may not be obtained, it should deny services or suspend it until such information is obtained.

Views of responsible officials and planned corrective action:

See the Agency's Corrective Action Plan.

**OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF *PRIOR YEAR* AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

SECTION II and III – FINANCIAL STATEMENTS AND FEDERAL AWARDS

Finding 2018-II-001 and 2018-III-001

Category:

Allowable costs/Costs principles

Programs:

93.138 - Protection and Advocacy for Individuals with Mental Illness
93.630 - Developmental Disabilities Basis Support and Advocacy Grants

Type of finding:

Material Noncompliance / Material Weakness

Criteria or specific requirement:

The Uniform Guidance section 200.405 - Allocable costs (a) establishes that a cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to that Federal Award or cost objective in accordance with relative benefits received. Uniform Guidance section 200.405 - Direct cost allocation principles (d) states that if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

Condition:

During the disbursement test, we noted that compensation of employees is not distributed based on the time devoted or identified specifically to the performance of those awards. No formal time distribution has been established to account evenly among all programs that receive the benefits of the administrative services.

Questioned costs:

Not determined.

Current status:

Finding not corrected. Similar condition was found during this year. See Finding **2019-II-01**.

Continues...

OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF *PRIOR YEAR* AUDIT FINDINGS (CONTINUED)
YEAR ENDED JUNE 30, 2018

Findings 2018-III,002,003

Category:

Eligibility

Program:

93.138 - Protection and Advocacy for Individuals with Mental Illness

Type of finding:

Material Noncompliance / Material Weakness

Criteria or specific requirement:

U.S. Code - Title 42 Chapter 114 - Subchapter I Part A Section 10802 - Definitions (4) establishes in part the following: "The term "individual with mental illness" means an individual - who has a significant mental illness or emotional impairment, as determined by a mental health professional qualified under the laws and regulations of the State".

Conditions:

002- During the Eligibility test, we noted that for a sample of fifteen (15) participants, evidence of mental illness was not found in two (2) instances. The following is a summary:

<u>Social Security Number</u>	<u>Case Number</u>
xxx-xx-9899	SJ-2018-05-0108
xxx-xx-9973	SJ-2018-09-0114

003- During the Eligibility Test, we noted that for a sample of fifteen (15) participants, Eligibility Checklist was not found in one (1) instance. Accordingly, we were not able to ascertain the eligibility for the Program. The following is a summary:

<u>Social Security Number</u>	<u>Case Number</u>
Undetermined	SJ-2018-04-0102

Questioned costs:

Not determined.

Current status:

Finding not corrected. Similar condition was found during this year. See Finding 2019-III-02.
Finding 003 corrected, no exception was noted.

OFFICE OF THE OMBUDSMAN FOR PERSONS WITH DISABILITIES
OF THE COMMONWEALTH OF PUERTO RICO
SCHEDULE OF *PRIOR YEAR* AUDIT FINDINGS (CONTINUED)
YEAR ENDED JUNE 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2018-III-004

Category:

Reporting - Special conditions

Program:

93.138 - Protection and Advocacy for Individuals with Mental Illness

Type of finding:

Material Noncompliance / Material Weakness

Criteria or specific requirement:

Grant Awards notifications Terms and Conditions section establishes that for these awards, the SF-270 will serve as the interim expenditure report in lieu of the SF- 425 Federal Financial Report (SF-425).

Standard Form 270- Request for Advance or Reimbursement must be used to request grant funds. The Agency must submit, either at the end of the grant period or on a quarterly, reimbursable expenses based on actual expense incurred.

Condition:

During our Reporting Test we noted that for the period covered under the audit period, the SF- 270 was not submitted.

Since the Agency is operating on reimbursement basis, it financed its operations with advances made by the Puerto Rico Treasury Department.

Questioned costs:

Not determined.

Current status:

Corrected, forms SF-270 related to fiscal year ended June 30, 2019 were submitted.



Office of the Ombudsman for Persons with Disabilities
of the Commonwealth of Puerto Rico

**Corrective Action Plan
For the Fiscal Year Ended June 30, 2019**

Section II – Financial Statement Findings

Finding: 2019-II-01

Name of contact person: Loida Oliveras Gonzalez, Executive Director

Corrective Action: Starting from October 1, 2018, we established a Database System called Disability Advocacy Database (DAD), this system was developed by the National Disability Rights Network (NDRN) to provide the P&A network with a web-based resource for client/project management and reporting. We are working on the implementation of a time entry tracking with timesheet generation allowing for time entries to be tied back to specific advocacy activities. We are currently in the final phase of its implementation.

Proposed Completion Date: December 31, 2020

Section III – Federal Award Findings and Questioned Costs

Finding: 2019-III-01

Name of contact person: Loida Oliveras Gonzalez, Executive Director

Corrective Action: Starting from October 1, 2018, we established a Database System called Disability Advocacy Database (DAD), this system was developed by the National Disability Rights Network (NDRN) to provide the P&A network with a web-based resource for client/project management and reporting. We are working on the implementation of a time entry tracking with timesheet generation allowing for time entries to be tied back to specific advocacy activities. We are currently in the final phase of its implementation.

Proposed Completion Date: December 31, 2020

Centro Gubernamental Minillas, Roberto Sánchez Vilella, Torre Sur, Piso 2, Oficina 204, Ave. De Diego, Parada 22 Santurce, PR, 00912 • Apartado 41309, San Juan, PR 00940-1309



Office of the Ombudsman for Persons with Disabilities
of the Commonwealth of Puerto Rico

Finding: 2019-III-02, 03

Name of contact person: Loida Oliveras Gonzalez, Executive Director

Corrective Action: We will send a memorandum to emphasize to our employees the importance to obtain evidence of mental illness of the participant during the eligibility determination process and review that all eligibility requirements and forms be completed. Also, to let them know the negative implications not to do so.

Proposed Completion Date: August 31, 2020

[Handwritten signature]
13/ago/2020

Centro Gubernamental Minillas, Roberto Sánchez Vilella, Torre Sur, Piso 2, Oficina 204, Ave. De Diego, Parada 22 Santurce, PR, 00912 • Apartado 41309, San Juan, PR 00940-1309