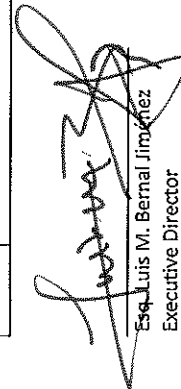


COMMONWEALTH OF PUERTO RICO
 PUERTO RICO ENERGY AFFAIRS ADMINISTRATION
 CORRECTIVE ACTION PLAN AND MANAGEMENT RESPONSE
 YEAR ENDED JUNE 30, 2008

Finding Number	Finding (Condition Found)	Questioned Cost	Status	Management Corrective Action Plan	Anticipated Completion Date	Contact Person																												
08-01	<p>REQUIRED CLAUSES ON CONTRACT- One contract of sample of five examines did not include the following clauses: 1) the entity can cancel the contract through a written notification, 2) the entity can cancel immediately in case of negligence, 3) the Contracted Party do not received compensation for the services rendered from another Public Entity, and 4) The Contracted Party will not enter in Contractual Relationship or acts that represents a conflict of interest.</p>	None	In process	The Legal Counsel of the PREAA should review very carefully each new contract and ascertain that the same should be prepared in order to include all disclosures and clauses required by laws and regulation to comply with the requirement of the Comptroller's Offices of Puerto Rico (COPR). Although a finding related to a contract was made for the fiscal year ended June 30, 2010, these conditions detected during 2008 were not found during the audit performed for the fiscal year ended June 30, 2010.	December 2011	Luis B. Osorio Legal Counsel																												
08-02	<p>PERSONNEL FILES- Information not available on employees files. Nine(9) on ten (10) files examined did no include the following documents:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Document not found in personnel file</th> <th>Exception Found</th> <th>Total Files Examined</th> <th>Percentage of Exceptions</th> </tr> </thead> <tbody> <tr> <td>Certification of tax return field</td> <td>5</td> <td>10</td> <td>50%</td> </tr> <tr> <td>Certification of no debt- Treas. Dept.</td> <td>4</td> <td>10</td> <td>40%</td> </tr> <tr> <td>Evidence of professional experience Form I-9</td> <td>2</td> <td>10</td> <td>20%</td> </tr> <tr> <td>Form ASM-5 Adm. Of Child Support</td> <td>7</td> <td>10</td> <td>70%</td> </tr> <tr> <td>Negative cert. of property tax debt. Health Certificate</td> <td>6</td> <td>10</td> <td>60%</td> </tr> <tr> <td></td> <td>4</td> <td>10</td> <td>40%</td> </tr> </tbody> </table>	Document not found in personnel file	Exception Found	Total Files Examined	Percentage of Exceptions	Certification of tax return field	5	10	50%	Certification of no debt- Treas. Dept.	4	10	40%	Evidence of professional experience Form I-9	2	10	20%	Form ASM-5 Adm. Of Child Support	7	10	70%	Negative cert. of property tax debt. Health Certificate	6	10	60%		4	10	40%	none	In Process	The PREAA communicated the findings to the Office of Human Resources of the Planning Board of Puerto Rico and stressed need for complete files and that all personnel required reports are prepared and processed immediately . During October 2011, Legal Counsel of the PREAA will evaluate that all require documents will be included in the personnel files.	October 2011	Luis B. Osorio Legal Counsel
Document not found in personnel file	Exception Found	Total Files Examined	Percentage of Exceptions																															
Certification of tax return field	5	10	50%																															
Certification of no debt- Treas. Dept.	4	10	40%																															
Evidence of professional experience Form I-9	2	10	20%																															
Form ASM-5 Adm. Of Child Support	7	10	70%																															
Negative cert. of property tax debt. Health Certificate	6	10	60%																															
	4	10	40%																															

Finding Number	Finding (Condition Found)				Questioned Cost	Status	Management Corrective Action Plan	Anticipated Completion Date	Contact Person
	Authorization of payroll deductions	1	10	10%					
	Vacation and absence authorization and job description	1	10	10%					
	Evidence of providing the Office's policies and manual for private services performed	1	10	10%					
08-03	LATE SUBMISSION OF SINGLE AUDIT REPORT PACKAGE- PREAA did not submit the single audit reports and reporting package for the year end June 30,2008 to the Federal Clearinghouse during the required period. This condition has been noted and report in prior years.				none	In Process	The PREAA will work to complete the single audit report in a timely matter and also submitting the report to the Clearing House within the period required by Subpart C, section 320 of OMB Circular A-133. To meet this, the PRAEE should formalize the auditor contract before the fiscal year end.	March 2012	Hiram A. Avilés Chief Financial Officer
08-04	MONITORING PROCEDURES- PREAA internal audit does not comply with the monitoring procedures for the subrecipients. During the fiscal year ended June 30,2008 , no monitoring was made; also the internal audit department does not have a monitoring schedule for the subrecipients.				none	In Process	In January 2011, the PREAA implemented a monitoring guide to assure that all of subrecipients use the fund in accordance with the federal laws and regulation and that any breach can be corrected on time. During fiscal year ended June 30, 2011 monitoring procedures were performed to WAP and SEP ARRA programs. The monitoring procedures to the subgrantees will be performed every six(6) months, in accordance with the requirements of the Department of Energy.	March 2012	Javier Nuñez Program Manager



Esq. Luis M. Bernal Jiménez
Executive Director
Puerto Rico Energy Affairs Administration