



Commonwealth of Puerto Rico
OFFICE OF THE COMPTROLLER



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2006



A Total Quality Management Organization

Our Values

Commitment

We are dedicated to our work.

Integrity

We work in a responsible manner.

Sensibility

We respect the dignity of all human beings.

Justice

We watch for the strictest compliance with the law.

Excellence

We are constantly improving ourselves.

Official Shield

The sky-blue color represents loyalty and truth,
essentials values in public service.

The crossed keys with the gold coins mean fidelity,
security and safe-keeping of the peoples's moneys and properties.

The satellite orbiting above the earth represents the era of information
technology systems and telecommunications.

The planet symbolizes new world, of which we are all a part thereof.

Bordering the shield, we have the five values that are part
of our public service philosophy.

**We count on your cooperation to improve the oversight function
and administration of public funds and property**

Additional information related to the Office of the Comptroller
of Puerto Rico is available through the Internet at:

www.ocpr.gov.pr

In an effort to reduce the cost of printing, if your present address has changed,
contact the Director of Finance and General Services Division at (787) 250-3317.

Office of the Comptroller

105 Ponce de León Ave., Hato Rey, Puerto Rico 00917-1136





COMMONWEALTH OF PUERTO RICO • OFFICE OF THE COMPTROLLER

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2006

**Commonwealth of Puerto Rico
OFFICE OF THE COMPTROLLER**

MISSION

To oversee the transactions of public funds and property,
with independence and objectivity,
in order to ascertain that they have been carried out
in accordance with the law. To promote the effective
and efficient use of government resources
for the benefit of our people.

VISION

To be a world-class model public office, distinguished by:
the excellence of its highly qualified human resources,
its dedication to continuous improvement, a sophisticated
infrastructure and optimum quality service.

To serve Puerto Rico as a true agent of change, integrating
the efforts of the public and private sectors, in order
to promote the honest use of the resources entrusted
to the government by the people.

VALUES

Commitment

We are dedicated to our work.

•

Integrity

We work in a responsible manner.

•

Sensibility

We respect the dignity of all human beings.

•

Justice

We watch for the strictest compliance with the law.

•

Excellence

We are constantly improving ourselves.

COMMONWEALTH OF PUERTO RICO

OFFICE OF THE COMPTROLLER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2006

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Introduction Section



Letter of Transmittal



Commonwealth of Puerto Rico
Office of the Comptroller

Manuel Díaz Saldaña
Comptroller

November 15, 2006

To the Governor of Puerto Rico,
the President of the Senate,
the Speaker of the House of Representatives,
the Members of the Legislature,
and the People of Puerto Rico:

In the exercise of our ministerial duty, it is a pleasure to submit the Comprehensive Annual Financial Report of the Office of the Comptroller of Puerto Rico, hereinafter referred to as the Office, for the fiscal year ended June 30, 2006. The Office is responsible for the accuracy, completeness, and fairness of the information and disclosures included in this document. All disclosures necessary for a reasonable understanding of the financial activities have been included. To the best of our knowledge, the information presented herein is accurate. The Comprehensive Annual Financial Report includes three sections:

Introduction: This section has not been audited and provides general information about the report. It also includes the Comptroller's transmittal letter, a listing of the principal officers, and the organizational chart.

Financial: The Financial Section comprises the Report of the Independent Auditors, the financial statements of the Office, notes to the financial statements and the Report of Independent Auditors on Compliance and Internal Control Over Financial Reporting in Accordance with Government Auditing Standards.

Statistics: These data have not been audited. They provide information about finances, economics, and operational matters related to the Office that is generally presented on a comparative basis.

General Information about the Commonwealth of Puerto Rico

Geography and Population

Puerto Rico is the fourth largest of the Caribbean islands and is located approximately 1,600 miles Southeast of New York. It is approximately 100 miles long and 35 miles wide. According to the United



States Census Bureau, the population of Puerto Rico was 3,808,610 in 2000. The Puerto Rico Planning Board estimates that by 2010, the population will be 4,022,446.

Relationship with the United States

Christopher Columbus discovered Puerto Rico in 1493. Shortly thereafter, the Island was settled by the Spaniards and remained as a Spanish possession for four centuries. The Island came under the sovereignty of the United States with the signing of the Treaty of Paris on December 10, 1898, at the conclusion of the Spanish-American War.

Puerto Ricans became citizens of the United States in 1917, by virtue of the Jones Act, approved by the Congress of the United States. In 1950, the Congress of the United States enacted Public Law 600 in order to allow for an increased self-government for the Island. This Law set forth the political, economic and fiscal relationship between Puerto Rico and the United States. It also provided for the drafting and adoption of a local constitution on July 25, 1952. Among other things, our Constitution created the position of the Comptroller and defined its role in government.

The Constitution of Puerto Rico was drafted by a Constituent Commission, approved in a special referendum by the people of Puerto Rico, amended and ratified by the United States Congress, and subsequently approved by the President of the United States. The official designation of the Government or body politic has henceforth been “Estado Libre Asociado”, which literally translates to “Free Associated State”, and has been called “Commonwealth” by the United States Government.

Puerto Rico exercises virtually the same control over its internal affairs as any of the fifty states of the Union. However, it differs from the federated states in its relationship with the Federal Government. The People of Puerto Rico are citizens of the United States, can only vote in local (Puerto Rico) elections, and are represented in Congress by a Resident Commissioner who has a voice in the House of Representatives and limited voting power.

General Information of the Office of the Comptroller

The Comptroller of Puerto Rico has the constitutional duty to oversee all revenues, accounts and disbursements of the Commonwealth of Puerto Rico and to ascertain that all operations involving public funds and public property are performed according to applicable laws and regulations. This authority arises from Section 22, Article III of the Constitution of the Commonwealth of Puerto Rico, and from the Public Law that created the Office of the Comptroller of Puerto Rico, Law No. 9 of July 24, 1952, as amended.

On October 2, 1997, the Governor appointed CPA Manuel Díaz Saldaña as Comptroller, with the advice and consent of the Legislature, as required by the Constitution. This appointment is for a term of 10 years.

Government agencies are audited through the application of various Government Auditing Standards and other pertinent investigative techniques adopted by the Comptroller. The Office has divided all the government entities of the Executive, Legislative and Judicial branches into 2,258 units for auditing or examination purposes. This figure includes departments, agencies, public corporations, municipalities, and 1,563 community schools.

Results, including findings and recommendations, are presented in the audit reports, thus providing for appropriate corrective actions. Violations of law are referred to the appropriate administrative, civil or criminal law enforcement agencies.



The findings fall under two main categories:

Primary: Serious violations of law and applicable regulations are considered primary violations. These include: errors, irregularities of material importance related to falsification, embezzlement, misapplication of accounting standards and relevant legal dispositions, mathematical errors or misinterpretation of facts.

Secondary: Inconsequential omissions or errors.

The chief executive of the audited agency is required to inform the Office of the actions taken or that will be taken in order to comply with the recommendations resulting from the audit.

Official Seal and Shield

A new seal and shield were adopted during fiscal year 1997-98. The silver field represents the integrity, firmness and vigilance of the Office of the Comptroller of Puerto Rico in our mission to oversee the transactions of public funds and property, with independence and objectivity, to ascertain that they have been carried out in accordance with the law. The terrestrial globe means that we are part of a world in constant evolution and improvement. This is an essential component of our organizational vision, to be a world-class model for public office. The satellite represents the era of information technology systems and telecommunications, essential instruments for a leading role position in auditing techniques, and much needed to achieve a sophisticated infrastructure for optimum quality services. The sky-blue color within the left partition represents justice, loyalty and truth, special qualities present in our daily work. The two keys on top mean fidelity, security and discretion in the custody of the public funds represented by the golden bezants.

Strategic Plan

The Office operates according to a Strategic Plan for the years 2004-2007 and an Annual Operations Plan. The Strategic Plan is divided into five Focal Areas, with several objectives and initiatives that are being developed and implemented in order to make the projected goals a reality.

Each year we establish the objectives that we propose to accomplish depending on the resources that are assigned to our Office.

We have attained significant goals using the managerial philosophy of Total Quality Management to optimize the use of funds that have been assigned to conduct our operations. The commitment and dedication of our excellent working team has permitted us to attain the goals we summarize henceforth:

Oversight

1. Published 209 audit reports during the fiscal year. Among the most important reports are:
 - a. Audit Report CP-06-02 dated August 11, 2005 – Puerto Rico Electric Power Authority, concerning the results of auditing the revenues and disbursements during the emergency period decreed by the Governor due to the path of Tropical Storm Jeanne on September 15, 2004.
 - b. Special Reports CP-06-04, M-06-04 and DB-06-04 dated September 2 and 6, 2005, respectively, concerning a study of costs incurred due to dismissal, transfer of positions and disciplinary measures taken for political reasons against officials and employees in the Public Corporations, in the Municipalities and Municipal Consortiums, Departments and Agencies.



- c. Audit Reports CP-06-06 and CP-06-10 dated October 17, 2005 and November 28, 2005, respectively - Aqueduct and Sewer Authority of Puerto Rico, partial results of the evaluation of property, operations, and technical aspects related to the wastewater treatment plants and drinkable water treatment plants.
 - d. Special Report TI-06-01 dated November 17, 2005 - Aqueduct and Sewer Authority of Puerto Rico, Results of the examination of operations related to the function of the CUBIS Invoice System at the business offices and sub agencies.
 - e. Special Report DA-06-06 dated November 18, 2005 - Puerto Rico Police, San Juan Police Headquarters, Examination of Field Work Operations of District Quarters of the Assistant Superintendence.
 - f. Audit Report CP-06-12 dated December 7, 2005 - Study of the State Insurance Fund Corporation concerning injuries occurred in government units.
 - g. Audit Report TI-06-03 dated January 31, 2006 - Aqueduct and Sewer Authority of Puerto Rico, Systems Management.
 - h. Special Reports DE-06-20 dated February 28, 2006, DE-06-26 dated April 10, 2006 and DE-06-27 dated April 18, 2006 - Inspections of Community Schools.
 - i. Special Report M-06-35 dated March 20, 2006 - Study of the costs incurred by the municipalities in activities related to the swearing-in of mayors and elected municipal legislators in the 2004 general elections.
 - j. Audit Report DB-06-29 dated May 18, 2006 - Results of the evaluation of the operational effectiveness of local registries that constitute the Demographic Register of Puerto Rico.
 - k. Audit Report CP-06-29 dated May 22, 2006 - Institute of Puerto Rican Culture, production and publication of The Journal of the Institute of Puerto Rican Culture, No. 10, Year 5 July/December 2004 (second series) The San Juan, Latin America and Caribbean Poly/Graphic Triennial Special Edition, 2004.
 - l. Special Report DA-06-30 dated May 22, 2006 - Survey concerning Regulations of Executive Branch Entities of the Commonwealth of Puerto Rico.
 - m. Special Report DA-06-36 dated June 6, 2006 - Survey on Compliance with The Single Audit Act by Executive Branch Entities of the Government of the Commonwealth Of Puerto Rico.
2. Implemented the TeamMate System, an electronic program designed to reduce the use of paper in the audit function of all audits initiated after February 2005.
 3. Continued with our strategy of evaluating the Campuses and Central Administration of the University of Puerto Rico, the Municipalities and Consortiums on their compliance with certain criteria established by our Office to improve their respective administrations.
 4. On April 5, 2006, the Comptroller of Puerto Rico participated in a meeting with the Domestic Working Group of the Government Accountability Office (GAO of the United States) to promote the effective interaction of government employees in key issues related to audits in the public sector and make recommendations to improve government services.

Prevention

1. Offered professional guidance concerning sound public administration to 4,862 government officials and employees. These included internal auditors from the state government and municipalities,



purchasing agents, collectors and finance directors of the municipalities as well as of municipal consortiums.

2. We established an Anticorruption Prevention Program as well as criteria to help Members of the Legislative Assembly and of the Executive Branch improve public administration.
3. Participated in national and international meetings and conferences related to our investigative and preventive functions, among them: International Governmental Financial Management, International Congress of Supreme Audit Institutions (INCOSAI), TeamMate Forum, National Association of State Auditors, Comptrollers and Treasurers (NASACT).
4. A revised Manual for Fraud Detection and Investigation was published on January 20, 2006. The purpose of this Manual is to aid in the detection of situations that can constitute fraud in the audit process and in obtaining the necessary evidence to support the findings in a court of justice or quasi-judicial entity. In addition, it contains various attachments, among which, is a comparative table of offenses related to the public function under the 1974 and 2004 Penal Codes.
5. Issued 33 circular letters during the fiscal year. Among the most important letters are:
 - a. Circular Letter OC-06-20 dated April 18, 2006 - The Activity of Internal Audit in Government.
 - b. Circular Letter OC-06-32 dated June 30, 2006 - Second Evaluation of the Establishment of The Anticorruption Prevention Program.
 - c. Circular Letters OC-06-23, OC-06-25, OC-06-28, OC-06-29, OC-06-31 and OC-06-33 - dated June 6, June 23, and June 30, related to Criteria for the Recognition of the Government Branch and Offices of the Courts System, Municipalities, Municipal Consortiums, Offices of Members of the Legislature, the Legislative Branch of Government, the units of the University of Puerto Rico, respectively, beginning fiscal year 2006-2007, in order to implement means to improve public administration and an Anticorruption and Prevention Program.
6. The following booklets and manuals were published:
 - a. The Best Practices for the Acquisition, Development, Usage, and Control of Information Technology - January 2006.
 - b. Collection of Legislative Initiatives Directed to Strengthen Public Administration and Facilitate the Supervision and Investigation related to Property and Public Funds: from 1952 to December 31, 2005 - February 2006.
 - c. Construction and Improvements Works in Government - May 2006.

Human Capital

1. Trained all our fellow-workers on Detection of Illegal Use of Controlled Substances, Sexual Harassment and other forms of discrimination.
2. Complied with a statutory requirement by training all our fellow-workers in the Office regarding Government Ethics.
3. Increased fringe benefits to retain and attract highly qualified personnel. The Bonus for Productivity and the government quota for the Medical Plan were increased. A program known as **Comptrollership in Shape (“Contraloría en Forma”)** was promoted to help fellow-workers maintain good physical condition. Lectures were offered to interested fellow-workers and their immediate families, through a program known as **Strengthening the Family (“Fortalecimiento Familiar”)**.
4. As part of our commitment with the community, we engaged in special activities. Among them: blood donation campaigns, collection and donation of toys for children of limited economic



resources, collection and delivery of primary needed articles to Community Initiative entity.

5. Participated in an international conference sponsored by the Society for Human Resource Management (SHRM).
6. Participated in the Association of Government Accountants (AGA's) Fourth Annual National Leadership Conferences about measuring government performance – managing for results.

Technology

1. We evaluated and implemented 27 programs and projects, as well as improved processes, related to technology. Some of the most important of these were:
 - a. Improvements to the CASYP (Control de Asistencias y Proyectos) System, Version 3m.2.
 - b. Expansion of the communication network in order to incorporate new offices, as well as users, of the 5th floor in the Union Plaza Building.
 - c. Implementation of the Internal Claims Notification Register, Version 1.0.
 - d. Acquisition and implementation of the CASE System – Map, Version 5 for the analysis of forensic (legal) audits.
 - e. Improvements to the contract register consultation programs (Version 5).
 - f. Establishment of redundant links among physical installations.
 - g. Installation and statistical monitoring of the traffic detected including detection of virus dissemination on the network.
 - h. Acquisition of a server to detect unauthorized programming on the network.
 - i. Implementation of the 7th Version of the TeamMate Program, Tier 4.
2. The Program for the Registry of Contracts, Version 3.1 was implemented and training sessions were offered to 257 government officials.
3. Updated the Micro Information Products accounting software (**MIP**) and implemented a new version of the fixed asset management software (**FASGOV**) to improve the control and management of property. In addition, implemented a new version of the purchasing module (**ROC**) of the MIP Program to improve the acquisition process and reduce the use of paper.

Customer Services

1. The establishment of the Total Quality Management Philosophy has helped us significantly advance in the continuous improvement of processes and in the cultural change of the Office environment. This can be attested as follows:
 - a. We increased to 74% the implementation of the Process Improvement Team's recommendations.
 - b. Completed two additional rounds of Process Improvement Teams.
 - c. Administered the Workplace Environmental Quality Survey to obtain the perception of fellow-workers on the application of the Ten Management Practices adopted. Survey results tabulated as of February 2006 revealed a 4.19 on a 5-point scale that reflects a .64 increase or an 18% index increase when compared to the results of the first survey conducted on June 1998 (3.55).



2. Conducted surveys to measure Customer Satisfaction of Audited Entities, Government Referral Entities, Mass Media (Press/Radio/TV) Journalists, and the General Public.
3. The Office, since created, has never had its own office building or adequate facilities that may enable a more efficient operation. It operates from five different rented buildings dispersed in the area of Hato Rey. Its central offices are located at 105 Ponce de León Avenue, San Juan, Puerto Rico. On March 19, 2006, the offices for the audit divisions of the Public Corporations and “E” Departments and Agencies were relocated to the Fifth Floor of The Union Plaza Building located at 416 Ponce de León Avenue.

Law No. 38 of January 10, 1999, authorizes us to acquire, possess, use, and dispose of immovable property for the location of our offices. The Treasury Commission of the Senate of Puerto Rico proposed Joint Resolution 449 of August 16, 2001, ordering the Lands Administration to transfer without profit and free from any liens or other encumbrances a plot of land in Hato Rey in which to construct the required building. We received the Resolution for comments on March 4, 2003. The Office endorsed the same; nevertheless, it never became law. All our endeavors have not yet been successful in obtaining the resources needed.

Total Quality Management

Seminars

Pursuant to our **Route to Excellence** program, we offered the following seminars during the year:

1. **Basic Total Quality** to 59 newly hired personnel. One hundred percent of our workforce is fully trained.
2. **Statistical Techniques and Root Cause Analysis** to continue improving the processes in the Office Quality of Work Environment.
3. **The Latest Tendencies of Quality Systems Implementation Around the World** aimed at maintaining excellence in our management team, according to our Vision of Excellence.

Improving Processes

We have continued with the commitment to analyze existing processes in our organization, improving them, and identifying the pertaining variables so as to monitor behavior, measure progress, and control the processes. As of June 30, 2006 we had improved 82 % of our processes, 185 of the 225 processes identified in our organization. Also, the Office met 90 % of the quality objectives defined for the year.

Efficiency and Quality

Efficiency and Quality in Some of the Processes Reviewed as a Result of Continuous Improvement

Process	Compliance to Specs %	
	Initial Value	Value at June 30, 2006
Final Audit Reports draft	36 %	100 %
Continuous improvement	60 %	100 %
Audit Plans	38 %	70 %
Internal Communication	62 %	91 %



As shown in this table, the efficiency and quality of the processes depicted continue to be outstanding. These enhancements are the result of the implementation of continuous process improvement methods and our commitment to this endeavor.

Newsletter – Quality Comptrollership “Contraloría con Calidad”

We have published three editions of the Quality Newsletter, which informs our personnel of our accomplishments and provides updates on the latest TQM techniques and best practices.

At the request of the Colegio de Contadores Públicos Autorizados de Puerto Rico, on June 15, 2006, the Comptroller made a presentation on the benefit and results obtained in adopting and implementing the managerial philosophy of Total Quality in the Office.

ISO (International Organization for Standardization)

ISO is the world’s largest developer of standards. ISO is a network of the national standards institutes of 157 countries, on the basis of one member per country, with a Central Secretariat in Geneva, Switzerland, that coordinates the system. The word derives from the Greek *isos*, meaning “equal”.

ISO is a non-governmental organization: its members are not, as is the case in the United Nations system, delegations of national governments. Nevertheless, ISO occupies a special position among the public and private sectors. This is because, on the one hand, many of its member institutes are part of the governmental structure of their countries, or are mandated by their government. On the other hand, other members have their roots uniquely in the private sector, having been set up by national partnerships of industry associations. Therefore, ISO is able to act as a bridging organization in which a consensus can be reached on solutions that meet both the requirements of business and the broader needs of society, such as the needs of stakeholder groups like consumers and users.

Although ISO’s principal activity is the development of technical standards, ISO standards also have important economic and social repercussions. ISO standards make a positive difference, not just to engineers and manufacturers for whom they solve basic problems in production and distribution, but to society as a whole. The International Standards which ISO develops are very useful. They are useful to industrial and business organizations of all types, to governments and other regulatory bodies, to trade officials, to conformity assessment professionals, to suppliers and customers of products and services in both public and private sectors, and, ultimately, to people in general in their roles as consumers and end users.

Successful companies are those driven by quality, from the way they operate, to the customer service standards they set and the products they deliver. Focusing on quality makes for a leaner, fitter organization, and one that is better equipped to win new opportunities in an increasingly competitive global marketplace. Certifying an organization to ISO 9001, or other standards relating to quality, offers a proof of the commitment to quality and, as a benchmark, allows an entity to measure its progress towards continual improvement of business performance.

The quality management system standards of the revised ISO 9001:2000 series are based on eight principles (all fundamental to good business practice) that can be used by senior management as a framework to guide their organizations towards improved performance. The eight quality management principles are: Customer focus, Leadership, Involvement of people, Process approach, System approach to management, Continual improvement and Factual approach to decision making.

On April 27, 2006, Bureau Veritas Quality International (BVQI), a widely recognized certification body in the world, certified the Quality Management System of our Office against the 9001:2000 international standards.



The Corrective Action Plan

The Corrective Action Plan (CAP) is a follow-up mechanism that ensures compliance with the recommendations made by the Office in its audit reports. This program was implemented pursuant to the provisions of Law No. 9 *supra*, which allows the Comptroller, in the exercise of his authority, to adopt practices and procedures generally accepted in current auditing practices.

On May 6, 1988, the Governor of Puerto Rico issued Executive Order 5098D. This Order requires that the chief executive of an audited unit implement the corrective actions in compliance with the Comptroller's recommendations. The Executive Order also requires the Office of Government Ethics to follow up on the findings included in the reports in order to identify any violation of Law No. 12 of July 24, 1985, known as the "Law on Government Ethics". In addition, on November 1, 1990, the Office approved Regulation No. 26 implementing the CAP. This regulation requires the Treasury Department, the Office of the Commissioner of Municipal Affairs (formerly the Administration of Municipal Services) and the Boards of Directors of Public Corporations to verify that audited entities comply with the CAP by implementing the recommended corrective measures within a given time period.

The CAP also provides a mechanism to ensure that cases referred to the Department of Justice are given proper attention. An agreement with the Secretary of Justice requires that twice a year, the Department informs the Comptroller on the status of the referred cases.

On June 13, 1998, the Governor issued Administrative Bulletin Number OE-1998-16, superseding Executive Order 5098D. As a result, the Office issued a new Regulation No. 26, effective July 1, 1998. Accordingly, beginning with fiscal year 1998-99, all government entities have 90 days to submit the CAP. The 90 days allowed begin on the first day of the month following the publication of the audit report. The 90-day time span to submit complementary reports begins on the first day of the month following the CAP or a previous complementary report. All government entities are encouraged to delegate responsibility for the CAP on the internal audit units.

By June 30, 2006, the Comptroller's Office had received 875 and evaluated 885 CAPs to ascertain compliance with the recommendations contained in the audit reports. This figure includes initial CAPs and subsequent progress reports. During fiscal year 2004-05 the Office received 858 and evaluated 715 CAPs.

The Administrative Bulletin, *supra*, and Regulation No. 26 state that government entities should apply the same procedures applicable to the Comptroller's audit report recommendations contained in the external auditor's management letters. If, upon due consideration, the agency heads determine that the recommendations of the external auditors cannot be adopted, and such determination is appropriately documented and sustained, the Comptroller may excuse them from compliance.

The entire operation of the corrective action program continues to be reviewed, since we are looking for optimum efficiency in the follow-up process, in order to increase compliance with the recommendations and develop quicker and accurate statistical data.

Public Registry on Contracts of Government Agencies and Municipalities

According to Law No. 18 of October 30, 1975, as amended, by Law No. 17 of November 29, 1990, government agencies, including public corporations and municipalities are required to maintain a registry of all their contracts and deeds, including amendments thereto. Additionally, they have to submit a copy of their contracts, deeds and amendments to the Office within 15 consecutive days from the date of execution or within 30 consecutive days if the contract is executed outside of Puerto Rico. Exceptions to this requirement are set forth in the statute and Regulation No. 33 issued by the Comptroller on February 27, 1998.



The Office maintains a registry and a file for every contract and deed received and uses the Registry for verification purposes as part of its oversight role. The Registry is accessible to the general public via Internet since 1999 at <http://www.ocpr.gov.pr>. Interested parties may request copies of these contracts. A nominal fee is required for each copy. The Office received 3,029 requests for copies during fiscal year 2005-06.

The information system related to the Registry of Government Contracts established in 1990-91 has proven to be an efficient research tool related to contracts executed by government entities. This System has a search feature which allows for the retrieval of information using various references, fields, or clues such as: social security number, name of the contractor, or type of contract. Furthermore, the system is capable of furnishing elaborate statistical information regarding the types of contracts most frequently executed by an agency or group of agencies, the number of agencies that are late in submitting contracts, the agencies that submit contracts with erroneous information, and those that belatedly submit corrected information after receiving our observations. The Office received 121,079 contracts during fiscal year 2004-2005 and 103,623 in 2005-2006.

Registry of Irregularities Related to Public Funds and Property Informed by Government Entities

The Office instituted a computerized registry system during the period 1994-95 in order to record the information received from the various government entities regarding the loss of public funds and property. This computerized system was established to collect and store the data reported by government entities in compliance with the provisions of Law No. 96 of June 26, 1964, as amended. As per this statute, government entities are also required to report certain losses to the Treasury Department and the Justice Department.

In compliance with the requirements of Law No. 96, *supra*, during fiscal year 2005-06, our Office received information on 4,172 cases for a loss of \$3,182,656. These cases are subject to further examination when the corresponding government entities are audited.

Registry of Privatization

Law No. 136 of June 7, 2003, requires all government entities, including public corporations and municipalities to submit an annual report of all privatizations of functions, area of administration or duties of their entities to the Governor, Legislature and the Office of the Comptroller. Additionally, they have to submit all documents related to contracts, budget, projects, obligations, internal controls and an independent financial and administrative evaluation of said privatizations. The Office is required to maintain a registry on all reports received. The Registry is accessible to the general public via Internet at <http://www.ocpr.gov.pr>.

Result of Operations

Budget

The budget assigned to the Office for fiscal year 2005-2006 was \$42,000,000 which represents a 2.2 % increase compared to the budget for the previous fiscal year (\$41,087,539). The Office spent and encumbered \$40,225,535 leaving a balance not reserved of \$1,774,465. This balance is available for non-recurring expenses for a three-year period, according to Law No. 230 of July 23, 1974, as amended, known as the Puerto Rico Government Accounting Act. Specific information is presented in the Statistical Section of this report. (Chart 1)



However, at the date of the independent auditor's report, the Treasury Department (the Department) of the Commonwealth of Puerto Rico has not accounted this unreserved fund balance in the PRIFAS System, on behalf of the Office of the Comptroller. Normally, the Department accounts the unreserved fund balance at the beginning of September of the next fiscal year.

Reports Issued

During fiscal year 2005-06, our Office issued 209 reports. These reports involved audits that revealed administrative deficiencies, irregularities or illegal acts in the transactions involving public funds and property. By June 30, 2006, the aforementioned reports had been sent to the Governor, the President of the Senate, and the Speaker of the House of Representatives and published in our website. (Charts 2 and 3)

Human Capital

As of June 30, 2006 the Office had 669 occupied positions, or 98% out of 682 authorized positions. Four hundred fifty 450 (67%), were auditors and two hundred nineteen 219 (33%) were support personnel. Support personnel consist of legal counsels, administrative staff, and other professionals (Chart 4). During 2005-2006, 18 auditors and 6 support personnel resigned or retired, while 43 auditors and 7 support personnel were hired. In addition, the Office hired 27 temporary employees 25 of which participated in the Summer Internship Program. A grand total of 1,179,000 hours were dedicated to audits, administrative and office work, training, compensated absences, and other activities. (Chart 5)

Training

The Office has established an internal regulation that requires support personnel a minimum of 15 hours of continued education annually. Auditors are required a minimum of 40 hours every two years, 24 of which have to be in areas related to the profession. In case of the Auditors of the Information Technology Audit Division, 20 hours have to be in computer information system.

During 2005-06, 39,755 hours were dedicated to training and education. Seminars and conferences in auditing, TQM and recent developments in information technology have been a priority.

Financial Information

Internal Controls

The Office is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft, or misuse and that adequate accounting data is compiled to allow for the presentation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that, (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of cost and benefits requires estimates and sound management judgment by administrators.

Our Office has an Audit Committee to strengthen the independence, integrity, and trust on the Office's internal auditing activity and the transparency in its fiscal processes and transactions. As per regulation, the members of the Committee are distinguished professionals in the private sector.

Budgetary Controls

The Office maintains an encumbrance accounting system to accomplish budgetary controls. As demonstrated by the financial statements and schedules included in the financial section of this report,



the management of the Office continue to meet its responsibility for sound financial administration, following the norms of austerity and modesty.

Independent Audit

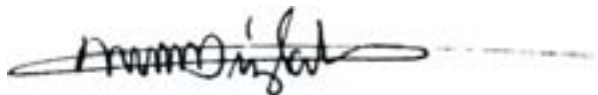
Pannell Kerr Forster, LLP, an independent certified public accounting firm, performed the audit of the financial statements of the Office for the fiscal year ending June 30, 2006. The report of the Independent Auditors is included in the financial section. The accounting firm performed the audit at the time expected and the Office received the certified financial statements on October 17, 2006.

Financial Reporting

The Office complies with financial reporting requirements.

We count on your cooperation to improve the oversight function and the administration of public funds and property.

Respectfully submitted,



Manuel Díaz Saldaña



Principal Officers



**OFFICE OF THE COMPTROLLER
PRINCIPAL OFFICERS AS OF
JUNE 30, 2006**

MANUEL DÍAZ SALDAÑA, CPA, CFE
Comptroller

NATANAEL ARROYO CRUZ, CFE, CICA
Deputy Comptroller

JAMIEL MIRANDA MATOS, P.E, ESQ.
Assistant Comptroller
Strategic Planning, TQM,
and Administration Area

ALFONSO M. CHRISTIAN CANCEL, ESQ.
Assistant Comptroller
Legal Affairs Area

ALINA TORRES MARRERO, CFE
Assistant Comptroller
Anti-Corruption Strategies Area

ELIAZAR E. CRUZ RIVERA, CFE
Executive Aide
Audit Control and Technology Affairs

EDWIN H. RODRÍGUEZ HERNÁNDEZ,
CFE, CBM, CFS, CICA
Executive Aide
Reports Reviewer

YAMIRA PÉREZ ORTIZ,
CPA, CFE, FCPA
Executive Aide
Audit Affairs and Peer Review

MYRIAM J. FLORES SANTIAGO, CFE
Internal Audit Director

LISANDRA RIVERA RIVERA, MAC
Press Officer

AUDIT DIRECTORS

RAMÓN L. PÉREZ ÁLVAREZ, CFE
Director, Audit Division "A"
Department and Agencies

ORLANDO CALDERÓN SERRANO, CFE
Director, Audit Division "B"
Department and Agencies

MADELINE SANTOS COLÓN, CFE
Director, Audit Division "E"
Department and Agencies

LOURDES DÍAZ VALCÁRCEL, CISA, CFE
Director, Information Technology
Audit Division

CARLOS O. RIVERA GONZÁLEZ, CFE
Director, Municipalities
Audit Division

CARLOS M. PEÑA MALDONADO
Director, Public Corporations
Audit Division

SUPPORT DIRECTORS

NILSA T. AÑESES LOPERENA, ESQ, CFE
Director, Assistance in Litigation
and Forensic Audits Division (DALAF)

MARÍA A. BETANCOURT CABRET, MBA
Director, Finance and General Services Division

AURORA BARALT DE JIMÉNEZ, VRC
Director, Human Capital Division

MARICELI FIGUEROA SAMBOLÍN, MBE
Director, Information Division

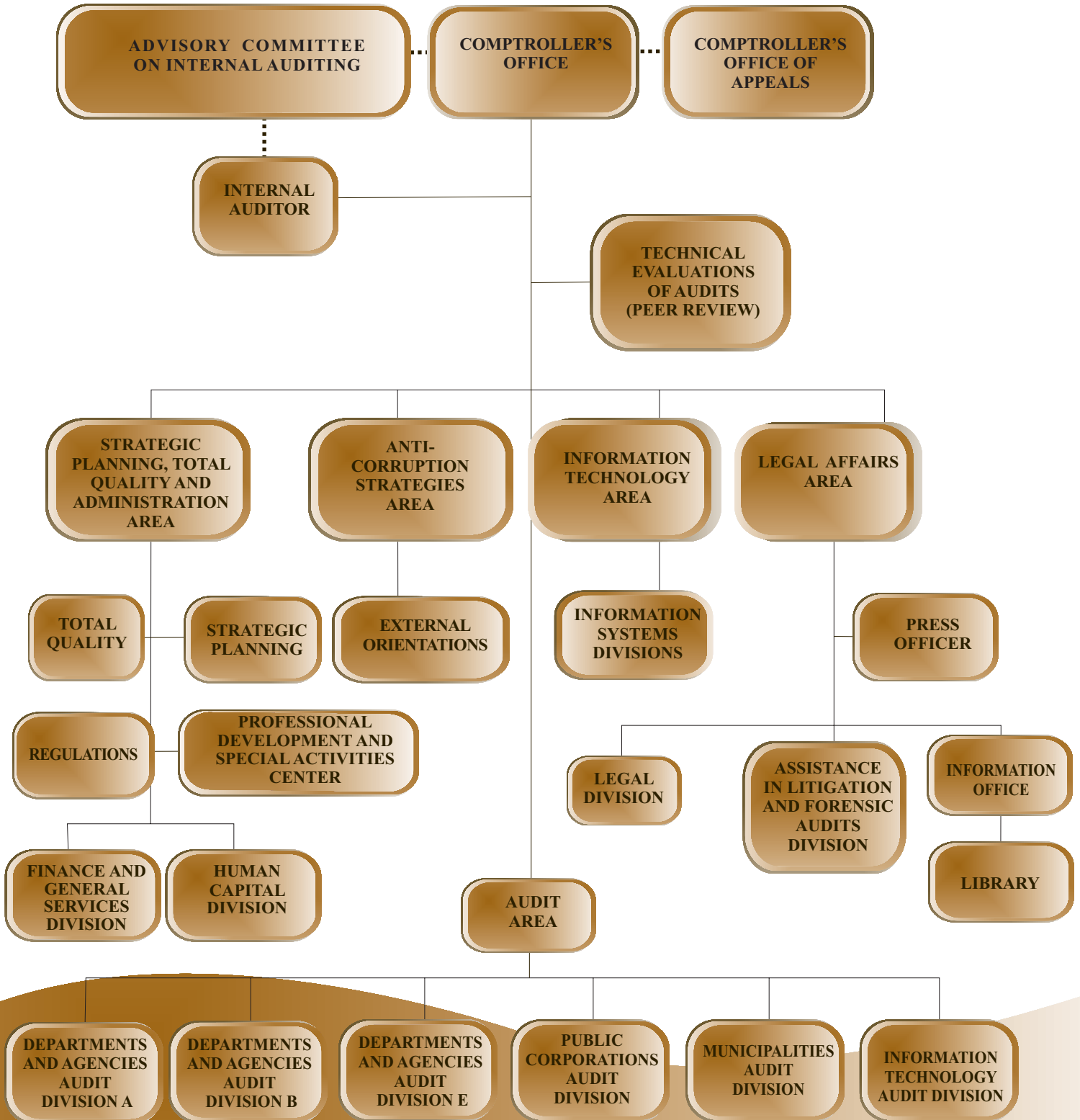
RAFAEL GUSTAVO PÉREZ, MBA, CISSP, EIP
Director, Information Systems Division

NILSA T. AÑESES LOPERENA, ESQ, CFE
Director, Legal Division

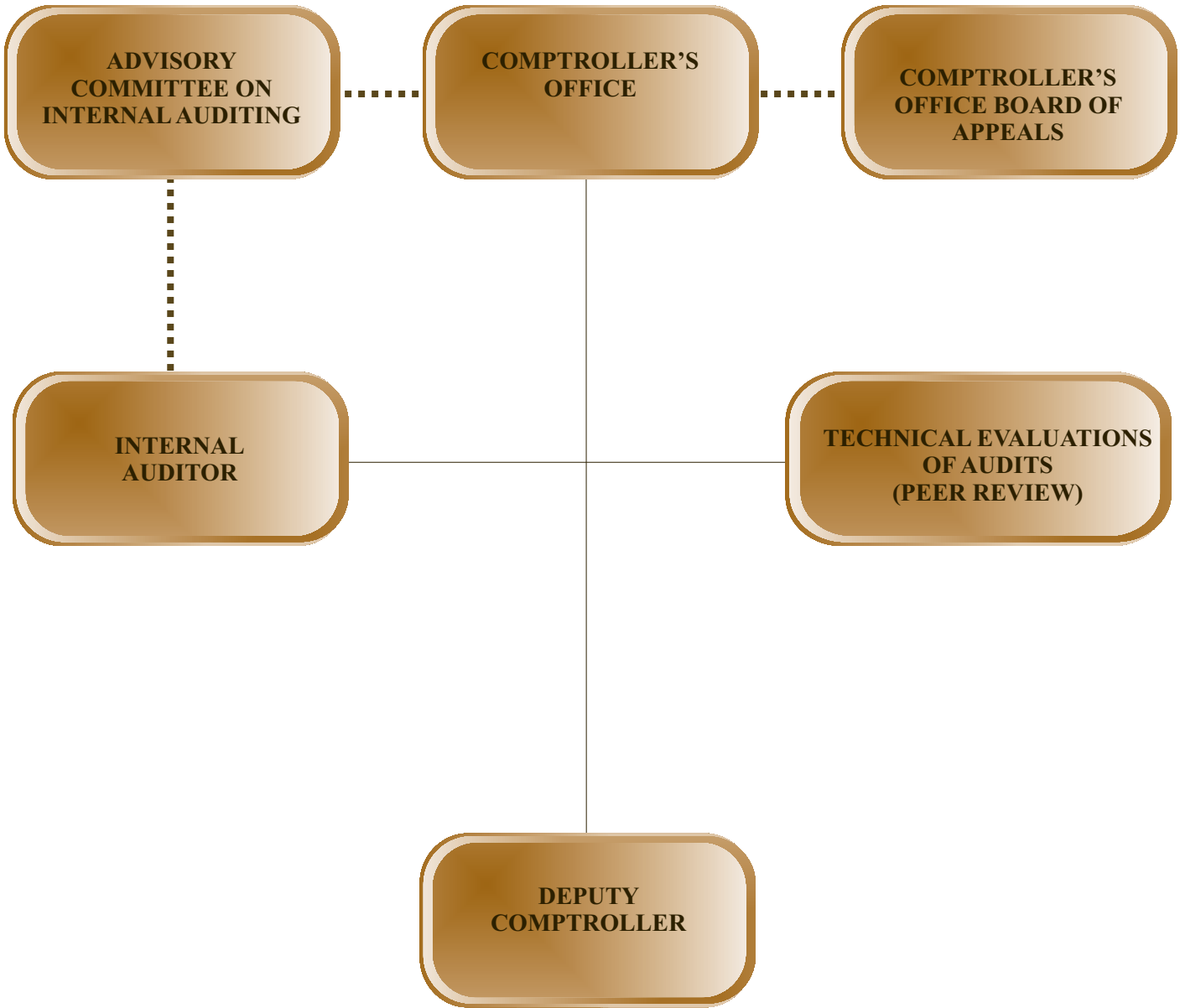
LILLIAN SÁNCHEZ PÉREZ
Director, Professional Development
and Special Activities Center

Organizational Charts

ORGANIZATIONAL CHART



COMPTROLLER'S OFFICE



**STRATEGIC PLANNING, TOTAL QUALITY
AND ADMINISTRATION AREA**

**ASSISTANT
COMPTROLLER**

**TOTAL
QUALITY**

**STRATEGIC
PLANNING**

REGULATIONS

**PROFESSIONAL
DEVELOPMENT
AND SPECIAL
ACTIVITIES CENTER**

**FINANCE
AND GENERAL
SERVICES
DIVISION**

**HUMAN CAPITAL
DIVISION**

**STRATEGIC PLANNING, TOTAL QUALITY
AND ADMINISTRATION AREA**

HUMAN CAPITAL DIVISION

**ASSISTANT
COMPTROLLER**

**HUMAN
CAPITAL
DIRECTOR**

**DEPUTY
DIRECTOR**

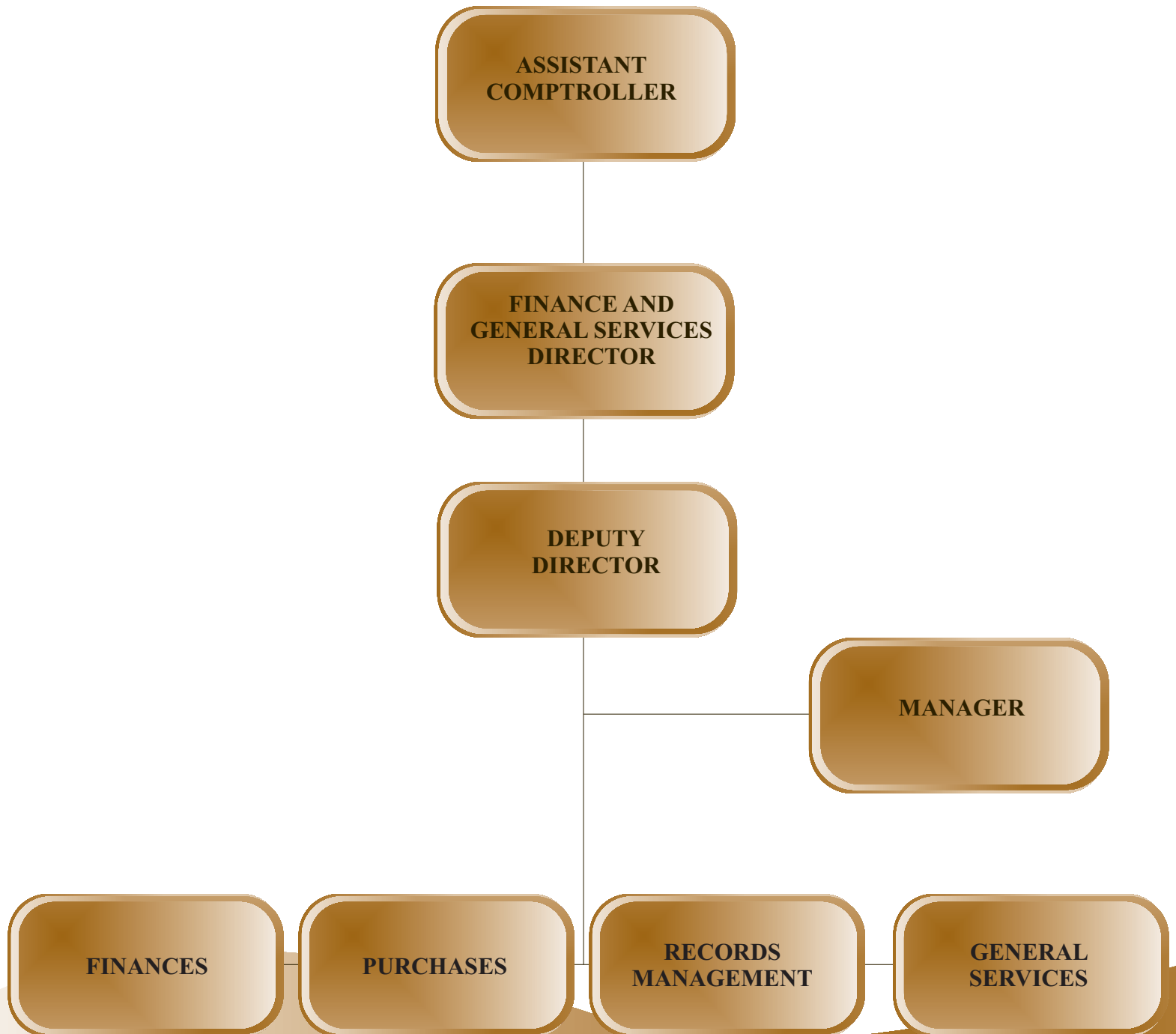
MANAGER

**RECRUITMENT,
SELECTION,
CLASSIFICATION AND
COMPENSATION
SECTION**

**BENEFITS,
REGULATIONS AND
PERFORMANCE
EVALUATION SECTION**

**STRATEGIC PLANNING, TOTAL QUALITY
AND ADMINISTRATION AREA**

FINANCE AND GENERAL SERVICES DIVISION



LEGAL AFFAIRS AREA

**ASSISTANT
COMPTROLLER**

**PRESS
OFFICER**

**LEGAL
DIVISION**

**ASSISTANCE IN
LITIGATION
AND FORENSIC
AUDIT DIVISION**

**INFORMATION
OFFICE**

LIBRARY

**LEGAL AFFAIRS AREA
LEGAL DIVISION**

**ASSISTANT
COMPTROLLER**

**LEGAL DIVISION
DIRECTOR**

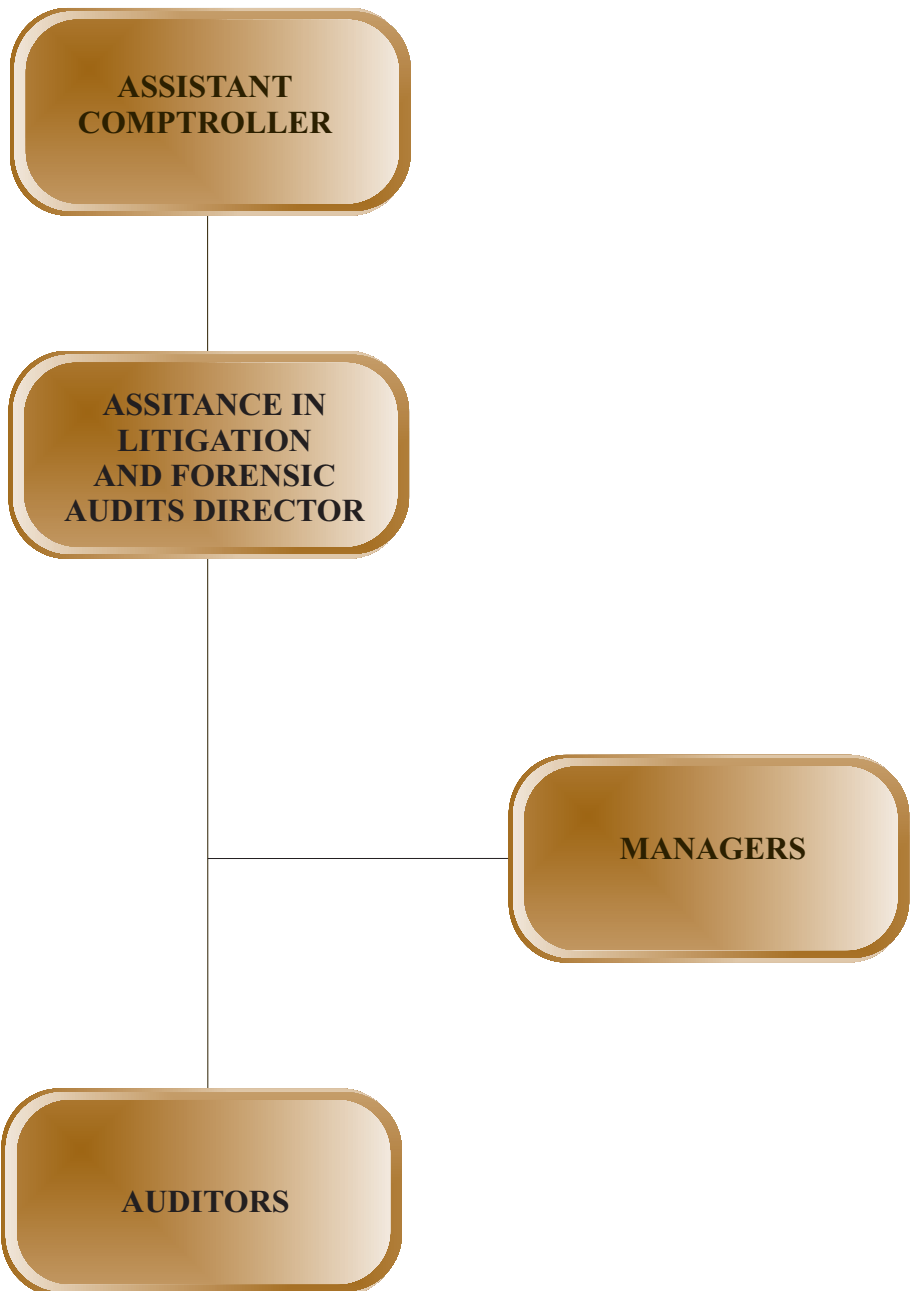
**COMPLAINTS
SECTION**

**DEPUTY
DIRECTOR**

MANAGER

**LEGAL
ADVISORS**

LEGAL AFFAIRS AREA
ASSITANCE IN LITIGATION
AND FORENSIC AUDITS DIVISION



**LEGAL AFFAIRS AREA
INFORMATION DIVISION**

**ASSISTANT
COMPTROLLER**

**DIRECTOR
OF INFORMATION**

**INTRANET
AND MULTIMEDIA
GRAPHIC DESIGNERS**

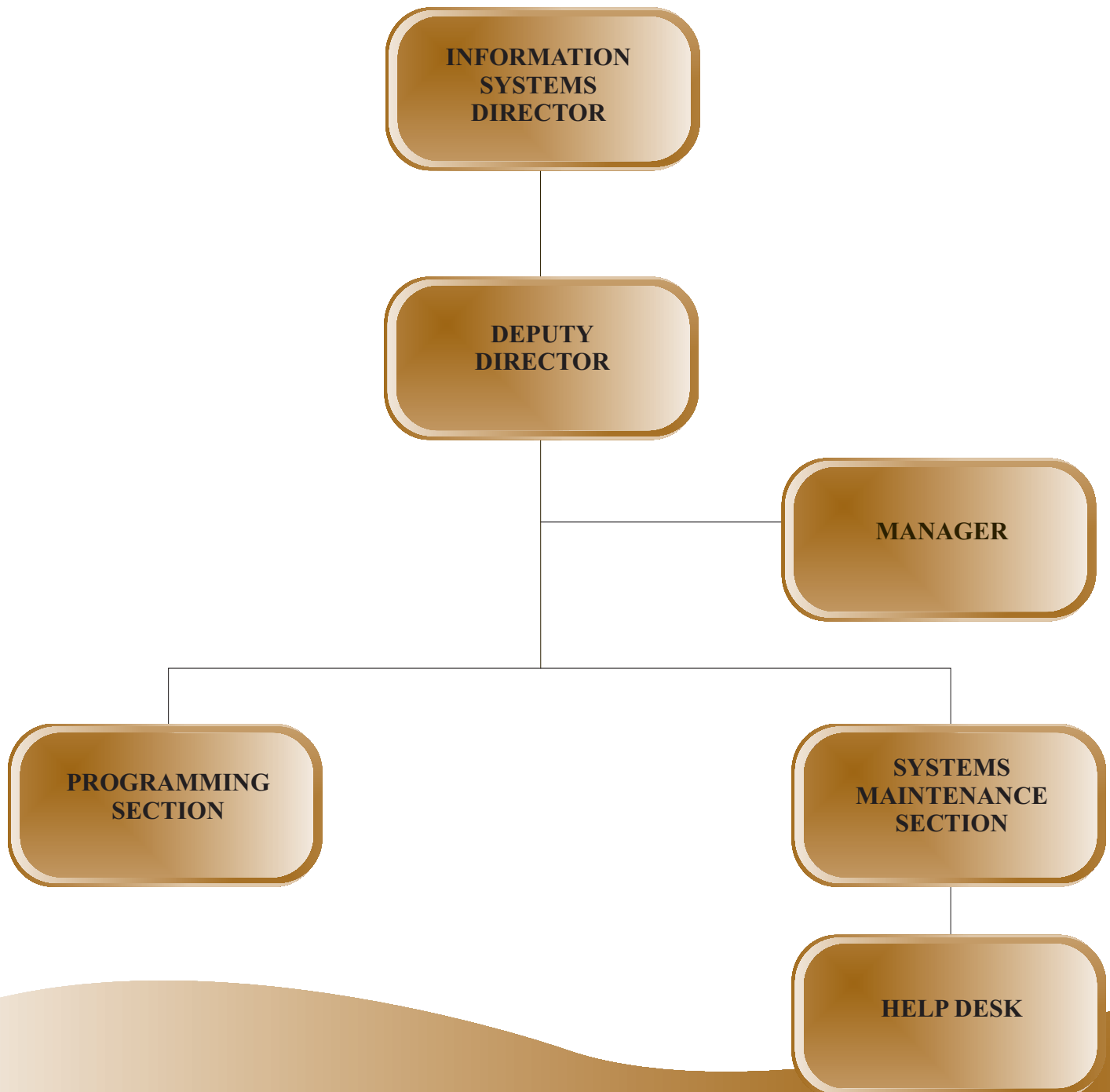
LIBRARY

ANTI-CORRUPTION STRATEGIES AREA

**ASSISTANT
COMPTROLLER**

**EXTERNAL
ORIENTATIONS**

INFORMATION TECHNOLOGY AREA
INFORMATION SYSTEMS DIVISION





Financial Section





Accountants &
business advisers

**COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER**

FINANCIAL STATEMENTS
(With the Independent Auditors' Report Thereon)

**FISCAL YEAR ENDED
JUNE 30, 2006**

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INDEPENDENT AUDITORS' REPORT

*Hon. Manuel Díaz Saldaña
Comptroller
Commonwealth of Puerto Rico
Office of the Comptroller*

We have audited the accompanying financial statements of the governmental activities of the Office of the Comptroller of the Commonwealth of Puerto Rico (the Office) as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Office's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Office is for financial reporting purposes a part of the Commonwealth of Puerto Rico. The accompanying financial statements present only the Office of the Comptroller's financial data and are not intended to present the financial position of the Commonwealth of Puerto Rico and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Office of the Comptroller of the Commonwealth of Puerto Rico at June 30, 2006, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Telephone: (787) 754-6615 - Telefax: (787) 765-9405
Email: pkfpr@pkfpr.com
PKF, LLP
1056 Muñoz Rivera Avenue, Suite 304
San Juan, PR 00927-5013

*Hon. Manuel Díaz Saldaña
Comptroller
Commonwealth of Puerto Rico
Office of the Comptroller
Page 2*

The Management's Discussion and Analysis on pages 3 to 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated September 19, 2006, on our consideration of the Office of the Comptroller's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.



September 19, 2006

PKF, LLP

License No. 22
Expires on December 1, 2007

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Management's Discussion and Analysis

The Office of the Comptroller, (the Office) an agency principally assigned to the Legislative Branch of the Commonwealth of Puerto Rico, offers to the readers of the financial statements this narrative overview and analysis of the financial activities of the Office for the fiscal year ended June 30, 2006.

Financial Highlights

- The total liabilities of the Office at the close of the fiscal year ended June 30, 2006 amounted to \$12,262,515 comprised of the accrual required under GASB No. 34 for vacations and sick leave in the amount of \$11,803,996 and \$458,519 due to creditors. The liabilities exceeded its assets by \$6,773,615 (net deficit) principally due to the aforesaid accrual for vacations and sick leave. The Office has the resources to meet its ongoing obligations, and the liabilities for accrued vacations and sick leave will be met with revenues from legislative appropriations in future years as these liabilities become due.
- The Office's total assets decreased by \$722,104. This was attributable to the fact that purchase of capital assets in fiscal year 2005-2006 were thirty seven percent (37%) lower than those of fiscal year 2004-2005. In addition, total held with fiscal agent at the end of June 30, 2005 was seventeen percent (17%) higher than the related amount at June 30, 2006.
- The final Budget of the Office for the fiscal year 2005-2006 was \$42,000,000.

The Office achieved an unreserved fund balance of \$1,774,465 in its management of the general fund budget for the fiscal year 2005-2006. However, at the date of the independent auditor's report, the Treasury Department of the Commonwealth of Puerto Rico (the Department) has not accounted this unreserved fund balance in the PRIFAS System, on behalf of the Office of the Comptroller. Normally, the Department accounts the unreserved fund balance at the beginning of September of next fiscal year.

The Office's management expresses that it has received information that the underserved fund balance or unreserved fund balance of the 2005-2006 budget was withheld, by the Department. The Office's management expresses that this situation might affect adversely the Office's budget and the services that it provides.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Management's Discussion and Analysis (continued)

Overview of the Financial Statements

This Management's Discussion and Analysis document is intended to serve as an introduction to the Office of the Comptroller's basic financial statements. The Office of the Comptroller's basic financial statements comprise three components: 1) Government-Wide Financial Statements on all of the Activities of the Office, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information, in addition to the basic financial statements themselves

Government-Wide Financial Statements: The Government-Wide Financial Statements are designed to provide readers with a broad overview of the Office of the Comptroller's financial position, in a manner similar to a private-sector business.

The Statement of Net Deficit presents information of all of the Office of the Comptroller's assets and liabilities, with the difference between the two reported as net assets (net deficit). Over time, increases or decreases in net assets or net deficit in assets may serve as a useful indicator of whether the financial position of the Office of the Comptroller is improving or deteriorating as a result of the year's operations.

The Statement of Activities presents information showing how the Office of the Comptroller's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the Government-Wide Financial Statements distinguish functions of the Office of the Comptroller that are supported by legislative assessments from the General Fund of the Commonwealth of Puerto Rico (governmental activities). The Comptroller of Puerto Rico has the constitutional duty to ascertain that all revenues, accounts and disbursements of the Commonwealth of Puerto Rico and all operations involving public funds and public property were performed as stated in Article III of the Constitution of the Commonwealth of Puerto Rico, Act No. 9 of July 24, 1952, as amended.

The Government-Wide Financial Statements of the Office of the Comptroller's finances can be found on pages 7 to 8 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Office of the Comptroller, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund of the Office of the Comptroller belongs to categories of Governmental Funds.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Management's Discussion and Analysis (continued)

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both, the Governmental Fund Balance Sheet and the Statement of Governmental Fund of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental facilities activities.

The Office of the Comptroller maintains one individual governmental fund and adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Notes to financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14 to 21 of this report.

Financial Analysis of the Government's Funds

As noted earlier, the Office of the Comptroller uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Capital assets

The capital assets of the Office of the Comptroller are those assets that are used in the performance of its functions. The investment in capital assets for the fiscal year ended June 30, 2006, amounts to \$2,629,264. The total invested in the Office of the Comptroller's capital assets for the fiscal year was approximately six (6%) percent of the assigned budget.

Major capital asset events during the current fiscal year included the following:

- The acquisition of several electronic equipments at a cost of \$446,868.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Management's Discussion and Analysis (continued)

Economic Factors and Next Year's Budget

The economy of Puerto Rico must be analyzed as a region within the United States economy, since it is part of the United States monetary and banking system, as well as within its territorial boundaries. The main drive of the Puerto Rico economy is a huge external sector closely tied to the flow of merchandise, tourists, and capital between Puerto Rico and the Mainland.

The Office adopted the 2006-2007 fiscal year budget on July 1, 2006. The legislative appropriations for the fiscal year 2007 amount to \$43,000,000.

Requests for Information

This financial report is designed to provide a general overview of the Office of the Comptroller's finances for all those with an interest in the government's finances. Question concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and General Services Division, The Office of the Comptroller of the Commonwealth of Puerto Rico, PO Box 366069, San Juan, Puerto Rico 00936-6069.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Statement of Net Deficit
June 30, 2006

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash held with fiscal agent (note 1)	\$ 2,837,789
Accounts receivable	<u>21,847</u>
Total current assets	2,859,636
Noncurrent assets:	
Capital assets, net (notes 1 and 2)	<u>2,629,264</u>
Total assets	<u>5,488,900</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	458,519
Accrued compensated absences, current (notes 1 and 7)	<u>336,697</u>
Total current liabilities	795,216
Noncurrent liabilities:	
Accrued compensated absences (notes 1 and 7)	<u>11,467,299</u>
Total liabilities	<u>12,262,515</u>
Commitments and contingencies (notes 3, 4 and 6)	
NET DEFICIT	
Invested in capital assets (notes 1 and 2)	2,629,264
Deficit	<u>(9,402,879)</u>
Total net deficit	<u>(6,773,615)</u>
Total liabilities and net deficit	<u>\$ 5,488,900</u>

See notes to financial statements

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Statement of Activities
For the Year Ended June 30, 2006

Expenses (notes 1, 2, 3, 4 and 7):	
Salaries and other payroll related costs	\$ 33,883,418
Meals and travel	2,132,823
Professional services	1,308,563
Insurance	63,149
Rent	1,528,392
Utilities	697,806
Non-capitalizable equipment	5,486
Depreciation	796,998
Materials and supplies	534,083
Repairs and maintenance	667,236
Trainings and continuing professional education	276,566
Suscriptions and memberships	142,763
Security services	296,739
Printing services	109,802
Postage	21,058
Miscellaneous	348,623
	<u>42,813,505</u>
Revenue (notes 1 and 5):	
State Appropriation	<u>42,000,000</u>
Change in net deficit	<u>(813,505)</u>
Net deficit at beginning of year (as previously reported)	(6,606,691)
Prior period adjustments	<u>646,581</u>
Net deficit at beginning of year (as restated)	<u>(5,960,110)</u>
Net deficit at end of year	\$ <u>(6,773,615)</u>

See notes to financial statements

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Balance Sheet-Governmental Fund
June 30, 2006

ASSETS

Cash held with fiscal agent (note 1)	\$ 2,837,789
Accounts receivable	<u>21,847</u>
Total assets	<u>2,859,636</u>

LIABILITIES

Accounts payable and accrued liabilities	<u>458,519</u>
--	----------------

FUND BALANCE

Reserved for encumbrances	381,282
Unreserved	<u>2,019,835</u>
Total fund balance (note 1)	<u>2,401,117</u>
Total liabilities and fund balance	<u>\$ 2,859,636</u>

See notes to financial statements

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Reconciliation of the Balance Sheet-Governmental Fund to the Statement of Net Deficit
June 30, 2006

Total fund balance per balance sheet-governmental fund	\$ 2,401,117
Amounts reported for governmental activities in the statement of net deficit are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the balance sheet-governmental fund	2,629,264
Accrued compensated absences are not due and payable neither in the current period nor with current year budget resources and therefore are not reported in the balance sheet-governmental fund	(11,803,996)
	(9,174,732)
Total net deficit per statement of net deficit	\$ (6,773,615)

See notes to financial statements

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Statement of Revenue, Expenditures and Changes in Fund Balance
Governmental Fund
Year Ended June 30, 2006

Revenue (notes 1 and 5):

State appropriation	<u>\$ 42,000,000</u>
---------------------	----------------------

Expenditures (notes 1, 2, 3 and 4):

Salaries and payroll related costs	33,461,440
Meals and travel	2,132,823
Professional services	1,308,563
Insurance	63,149
Rent	1,528,392
Non-capitalizable equipment	5,486
Utilities	697,806
Capital outlays	711,797
Materials and supplies	534,083
Repairs and maintenance	667,236
Trainings and continued professional education	276,566
Suscriptions and memberships	142,763
Security services	296,739
Printing services	109,802
Postage	21,058
Miscellaneous	348,622
Total Expenditures	<u>42,306,325</u>

Excess of expenditures over revenues	(306,325)
--------------------------------------	-----------

Fund balance at beginning of year	<u>2,707,442</u>
-----------------------------------	------------------

Fund balance at end of year	<u>\$ 2,401,117</u>
-----------------------------	---------------------

See notes to financial statements

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balance to the Statement of Activities - Governmental Fund

For the Year Ended June 30, 2006

Excess of expenditures over revenues	\$ <u>(306,325)</u>
--------------------------------------	---------------------

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(85,201)
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	<u>(421,979)</u> <u>(507,180)</u>
--	--------------------------------------

Change in net deficit	\$ <u>(813,505)</u>
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See notes to financial statements

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Statement of Revenue and Expenditures and
Changes in Fund Balance - Budget and Actual
Non GAAP Budgetary Basis
Year Ended June 30, 2006

	Original Budget	Final Budget	Actual amounts in the budgetary basis	Variance Favorable (Unfavorable)
Revenue:				
State appropriations	\$ 42,000,000	\$ 42,000,000	\$ 42,000,000	\$ -
Expenditures:				
Salaries and payroll related expenditures	33,618,000	33,493,441	33,116,118	377,323
Facilities and payments of public services	760,000	743,972	684,469	59,503
Purchased services	2,193,000	2,379,330	2,036,348	342,982
Awards, subsidies and distributions	80,000	80,000	67,626	12,374
Transportation expenditures	1,556,000	1,791,757	1,779,297	12,460
Profesional services	1,806,000	1,774,350	1,158,550	615,800
Announcements and media publications approved by Law	50,000	45,000	18,435	26,565
Materials and supplies	700,000	477,748	439,366	38,382
Capital outlays	87,000	-	-	-
Other expenditures	1,150,000	1,214,402	925,326	289,076
	<u>42,000,000</u>	<u>42,000,000</u>	<u>40,225,535</u>	<u>1,774,465</u>
Net Change in fund balance	\$ -	\$ -	\$ 1,774,465	\$ 1,774,465

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements
June 30, 2006

Note 1 – Organization and summary of significant accounting policies:

Organization

The position of Comptroller of Puerto Rico was created by virtue of Article 3, Section 22 of the Constitution of the Commonwealth of Puerto Rico. The Comptroller of Puerto Rico is appointed by the Governor with the consent of the Legislature of the Commonwealth of Puerto Rico for a term of ten years.

The Commonwealth of Puerto Rico was constituted on July 25, 1952, under provisions of its Constitution as approved by the people of Puerto Rico and the Congress of the United States of America. The Commonwealth's Constitution provides for the separation of powers of the executive, legislative and judicial branches of the government. The Commonwealth assumes responsibility for public safety, public health, public housing, welfare, education, and economic development.

The function of the Comptroller of Puerto Rico is to audit all the revenues, accounts and expenditures of the Commonwealth of Puerto Rico, its agencies and instrumentalities, and its municipalities, in order to determine if they have been made in conformity with the law and to submit the corresponding audit reports. Also, it submits annual reports and all other special reports that are required by the Legislative Assembly or the Governor.

The Office of the Comptroller (the Office) was created by Law 9 of July 24, 1952. The Office is an entity of the Commonwealth of Puerto Rico, assigned principally to the legislative branch of the government. The administration of the Office is autonomous and is under the direction of the Comptroller of Puerto Rico.

The accompanying basic financial statements of the Office have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Financial Reporting Entity

The Office is for financial reporting purposes a part of the Commonwealth of Puerto Rico. Because the Office is part, for financial reporting purposes, of the Commonwealth of Puerto Rico, its financial data is included as part of the general government section in the general fund of the Commonwealth of Puerto Rico financial statements.

The accompanying financial statements are issued solely and for the information and use of the Comptroller, the Governor and the Legislature of Puerto Rico and the people of the Commonwealth of Puerto Rico.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements (continued)
June 30, 2006

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net deficit and the statement of activities) report information on all of the activities of the Office. The statement of activities demonstrates the degree to which the total expenses are offset by total revenues. Separate financial statements are provided for governmental funds.

Measurement Focus, Basis of Accounting, and Financial Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Office considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fund accounting

The Office reports its financial position and results of operations in a general fund which is considered a separate accounting entity. The operation of the general fund is accounted for within a set of self-balancing accounts. The general fund is the operating fund of the Office. It is used to account for all the transactions of the Office.

Cash with fiscal agent

The funds of the Office are under the custody of the Secretary of the Treasury of Puerto Rico pursuant to Act. No. 230 of July 23, 1974, as amended, known as "Commonwealth of Puerto Rico Accounting Law". The Treasury Department follows the practice of pooling cash and cash equivalents under the custody and control of the Secretary of the Treasury. The funds of the Office in such pooled cash accounts are available to meet its current operating requirements. No collateral is required to be maintained for these pooled accounts.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements (continued)
June 30, 2006

Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements of the Office. The Office defines capital assets of government as assets, which have an initial, individual cost of \$500 or more at the date of acquisition and have a useful life in excess of two years. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the government - wide financial statements.

Capital assets are depreciated using the straight-line method over the assets estimated useful lives. The estimated useful lives of capital assets are as follows:

	<u>Years</u>
Equipment	5-10
Electronic equipment for data processing	5
Furniture	10
Vehicles	10

Vacation and Sick Leave

The employees of the Office are granted 30 days of vacation and 18 days of sick leave annually. Vacation and sick leave may be accumulated in excess of the maximum permitted of 60 and 90 days, respectively. When an employee resigns, the Office accumulated vacation is liquidated. The resignation as a government employee, before consuming the accrued sick leave days, ends all right to compensation except for those employees with ten or more years of service, which have the right to such compensation up to the maximum allowed.

Insurance

The Commonwealth of Puerto Rico purchases commercial insurance covering casualty, theft, tort, claims, and other losses for the Office. The Office reimburses the Commonwealth for premium payments made on its behalf. The current Office insurance policies have not been canceled or terminated. For workers' compensation the State Insurance Fund Corporation, a component unit of the Commonwealth of Puerto Rico, provides the workers compensation to the Office employees.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements (continued)
June 30, 2006

Budgetary Data

The Office's budgetary system is its primary control over expenditures. The Office conducts the following procedures in order to establish the budgetary information reflected in the accompanying financial statements:

- The Office prepares its annual budget and submits it to the Legislature for its approval.
- The budget is approved on the basis of a global assignment.
- The Office submits to the Office of Management and Budget of the Commonwealth of Puerto Rico (OMB) the budget detailed by expenditure classification for its recording in the books.
- The budget is prepared using modified accrual basis of accounting, except for encumbrances, as explained below.

The budgeted revenue presented in the Statement of Revenue, Expenditures and Changes in Fund balance-Budget and Actual, consisted of a Legislative Appropriation, by resolution, for the year ended June 30, 2006 for operational appropriations of \$42,000,000.

The primary differences between the budgetary basis and the GAAP basis are the encumbrances are presented as expenditures under the budgetary basis.

The reconciliation of the expenditures between the budgetary basis and the GAAP basis is as follows:

Expenditures according to the Statement of Revenue, Expenditures and Changes in Fund Balance-Budget and Actual	\$ 40,225,535
Plus prior year encumbrances recorded as expenditures during current year under the GAAP basis	2,236,153
Less current year encumbrances not recorded as expenditures under the modified accrual basis	<u>(155,363)</u>
Expenditures according to the Statement of Governmental Fund Revenue, Expenditures and Changes in Fund Balance	<u>\$ 42,306,325</u>

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements (continued)
June 30, 2006

In August 1994, the Governmental Accounting Law of the Commonwealth of Puerto Rico, Law 230 of July 23, 1974, was amended in order to establish that all of the unencumbered funds of the governmental agencies will remain in their accounting books at the end of the fiscal year for which they were granted. These unencumbered funds are allowed to be partially or totally encumbered for non-recurrent expenditures and a period of three years from the closing of the fiscal year for which they pertain.

The balance of obligated funds (encumbrances) and non-obligated funds as of June 30, 2006, are composed of the following:

Fiscal Year	Obligated Funds	Non-Obligated Funds
2003-2004	\$ 36,440	\$ 59,201
2004-2005	189,479	186,169
2005-2006	155,363	1,774,465
	<u>\$ 381,282</u>	<u>\$ 2,019,835</u>

Note 2 - Capital Assets

Capital assets activity for the year ended June 30, 2006 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, being depreciated:				
Equipment	\$ 1,222,559	\$ 185,073	\$ 119,725	\$ 1,287,907
Electronic equipment	3,334,173	446,868	225,277	3,555,764
Furniture	1,230,465	79,856	18,537	1,291,784
Vehicles	300,509	-	-	300,509
Total capital assets being depreciated	<u>6,087,706</u>	<u>711,797</u>	<u>363,539</u>	<u>\$ 6,435,964</u>
Less accumulated depreciation for:				
Equipment	810,899	131,283	104,194	837,988
Electronic equipment	1,669,961	538,139	208,242	1,999,858
Furniture	767,880	95,801	14,089	849,592
Vehicles	87,487	31,775	-	119,262
Total accumulated depreciation	<u>3,336,227</u>	<u>796,998</u>	<u>326,525</u>	<u>3,806,700</u>
Total capital assets, being depreciated, net	<u>\$ 2,751,479</u>	<u>\$ (85,201)</u>	<u>\$ 37,014</u>	<u>\$ 2,629,264</u>

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements (continued)
June 30, 2006

Note 3 - Pension Plan

The Office participates in the Employee's Retirement System of the Government of Puerto Rico and its instrumentalities (ERS), a multiple-employer contributory retirement plan, which covers only eligible full-time employees. The system provides retirement, death, and disability benefits and annuities to Commonwealth employees not covered by their own systems.

Commonwealth legislation requires employees to contribute 5.775% for the first \$550 of their monthly gross salary and 8.275% for the excess over \$550 of monthly gross salary. The Office is required by the same statute to contribute 9.275% of the participants' gross salary. Total employer contributions during the year ended June 30, 2006 amounted to approximately \$ 2,268,421.

On September 24, 1999, an amendment to Act No. 447 of May 15, 1991, which created the Retirement System, was enacted with the purpose of establishing a new pension program (System 2000). Employees participating 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 on or after January 1, 2000 will only be allowed to become members of the System 2000.

System 2000 reduces the retirement age from 65 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 is a pool of pension assets, which is invested by the System together with those of the current defined benefit plan. The Commonwealth of Puerto Rico will not guarantee benefits at retirement age. The annuity is based on a formula which assumes that each year the employee's contribution (with a minimum of 8.275% of the employees' salary up to a maximum of 10%) will be invested in an account which 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 System investment portfolio (net of management fees), or (3) earn a combination of both alternatives. Participants receive periodic account statements similar to those of defined contribution plans showing their accrued balances. Disability pensions are not granted under System 2000. The employer's contribution (9.275% of the employee's salary) is used to fund the current plan.

For the year ended June 30, 2006, total covered payroll was approximately \$24,457,360. Covered payroll refers to all compensation paid by the Office to employees covered by the ERS on which contributions to the pension are based.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements (continued)
June 30, 2006

The amount of the annuity shall be one and one-half percent of the average compensation multiplied by the number of years of creditable service up to twenty years, plus two percent of the average compensation multiplied by the number of years of creditable service in excess of twenty years, for those employees covered after March 31, 1990, the annuity shall be equal to one and one-half percent of the average compensation multiplied by the number of years of creditable service, in no case shall the annuity be less than \$2,400.

Additional information of the System is provided in its financial statements for the year ended June 30, 2006 a copy of which can be obtained from Juan Cancel Alegría, Esq. Administrator of the Retirement Systems of the Commonwealth of Puerto Rico, P.O. Box 42003, San Juan, Puerto Rico 00949.

Note 4 - Lease Commitments

The Office rents its facilities through operating lease agreements in which the latest expires in 2009. Rent expense under such lease agreements for the year ended June 30, 2006 amounted to \$1,528,392. Future minimum lease payments as of June 30 are as follows:

2007	\$ 1,590,052
2008	1,135,688
2009	352,134
	<u>\$ 3,077,874</u>

Note 5 - Legislative Appropriations

The Office's principal source of revenue is legislative appropriations from the Commonwealth of Puerto Rico. Appropriations are for general operating purposes of the Office.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

Notes to Financial Statements (continued)
June 30, 2006

Note 6 - Contingencies

The Office is defendant in various lawsuits pending in court. As established by the laws of Puerto Rico, the Department of Justice of the Commonwealth of Puerto Rico represents the Office in any litigation. As established by law, any unfavorable outcome against the Office will be settled by the Commonwealth of Puerto Rico and not from the Office itself. Accordingly, the Office does not recognize any accrual for any unfavorable outcome in the accompanying financial statements.

Note 7 - Compensated Absences

Long-term liability activity for the year ended June 30, 2006 was as follows:

	Beginning Balance 07/01/05	Accumulated Balance	Used Balance	Ending Balance 06/30/06	Due Within One Year	Long-Term Portion
<u>Year ended June 30, 2006:</u>						
Compensated absences	\$ 11,401,602	\$ 3,678,240	\$ (3,275,843)	\$ 11,803,996	\$ 336,697	\$ 11,467,299

Note 8 – Prior period adjustments

The financial statements of prior years have been restated to correct, capital assets accounting errors. The errors corrections are as follows:

Electronic equipment not reported in prior years	\$ 30,525
Accumulated depreciation on electronic equipment not reported in prior years	(13,096)
Net decrease in accumulated depreciation of capital assets due to reclassifications within assets categories	<u>629,152</u>
	<u>\$ 646,581</u>



Accountants &
business advisers

OFFICE OF THE COMPTROLLER OF PUERTO RICO

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

Fiscal Year Ended
June 30, 2006

**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**

*Hon. Manuel Díaz Saldaña
Comptroller of the Commonwealth of
Puerto Rico*

We have audited the basic financial statements of the Office of the Comptroller (the Office) as of and for the year ended June 30, 2006 and have issued our report thereon dated September 19, 2006. 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 of America.

Internal control over financial reporting

In planning and performing our audit, we considered the Office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to the management of the Office in a separate letter dated September 19, 2006.

Telephone: (787) 754-6615 - Telefax: (787) 765-9405
Email: pkfpr@pkfpr.com
PKF, LLP
1056 Muñoz Rivera Avenue, Suite 304
San Juan, PR 00927-5013



Accountants &
business advisers

*Hon. Manuel Díaz Saldaña
Comptroller of the Commonwealth of
Puerto Rico
Page 2*

Compliance and other matters

As part of obtaining reasonable assurance about whether the Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Audit Committee, the Comptroller, the Legislature and the people of the Commonwealth of Puerto Rico.



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September 19, 2006

Statistical Section



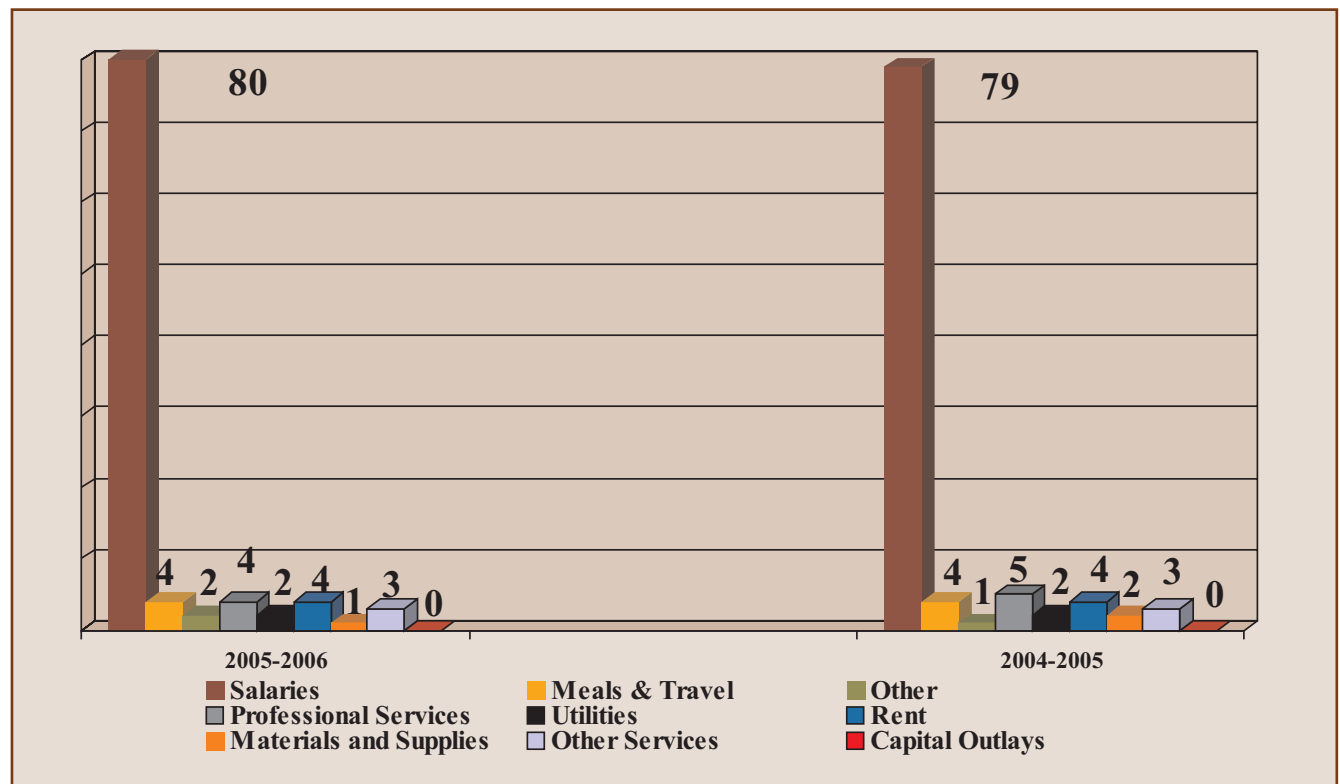
REPORT AND OPERATIONS

The table and chart that follow indicate the composition of the budget by salaries, meals and travel, professional services and others, with respect to the total legislative appropriations.

The table and chart also present a comparative picture for two consecutive fiscal years, 2005-06 and 2004-05.

Chart 1 - Budget

Description	2005-2006		2004-2005	
	Appropriation	Percent	Appropriation	Percent
Salaries & fringe benefits	\$33,493,441	80	\$32,623,539	79
Meals and travel	1,791,757	4	1,470,000	4
Others	877,608	2	592,781	1
Professional Services	1,774,350	4	2,066,000	5
Utilities	743,972	2	822,000	2
Rent	1,501,722	4	1,498,219	4
Materials and Supplies	477,748	1	735,000	2
Other Services	1,339,402	3	1,280,000	3
Capital Outlays	0	0	0	0
Total	\$42,000,000	100	\$41,087,539	100

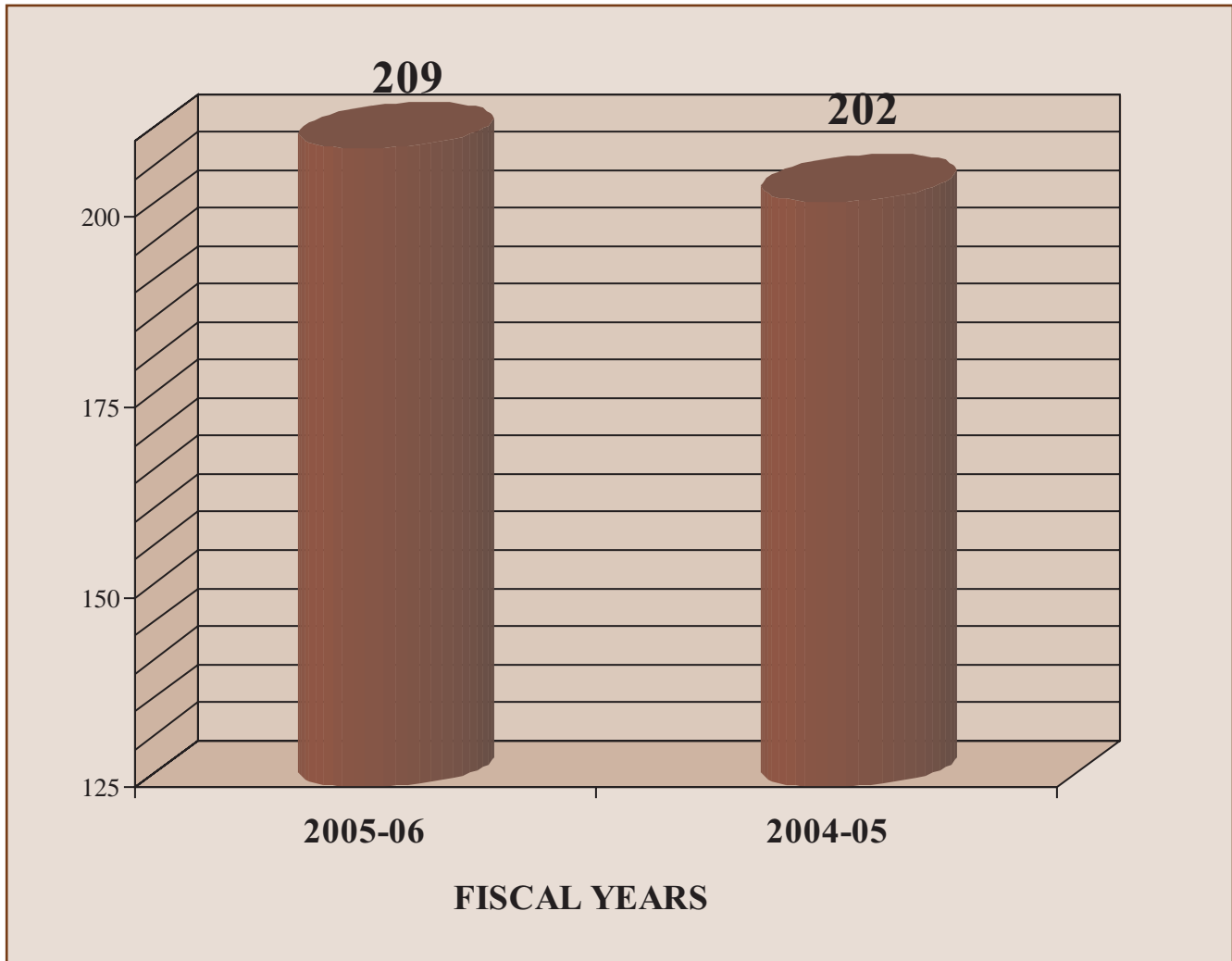


ISSUED REPORTS

During fiscal year 2005-06, our Office issued 209 reports. These reports involved audits which revealed administrative deficiencies, irregularities or illegal acts in the operation of audited units. By the end of each fiscal year, the reports had been sent to the Governor, the President of the Senate, and the Speaker of the House of Representatives and published in our website.

Chart 2 shows the number of Issued Reports for fiscal years 2005-06 and 2004-05.

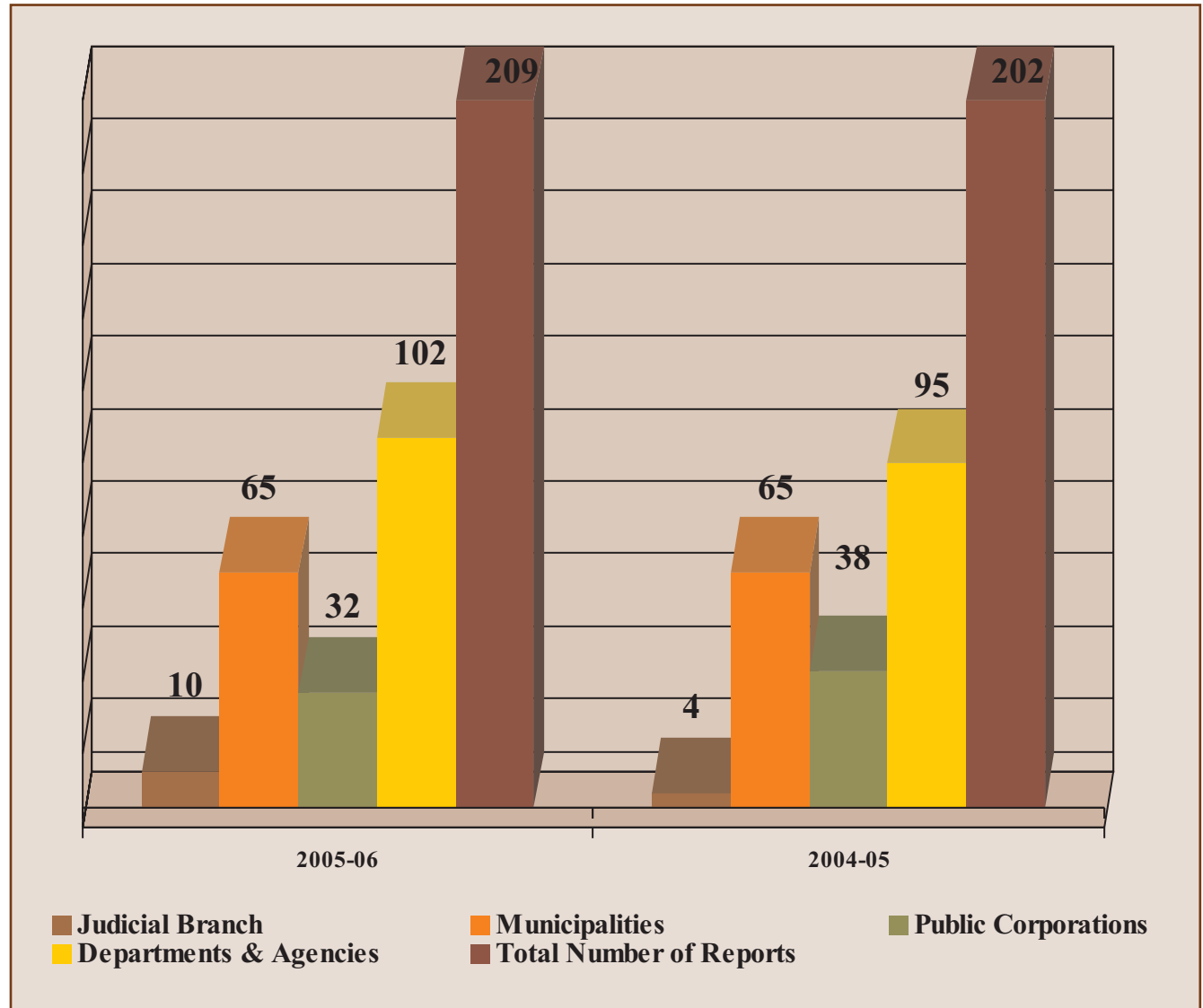
Chart 2 – Issued Reports



ISSUED REPORTS BY TYPE OF GOVERNMENT ENTITY

This chart shows the number of Issued Reports by type of governmental entity for fiscal years 2005-06 and 2004-05.

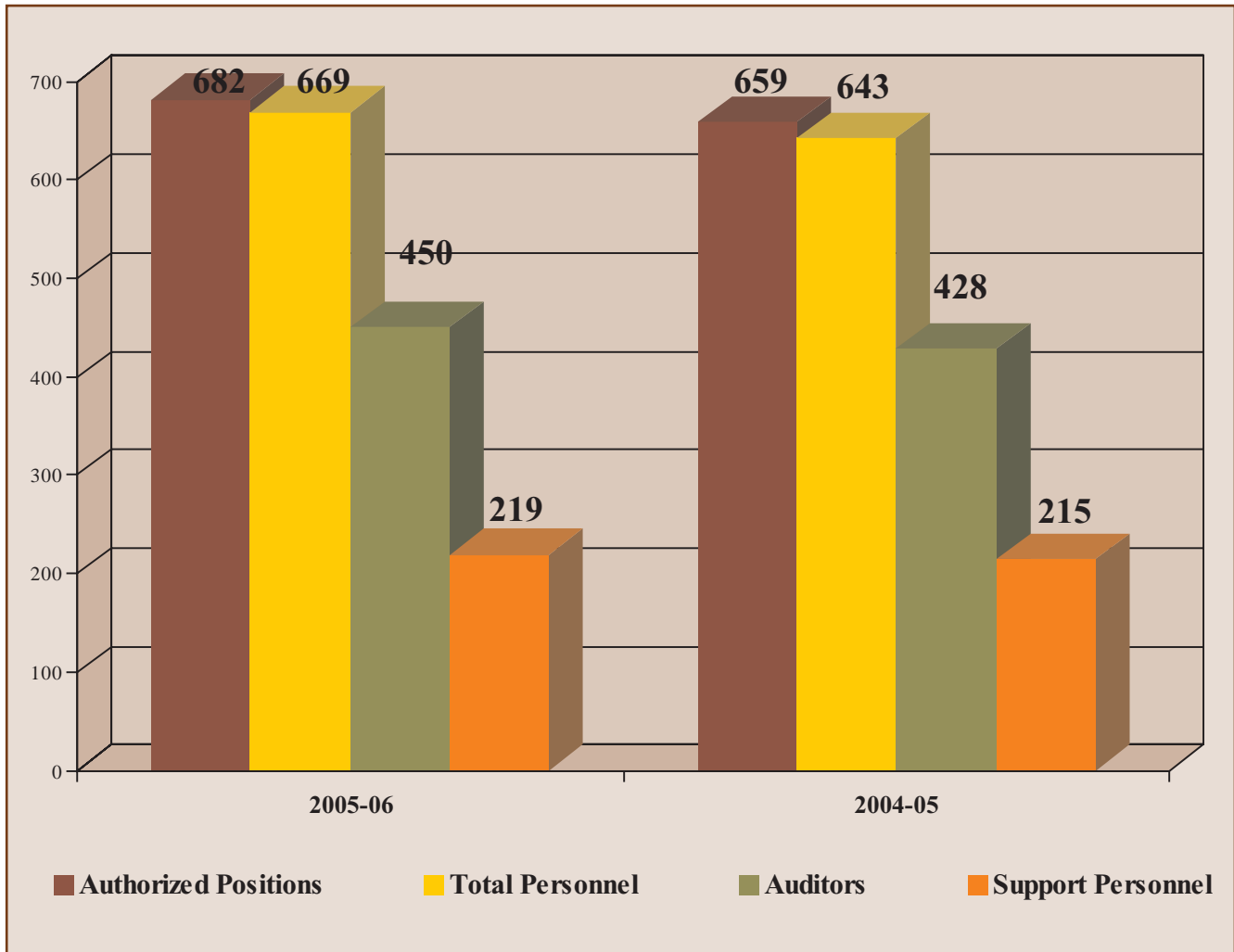
Chart 3 – Issued Reports by Entity



CAPITAL RESOURCES

This Chart shows the breakdown of audit and support personnel for fiscal years 2005-06 and 2004-05.

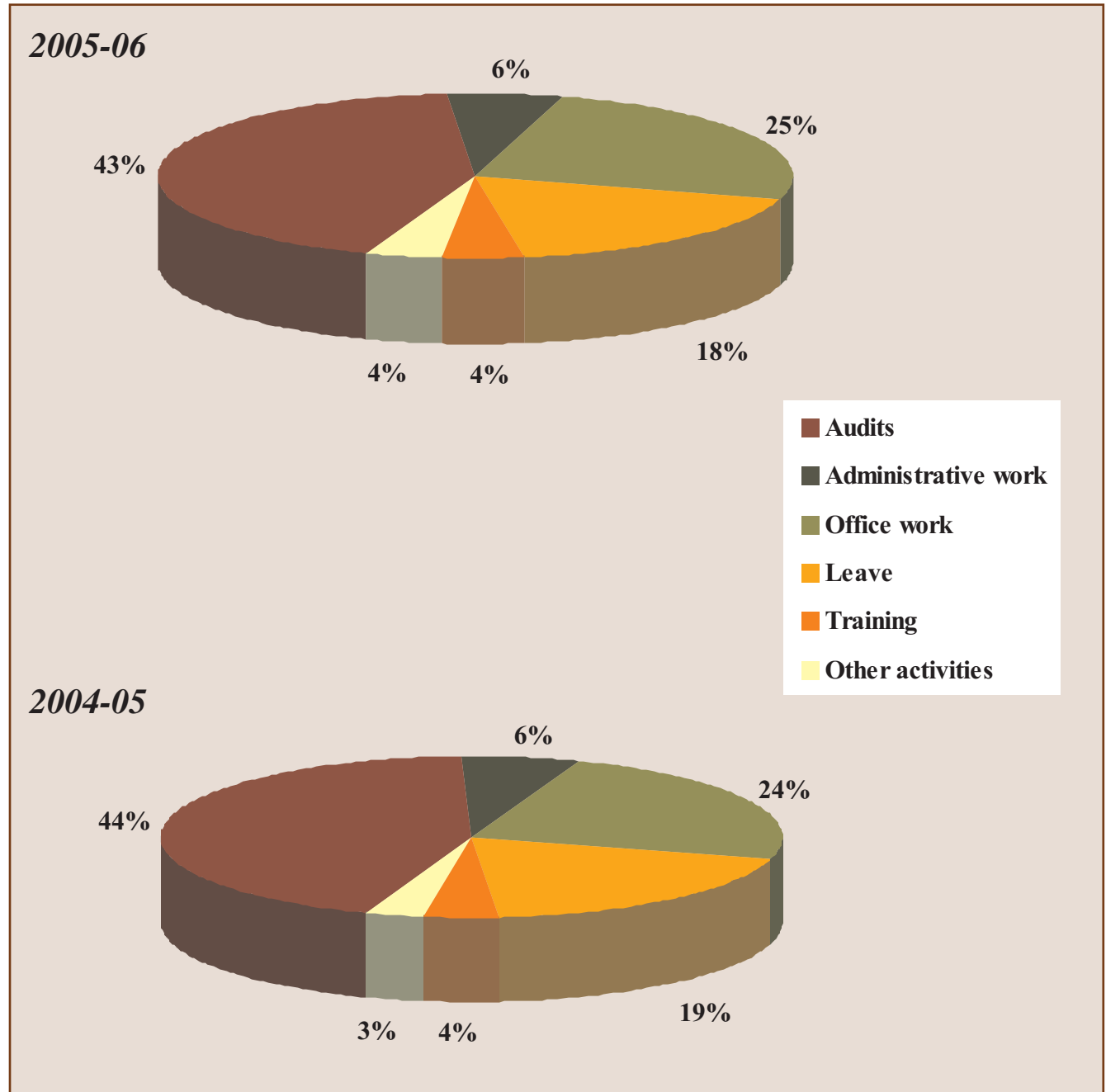
Chart 4 – Distribution of Capital Resources by Auditor and Support Personnel



TIME DISTRIBUTION

This chart shows, by percentages, a breakdown of hours dedicated to audit, administrative and office work, training, leave and other activities.

Chart 5 – Time Description by Activity During 2005-06 and 2004-05



Other Information



INTERNAL ANTICORRUPTION POLICY (Summary)

STATEMENT POLICY

The Office of the Comptroller of Puerto Rico is highly committed to fight corruption and fraud in the government and in internal settings.

PHILOSOPHY OF THE ORGANIZATION

All our coworkers must act according to our codes of ethics and behavior, as well as the applicable norms and regulations of their respective working areas. Zero Tolerance to Corruption (CTC 2000) has been established through this policy.

INTERNAL, CONTROL POLICY

- Code of Ethics
- Code of Behavior
- Regulations
- Procedures
- Norms for the safety of our computerized systems
- Norms for confidentiality of the Office information and processes
- Annual renewal of constitutional commitment
- Annual certification of profit making activities and of rendering Income Tax forms.

CODE OF ETHICS COMMITTEE

This Committee is responsible of giving immediate attention to any notification or allegation of actions that constitute fraud or corruption.

PREVENTION PHASE

Recruiting: The recruiting of personnel must be ruled by the regulations and procedures approved by the Comptroller.

Personnel Responsibility: They are required to notify our Ethics Committee of the possibility of an action that constitute corruption, which they are aware of.

Regulation: Effective internal controls are established in regulations, systems and procedures of this Office to warrant purity in administrative, fiscal and financial processes.

Internal Controls: The managerial personnel is responsible for watching that controls established in their respective working areas, are effective and efficient and are updated. Our auditors from time to time audit processes in order to determine if the controls are adequate and efficient.

External Controls: The Office is subject to monitoring by external entities, in order to warrant a healthy public administration, as follows:

- Advisory Committee on Internal Audits shall be able to make audits of the Office and have access to all the accounting files.
- External Auditors shall not be contracted for more than three consecutive years.
- Regulations for providers of property or services policies were approved to regulate relations between the Office and providers.
- Government Ethics Office (GEO) – both the Comptroller and designated personnel thereby, render financial reports to GEO.

NOTIFICATION OF ACTIONS THAT CONSTITUTE CORRUPTION

Direct communication to the Ethics Committee guarantee:

- Consistency in handling information
- Adequate, objective and independent investigation
- Protection for coworkers and the interest of the Office.

Depending on the magnitude of the action committed, the Comptroller determines if the case is referred to other government entities, such as:

- Police Department
- Department of Justice
- Government Ethics Office
- Department of the Treasury

CONFIDENTIALITY

Laws No. 426 of November 7, 2000 and No. 14 of April 11, 2001, provide protection of the rights of accusing public employees and officials, complainants or witnesses of alleged corruption action.

CONTINUOUS EDUCATION

We established a policy of requiring a minimum of 15 annual credit hours, to support personnel and 40 credit hours to auditing staff to expand their knowledge on internal controls, laws, regulations, fiscal norms and procedures, among others.

Revised on March 8, 2003.

(Sgd) *Manuel Díaz Saldaña*
Comptroller of Puerto Rico

Zero Tolerance to Corruption

REFERENCE GUIDES PUBLISHED



MEASUREMENT OF THE QUALITY OF THE WORK ENVIRONMENT

Quality of the Work Environment
(June 1998 - February 2006)



Quality of the Work Environment
(June 1998 - February 2006)





*We count on your cooperation
to improve the oversight function
and administration
of public funds and property*



