CORPORACIÓN PARA EL DESARROLLO DE LAS BELLAS ARTES DE GUAYNABO, C.D.

MANAGEMENT LETTERS
JUNE 30, 2017

MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA)
PUERTO RICO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

CPA AGUSTÍN RODRÍGUEZ NIEVES

CERTIFIED PUBLIC ACCOUNTANT

July 20, 2018

To the Management and
The Board of Directors of
Corporación para el Desarrollo de las
Bellas Artes de Guaynabo, C. D.
Guaynabo, Puerto Rico

In planning and performing my audit of the financial statements of Corporación para el Desarrollo de las Bellas Artes de Guaynabo, C. D. as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, I considered Corporación para el Desarrollo de las Bellas Artes de Guaynabo, C. D.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporación para el Desarrollo de las Bellas Artes de Guaynabo, C. D.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Corporación para el Desarrollo de las Bellas Artes de Guaynabo, C. D.'s internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. I did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the following deficiencies in Corporación para el Desarrollo de las Bellas Artes de Guaynabo, C. D.'s internal control to be significant deficiencies:

Payroll Test

During perform my test, I do not observe and review all payroll return related to FICA, Income Tax, Disability and Unemployment. The Corporation has an external provider that prepare the payroll and filing the return.

We recommend to the management establish procedures that request to the provider the returns quarterly after filing.

This communication is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

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