López-Vega, CPA, PSC
Certified Public Accountants / Management Advisors

Member of:
- American Institute of Certified Public Accountants
- Puerto Rico Society of Certified Public Accountants

September 28, 2021

To the Honorable Mayor
and the Municipal Legislature
Municipality of Cayey
Cayey, Puerto Rico

In connection with our audit of the basic financial statements of the **Municipality of Cayey** as of and for the year ended June 30, 2020, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control structure.

Also, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatements, we performed tests over the **Municipality of Cayey** compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion or overall compliance with such provisions.

As a result of our evaluation, we noted certain areas where financial matters should be considered, procedures improved, and administrative controls strengthened. This memorandum summarizes our comments and suggestions. These comments are not significant enough to be considered significant deficiencies as defined by AU Section 325 "Communicating Internal Control Related Matters Identified in an Audit". A separate report dated September 28, 2021, contains our report on significant deficiencies in the Municipality's internal control structure, and separate report dated September 28, 2021, contain our report on compliance with laws, regulations, contracts, and grants based on an audit of the financial statements. This letter does not affect our report dated September 28, 2021, on the financial statements as of and for the year ended June 30, 2020.

We will hope to provide our services to you in the next fiscal year audit. Thank you for your trust in our Firm.

Cordially,

Angel Alfredo López Vega, CPA
President
López-Vega, CPA, PSC

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I. Financial Matters

A. Payroll and Related Liabilities – Personnel, Employment and Rate Authorizations

In this procedure, we examined twenty-five (25) employee's files. The following will summarize the internal control exceptions noted.

Deviation	Cases
Employee's direct deposit authorization was not updated.	1

Recommendation:

We recommend that the Municipality should review the personnel's files to assure completeness of employee documentation, these documents must be kept updated by timely review of employees' files.