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

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

March 30, 2022

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

In connection with our audit of the basic financial statements of the **Municipality of Toa Baja** as of and for the year ended June 30, 2021, 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 test over the **Municipality of Toa Baja's** 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 March 30, 2022, contains our report on significant deficiencies in the Municipality's internal control structure, and separate report dated March 30, 2022, 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 March 30, 2022, on the financial statements as of and for the year ended June 30, 2021.

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

Very truly yours,

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

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I. Financial Matters

A. Cash Receipts

Our test of twenty-five (25) cash receipts revealed the following situations:

Deviation	Cases
The Municipality could not provide the information requested for our examination.	2

Recommendation:

We recommend that the Municipality should improve its internal control and procedures in order to assure that the cash receipts and revenue register procedures are documented as established by regulation.

B. Expenditures for Goods and Services and Accounts Payable – Purchasing

During our examination of the Municipality's procedures related to the purchasing and receiving process we examined sixty (60) disbursement vouchers and we noted the following situations:

Deviation	Cases
There was no evidence of the cancelled checks.	2
The disbursement voucher does not have the three necessary quotes.	3
The purchase order was made after the goods or services were received.	2

Recommendation:

We recommend management to improve its monitoring procedures to assure that disbursements include all the supporting documents and approvals in compliance with laws and regulations.