

Independent Accountant Response to Draft Report

CPA DIAZ-MARTINEZ, PSC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

ENHANCING THE QUALITY OF ACCOUNTING, AUDITING AND ATTESTATION SERVICES



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September 22, 2010

Mr. Elliot P. Lewis
Assistance Inspector General for Audit
U.S. Department of Labor
Office of the Inspector General
Washington, D. C. 20210

Ref: Single Audit QCR
Puerto Rico HROCD
Report Number: 18-10-008-03-390

Dear Mr. Lewis:

Following are our answers to the facts mentioned in the above referenced document of the Quality Control Review of the Human Resources and Occupational Development Council (Council) for the Single Audit at June 30, 2009.

Based on the recommendations made by the U.S. Department of Labor – Office of Inspector General, we are presenting the following actions to be taken:

Recommendation 1, 2 and 4:

As per AU Section 561 of the Codification of Statements of Auditing Standards, *Subsequent Discovery of Facts Existing at the Date of the Auditor's Report*, and Chapter 8, §5.26 through 5.31 of the *Government Auditing Standards*, we are proceeding to notify the Council to make appropriate disclosure of the discovery of facts and their impact on the Financial Statements for the Fiscal Year Ended June 30, 2009 to persons who are known to be currently relying or who are likely to rely on the Financial Statements and the related auditor's report. We are also making our research with personnel from the AICPA as how to proceed according with the provisions of AU §561 of the Codification of SAS and GAS 5.26 through 5.31 related to this matter.

Upon the Council restating the Financial Statements and other related matters, we would proceed to perform the additional auditing procedures required by professional standards and issue our reports.

Recommendation 3:

The personnel of our Firm comply with the Continuing Professional Education (CPE) required by the standards. Further, the President and Manager of our Firm assisted this year to the AICPA National Governmental Accounting and Auditing Update Conference (GAAC) East, and obtained 17 CPE credits in accounting and auditing (including Single Audit). We also, are placing attention of new CPE offered by the AICPA Governmental Audit Quality Center and the Puerto Rico Society of Certified Public Accountants related to these areas.



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Puerto Rico Society of Certified Public Accountants
Enrolled in the AICPA Peer Review Program Since 1988



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Thank for your recommendations.

Cordially yours,

CPA DIAZ-MARTINEZ, PSC


José E. Díaz-Martínez, CPA
President

c Mr. Aurelio González Cubero
Executive Director
Human Resources and Occupational Development Council