

**PUERTO RICO OFFICE OF MANAGEMENT
AND BUDGET**

REPORT ON AGREED-UPON PROCEDURES

April 11, 2011





INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

To the Director of the
Office of Management and Budget of Puerto Rico
San Juan, Puerto Rico:

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Puerto Rico's Office of Management and Budget ("OMB"), solely to assist the OMB to evaluate the completeness and mathematical accuracy of the Commonwealth of Puerto Rico's 2011-2012 Fiscal Year Recommended Budget ("2012 Budget"). The OMB's management is responsible for the 2012 Budget. This agreed procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our Agreed-Upon Procedures and results were as follows:

1. We verified that all Agencies included in the list submitted by the Budget Area had a Budget Report produced by the budget information system. No exceptions were found.
2. We compared each Agency's total operational expenses and permanent improvements for the Fiscal Year 2011-2012 presented in their respective "Resumen de Recursos Disponible por Agencia", Consolidated Budget included in the 2012 Budget with each Agency's total operational expenses and permanent improvements for Fiscal Year 2011-2012 included in the report produced by the budget information system identified as "Presupuesto de Gastos Operacionales por Agencia (Todos los Origenes de Recursos) Años Fiscales 2009 a 2012". No exceptions were found.
3. We verified each Agency's total proposed positions for the Fiscal Year 2011-2012 presented in the "Resumen de Puestos Ocupados y Propuestos" included in the 2012 Budget, with each Agency's total positions for Fiscal Year 2011-2012 included in the report produced by the budget information system identified as "Recursos Humanos por Agencia Anos Fiscales 2009 a 2012", and with the report included in the 2012 Budget, identified as Human Resources by Agency, Fiscal Years 2009 to 2012. No exceptions were found.
4. We verified the mathematical accuracy with respect to the column identified as 2012 Recommended presented throughout the 2012 Budget:
 - a. We added the operational costs, permanent improvements, subsidies, incentives and donations, origins of resources and consolidated budget by concept of each program included in the "Resumen de Recursos por Programa", and compared each total with the total operational expenses, permanent improvements, subsidies, incentives and donations, origins of resources and consolidated budget by concept as presented in the "Resumen de los Recursos por Concepto", Consolidated Budget included in the 2012 Budget. No exceptions were found.

- b. We added the agency's program occupied and proposed positions for Fiscal Year 2011-2012, and we compared them with the total positions occupied and proposed of the agency. No exceptions were found.
5. We verified the financial information included in the texts of each agency with the financial information included in the "Resumen de Recursos Disponibles de la Agencia". No exceptions were found.
6. We added the operational costs, permanent improvements, subsidies, incentives and donations and origin of resources of each agency, and compared the totals obtained with the totals included in the different reports included in the 2012 Recommended Budget section identified as Statistical Tables. No exceptions were found.
7. We verified the information included in the graphics identified as "Presupuesto de Funcionamiento por Concepto de Gastos 2010 y Presupuesto Consolidado por Año" of each Agency with the information included in the section "Resumen de Recursos Disponibles de la Agencia". No exceptions were found.

We were not engaged to, and did not conduct an audit, the objective of which would be to express an opinion on the 2012 Recommended Budget for the Commonwealth of Puerto Rico. Accordingly, we do not express such opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report intended solely for information and the exclusive use of the OMB's management and is not intended to be and should not be used by anyone other than those specified parties.

Scherrer Hernandez & Co.

San Juan, Puerto Rico

April 11, 2011

Certified Public Accountants
(of Puerto Rico)

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