

**PART III - STATUS OF IMPLEMENTATION  
OF PRIOR YEARS' AUDIT  
RECOMMENDATIONS**



**PART III - STATUS OF IMPLEMENTATION OF PRIOR YEAR'S  
AUDIT RECOMMENDATIONS**

Of the 25 audit recommendations embodied in the prior year's Annual Audit Report (AAR), 17 were fully implemented, seven (7) were partially implemented and one (1) was not implemented. Details are as follows:

<u>Reference</u>	<u>Observations</u>	<u>Recommendations</u>	<u>Actions Taken/Comments</u>
<b><u>Financial</u></b>			
AAR 2018 Audit Observation (AO) No. 1 p. 50	The faithful representation of the balance of the Accounts Receivable account totalling P228.507 million as at December 31, 2018 was not established in view of the variance amounting to P46.299 million between the balance per books and the confirmed balances from various government agencies and private clients, contrary to the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities.	We recommended that Management direct the Accounting Division to exert all efforts to review, analyze, and reconcile the Accounts Receivable with their clients' records, and make the necessary adjustment in the books, if any.	Partially Implemented.  Reiterated and updated under Part II – Observation and Recommendation No. 1 of this Report.
AAR 2018 AO No. 2 p. 52	The year-end balance of the Due to Officers and Employees account amounting to P64.022 million as of December 31, 2018 was overstated by P55.589 million due to accruals made for Financial Performance Award (FPA) and Performance Based Bonus (PBB) amounting to P42.644	We recommended and the Academy agreed to:  a. Adjust/correct the recorded FPA and PBB as these are not valid obligations and, henceforth, ensure that only valid obligations shall be taken up in the books of accounts;	Fully Implemented.



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	million and P12.945 million, respectively, which were not valid obligations. Likewise, the inadequacy in the maintenance of the Subsidiary Ledgers (SLs) resulted in the discrepancy amounting to P1.592 million between the balances of the General Ledger (GL) and the SLs.	<p>b. Reconcile the balance reflected in the GL with the balances in the SLs of the Due to Officers and Employees account; and</p> <p>c. Enhance the FMIS to capture every transaction to ensure the correctness of the financial data/reports.</p>	<p>Fully Implemented.</p> <p>Fully Implemented.</p>
AAR 2018 AO No. 3 p. 55	The Unearned Revenue/Income account with total balance of P85.890 million as at December 31, 2018 still included already earned revenue/income from completed and terminated projects in the amounts of P18.000 million and P1.235 million, respectively, thus overstating the said account in the amount of P19.235 million and understatement of the Accumulated Surplus/(Deficit) by the same amount.	<p>We recommended and Management agreed to prepare the necessary adjusting entries to correct the balances of the Unearned Revenue/Income and Accumulated Surplus/(Deficit) accounts.</p> <p>Likewise, we recommended that Management exert all efforts to document the seven long un-completed projects so that the advance revenue of P0.872 million still recorded under the Unearned Revenue/Income account could be adjusted to appropriate account.</p>	<p>Partially Implemented.</p> <p>Reiterated and updated under Part II – Observation and Recommendation No. 3 of this Report.</p> <p>Fully Implemented.</p>
AAR 2018 AO No. 4 p. 57	Reconciling items totalling P7.906 million representing unidentified deposits/	<p>We recommended that Management:</p> <p>a. Require the</p>	



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	collections from January 2017 to December 2018 were not adjusted in the books, which resulted in the understatement of the Cash in Bank account and overstatement of receivable and other affected accounts as at December 31, 2018 by the same amount.	Accounting Division to:  a.1 Record the unidentified collections in the books of accounts in accordance with the RCA for Government-Owned and Controlled Corporations prescribed under COA Circular No. 2015-010 dated December 1, 2015; and	Fully Implemented.
		a.2 With the assistance of the Centers, exert all efforts to determine the unidentified deposits/ collections as reflected in the bank statement and make the necessary adjusting entries in the books;	Fully Implemented.
		b. Direct the Centers to advise clients to promptly reconcile past and future payments made through the bank to facilitate reconciliation of records and accurate reporting of collections; and	Fully Implemented.



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AAR 2018 AO No. 5 p. 59	The year-end balance of the Due to National Government Agencies (NGAs) in the amount of P469.570 was doubtful due to variance amounting to P38.545 million in the results of confirmation, contrary to Paragraph 27 of the Philippine Public Sector Accounting Standard (PPSAS) 1.	c. Make timely representations with the concerned depository bank for the identification of depositors to hasten the recording in the books of the unidentified collections.  We recommended that Management require the Accounting Division to exert all efforts to reconcile their records with the concerned agencies' records, and make the necessary adjustments to arrive at reconciled balances.	Fully Implemented.  Fully Implemented.
AAR 2018 AO No. 6 p. 60	The balances of the Due to National Government Agency (NGA) - Aurora e-Village Project account with negative (abnormal) balance of P2.008 million and the Cash in Bank - Local Currency, Current Account - Aurora e-Village Project of P468,586 as at December 31, 2018 were doubtful due to, among others, variance of P5.640 million between the books of DAP and the Source Agency as a result of	We recommended that Management direct the Accounting Division to:  a. Analyze the negative (abnormal) balance of the Due to NGA-Aurora e-Village Project account and effect necessary adjustments in the books;  b. Reconcile the Accounting records with the records of the DA-ATI, the Source Agency, and the Productivity and	Fully Implemented.  Fully Implemented.



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	confirmation and discrepancies in the records of the Accounting Division and Productivity and Development Center.	Development Center in charge of the project; and  c. Immediately submit the liquidation reports to the DA-ATI as the project was already fully completed in CY 2012.	Fully Implemented.
AAR 2018 AO No. 7 p. 62	The faithful representation of the year-end balance of Advances to Contractors account in the amount of P5.471 million was not ascertained due to inclusion of advances to service providers of P0.776 million for room accommodations during events/seminars undertaken in CYs 2010 to 2016, other deposits which were long-outstanding amounting to P0.616 million, and the three months rental deposit and one month rental for DAP sa Mindanao (DSM) office space in the amount of P109,500.	We recommended that Management instruct the Accounting Division to analyze/review all transactions recorded under the Advances to Contractors account and prepare the necessary adjustments to reflect the correct balance of the account in the books.	Fully Implemented.
AAR 2018 AOM No. 8 p. 64	The Bureau of Internal Revenue (BIR) Forms 2306 (Certificate of Final Tax Withheld at Source) and 2307 (Certificate of Creditable Tax Withheld at Source) amounting to P0.748	We recommended that Management always demand from its clients the submission/issuance of BIR Forms 2306 and 2307 together with the payments so that the Academy can use the	Fully Implemented.



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	<p>million and P0.299 million, respectively, or aggregating P1.047 million were not issued by the clients to DAP as required under Revenue Regulation (RR) No. 2-98 dated April 17, 1998; thus, the Academy was not able to apply the Tax Certificates as tax credit against its tax liability and, the Accounts Receivable account pertaining to Tax Certificates on collections remained outstanding in the books as of December 31, 2018.</p>	<p>Tax Certificates as tax credit or deduction against its tax liability to the BIR.</p>	

**Compliance Audit**

<p>AAR 2018 AO No. 9 p. 67</p>	<p>Copies of forty-seven (47) contracts and their supporting documents totalling P161.620 million executed by the Academy for CY 2018 were not furnished to the COA within five (5) working days upon execution thereof, contrary to Section 3.1.1 of COA Circular No. 2009-001, thereby precluding the Audit Team from conducting timely review and evaluation of the contracts and the deficiencies, if any, could not be immediately conveyed to the Academy for its appropriate action.</p>	<p>We recommended that Management strictly comply with Section 3.1.1 of COA Circular No. 2009-001 by furnishing copies of all contracts and their supporting documents to the Audit Team within five (5) working days from execution thereof.</p>	<p>Fully Implemented.</p>
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AAR 2018 AO No. 10 p. 68	The cost of the audit services from CYs 1990 to 2018 amounting to P46.338 million was not remitted to the Bureau of the Treasury (BTr), contrary to the provisions of the Commission on Audit (COA) and Department of Budget and Management (DBM) Joint Circular No. 88-1 dated July 29, 1988 and related issuances.	We reiterated our prior year's audit recommendations that Management: (a) settle the latest assessment/billing received from COA; and (b) develop a payment scheme to settle the unpaid balances in compliance with the provisions of COA and DBM Joint Circular No. 88-1 dated July 29, 1988 and other related issuances.	Not Implemented.  Reiterated and updated under Part II – Observation and Recommendation No. 5 of this Report.
AAR 2018 AO No. 11 p. 70	Treasury personnel who are performing the functions of Collecting Officers are not bonded, contrary to the provisions of Section 101 of PD No 1445 and Sections 4.1 and 5.1 of Treasury Circular No. 02-2009 dated August 6, 2009 and exposing the Academy to risk of non-indemnification in case of loss of government funds through any form of dishonesty on the part of the accountable officer/employee.	We recommended that Management strictly comply with the provisions of Section 101 of PD No. 1445 and Sections 4.1 and 5.1 of Treasury Circular No. 02-2009 dated August 6, 2009 on the bonding of accountable officers.	Fully Implemented.
AAR 2018 AO No. 12 p. 71	Advance payment of P3.969 million to a contractor of 15 per cent of the total contract price has not been recouped by the Academy despite the termination of the contract on December 20, 2012, depriving the	We recommended that Management exert all efforts to recover from the contractor the advance payment amounting to P3.969 million. If warranted, file a collection case against the said contractor.	Fully Implemented.



Reference	Observations	Recommendations	Actions Taken/Comments
AAR 2018 AO No. 13 p. 72	<p>DAP of additional resources for its operation.</p> <p>The CY 2018 GAD Plan and Budget (GPB) of the Academy was not prepared and submitted for endorsement to the Philippine Commission on Women (PCW) as required under Joint Circular No. 2012-01 issued by the PCW-National Economic and Development Authority (NEDA)-Department of Budget and Management (DBM), thus the PCW was not able to assess and review the Academy's GPB and GAD Accomplishment Report (AR).</p>	<p>We recommended that Management:</p> <ul style="list-style-type: none"> <li>a. Strictly comply with the provisions of the EO No. 273, PCW-NEDA-DBM Joint Circular No. 2012-01, COA Circular No. 2014-01, and PCW Memorandum Circulars;</li> <li>b. Ensure that the GAD focal persons are adequately trained to prepare GPB and GAD AR; and</li> <li>c. Direct the GAD focal person to: <ul style="list-style-type: none"> <li>c.1 Prepare the GPB and submit the same together with the GAD AR in the prescribed format to PCW for endorsement within the deadline set; and</li> <li>c.2 Submit to the Audit Team copy of the approved/ duly endorsed GPB within five days from receipt thereof, and GAD AR within five working days</li> </ul> </li> </ul>	<p>Partially Implemented.</p> <p>Reiterated and updated under Part II – Observation and Recommendation No. 10 of this Report.</p> <p>Partially Implemented.</p> <p>Partially Implemented.</p> <p>Partially Implemented.</p>



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AAR 2018 AO No. 14 p. 74	The DAP was unable to remit in full the premium contributions to the GSIS, PhilHealth and Pag-IBIG in the amounts of P1.197 million, P328,359 and P5,400, respectively, for CY 2018, which is not in accordance with the provisions of Section 14.1 of the Implementing Rules and Regulations (IRR) of RA No. 8291, otherwise known as the GSIS Act of 1997; Section 11 of the Revised IRR of RA No. 10606, known as the National Health Insurance Act of 2013; and Section 3, Rule VII of the IRR of RA No. 9679 or the Home Development Mutual Fund Law of 2009.	from the end of January of the following year.  We recommended that Management strictly comply with the provisions of Section 14.1 of the IRR of RA No. 8291, Section 11 of the IRR of RA No. 10606, and Section 3, Rule VII of the IRR of RA No. 9679 on the withholding and remittance of premiums and contributions.	Partially Implemented.  Reiterated and updated under Part II – Observation and Recommendation No. 11 of this Report.