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

Of the 23 audit recommendations embodied in the prior year's Annual Audit Report (AAR), eight were fully implemented, 13 were partially implemented and two were not implemented. Details are as follows:

Reference	Observations	Recommendations	Actions Taken/Comments
Reference Financial AAR 2020 Audit Observation (AO) No. 1 page 43	ObservationsTheUnearnedRevenue/Incomeaccount with a balanceof P325.417 million asof December 31, 2020wasoverstatedbyP18.517 million due to:(a)non-adjustment(debit)ofthesaidaccountforearnedrevenue from completedprojectsinCalendarYear (CY)2020 totalingP3.186 million; and (b)recordinginthesaidaccountofpenaltycharges for the delayedpaymentoftheofP15.331 million, insteadofRent/Leaseaccount,contrary toParagraph19ofInternationalPublicSectorAccountingStandard (IPSAS) 9.	Recommendations         We reiterated our prior         year's recommendations         that Management direct         the Accounting Division to:         (a) Analyze thoroughly the         Unearned         Revenue/Income         account and prepare         the       necessary         adjusting entries to         correct       the         overstatement       of         P18.517 million; and	Taken/CommentsReiteratedandupdated under PartIIII– ObservationandRecommendationNo. 2 of this Report.PartiallyImplementedOverstatementofUnearned Revenue/Income account onthe penalty chargesforthedelayedpaymentoftheoffice space rentalfromalesseeamountingtoP15.331 million wasadjustedonDecember 29, 2021inthe amount ofP10.867millionbasedontheOGCC Opinion No.036, series of 2020,dated February 12,2020, thus, leavinga balance of P4.464millionas of year-end.
		(b) Recognize the income on the period it was earned following the accrual basis of accounting.	Partially Implemented

Reference	Observations	Recommendations	Actions Taken/Comments
		We further recommended that Management:	
		<ul> <li>(a) Instruct the Finance Department to closely coordinate with the Project Managers with regard to the implementation of contracted projects for proper recognition of income in the books of accounts; and</li> </ul>	Partially Implemented
		(b) Closely coordinate with the PCC to settle the issue on the unpaid penalty charges for the delayed payment of the space rental.	Partially Implemented
AAR 2020 AO No. 2 page 46	The faithful representation in the financial statements of the Receivables account with net book	We reiterated our previous year's audit recommendations that Management direct the Accounting Division to:	
	value of P123.599 million as of December 31, 2020 was not	(a) Reconcile the Receivables account with the clients'	Partially Implemented
	established due to variances between: (a) the books and the confirmed balances from the agencies/clients totaling	records, and make the necessary adjustment in the books, if any; and	Reiterated and updated under Part II – Observation and Recommendation No. 1 of this Report.
	P6.523 million; and (b) the General Ledger (GL) and the schedule of receivables amounting to P3.690	(b) Observe the proper recording of transactions in the books to prevent erroneous entry.	Partially Implemented
	million, which remained unreconciled at year-	We further recommended that Management require	

Allowance for Impairment was provided for the receivables from other government agencies totaling P7.134 million which have been dormant for more than ten (10) years, contrary to Paragraph 68 of IPSAS 29. Allowance for Impairment for the receivables from other government agencies outstanding in the books for more than ten years and the collectability is already remote if not nil; Partially Implemented receivables to include regular and periodic verification, analysis and validation of their existence; and ARR 2020 AAR 2020 AAR 2020 AAR 2020 The faithful We reiterated our previous AAR 2020 AO No. 3 page 51 financial statements of Receivables to the Audit Team, for verification. AAR 2020 AO No. 3 page 51 financial statements of Receivables to direct the Property, Plant and Horomation Technology Equipment (PPE) account with carrying expedite the enhancement amount of P157.418 of the JPMS to generate	Reference	Observations	Recommendations	Actions Taken/Comments
<ul> <li>ten (10) years, contrary</li> <li>to Paragraph 68 of (b) Ensure proper monitoring of receivables to include regular and periodic verification, analysis and validation of their existence; and</li> <li>(c) Submit Aging Schedule of Receivables to the Audit Team, for verification.</li> <li>AAR 2020 The faithful We reiterated our previous AO No. 3 representation in the page 51 financial statements of recommendation that the balance of the Balance of the Property, Plant and Information Technology Equipment (PPE) (IT) administrators to account with carrying expedite the enhancement amount of P157.418 of the JPMS to generate million as of December 31, 2020 was not established in view of the General Ledgers (GLs) balances of the Machinery and Equipment sub-accounts totaling P81.108 million did not tally with the PPE</li> </ul>		Paragraph 27 of IPSAS 1. Likewise, no Allowance for Impairment was provided for the receivables from other government agencies totaling P7.134 million which have been	<ul> <li>(a) Provide an Allowance for Impairment for the receivables from other government agencies which have remained outstanding in the books for more than ten years and the collectability is already</li> </ul>	Fully Implemented
AAR 2020 The faithful We reiterated our previous AO No. 3 representation in the page 51 financial statements of the balance of the Management direct the Property, Plant and Information Technology Equipment (PPE) (IT) administrators to account with carrying amount of P157.418 of the JPMS to generate reliable PPELCs to support 31, 2020 was not established in view of the General Ledgers (GLs) balances of the Management: Equipment sub-accounts totaling P81.108 million did not tally with the PPE		to Paragraph 68 of	(b) Ensure proper monitoring of receivables to include regular and periodic verification, analysis and validation of their	-
AO No. 3 page 51 representation in the page 51 financial statements of the balance of the Property, Plant and Equipment (PPE) account with carrying amount of P157.418 million as of December 31, 2020 was not established in view of the General Ledgers (GLs) balances of the Machinery and Equipment sub- accounts totaling P81.108 million did not tally with the PPE			Schedule of Receivables to the Audit Team, for	Fully Implemented
(GLs) balances of the We further recommended Machinery and that Management: Equipment sub- accounts totaling (a) Instruct the Property Fully Implemented P81.108 million did not Division to prepare the tally with the PPE IIRUP for defective/	AO No. 3	representation in the financial statements of the balance of the Property, Plant and Equipment (PPE) account with carrying amount of P157.418 million as of December 31, 2020 was not established in view of	year's audit recommendation that Management direct the Information Technology (IT) administrators to expedite the enhancement of the JPMS to generate reliable PPELCs to support the GLs balances of PPE	Implemented Reiterated and updated under Part II – Observation and
80		(GLs) balances of the Machinery and Equipment sub- accounts totaling P81.108 million did not tally with the PPE	<ul><li>that Management:</li><li>(a) Instruct the Property Division to prepare the IIRUP for defective/</li></ul>	

Reference	Observations	Recommendations	Actions Taken/Comments
	aggregating P83.520 million or a variance of P2.412 million, contrary to Paragraph 27 of IPSAS 1. Likewise, the inclusion of various defective/unserviceable equipment with carrying amount of P1.402	properties; (b) Create a Disposal Committee to facilitate disposal of the defective/ unserviceable properties;	Fully Implemented
	million in the books resulted in the overstatement of the PPE account in the same amount, contrary Paragraph 82 of the IPSAS 17.	(c) Direct the Accounting Division to derecognize the defective/ unserviceable properties upon disposal; and	Fully Implemented
		(d) Consider applying the provisions of COA Circular No. 2020-006 dated January 31, 2020 pertaining to "one-time cleansing of PPE account balances of government agencies" to establish PPE balances that are verifiable as to existence, condition and accountability.	Partially Implemented
Non- Financial AAR 2020 AO No. 4 page 56	The Academy did not remit the cost of audit services to the Bureau of the Treasury (BTr) from CYs 1990 to 2020 totaling P56.364 million, contrary to 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 instruct the Finance Department to: (a) Remit to the BTr the outstanding balance of the cost of audit services of P56.364 million as of the December 31, 2020 to avoid accumulation of unremitted amount; or	Not Implemented Reiterated and updated under Part II – Observation and Recommendation No. 5 of this Report
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Reference	Observations	Recommendations	Actions Taken/Comments
		(b) Plan 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
		(c) Audit Team suggested that Management explore the possibility of requesting from the COA - Planning, Finance and Management Sector the settlement of the cost of audit services on installment/ staggered basis.	Fully Implemented
AAR 2020 AO No. 5 page 57	The DAP was unable to remit in full the premium contributions to the Government Service Insurance System (GSIS), Philippine Health Insurance Corporation (PhilHealth) and Home Development Mutual Fund (Pag-IBIG) in the amounts of P254,841; P29,256 and P33,300, respectively, for CY 2020, 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	We reiterated our prior year's audit recommendation that Management instruct the Accounting Division to 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 to the GSIS, PhilHealth and Pag-IBIG, respectively.	Partially Implemented Reiterated and updated under Part II – Observation and Recommendation No. 7 of this Report

No. 10606, known as

Reference	Observations	Recommendations	Actions Taken/Comments
	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.		
AAR 2020 AO No. 6 page 60	The CY 2020 GAD Plan and Budget (GPB) of the Academy showing 13 GAD programs, activities and projects (PAPs) amounting to P18.925 million was duly endorsed by the Philippine Commission on Women (PCW), which is in consonance with Item 8.2 of PCW-	We reiterated our prior year's audit recommendation that Management comply strictly with the provisions of PCW-NEDA-DBM Joint Circular No. 2012-01 by maximizing the utilization of the budget for DAP's GAD PAPs. We further recommended that Management:	Partially Implemented
	National Economic and Development Authority (NEDA)-Department of Budget and Management (DBM) Joint Circular No. 2012- 01. However, the following deficiencies were noted: (a) the GPB did not meet the five (5) per cent minimum requirement of the total Corporate Operating	<ul> <li>(a) Allocate at least five (5) per cent of the annual COB for GAD-related PAPs through attribution and mainstreaming/ integrating gender perspectives in the major programs and projects of the Academy.</li> <li>(b) Direct the GAD Focal Person to:</li> </ul>	Fully Implemented
	Budget (COB) of P1,077.382 million as only P18.925 million was allocated instead of P53.869 million; (b) the GAD Accomplishment Report (AR) showed that only 10 GAD activities were	(b.1) Implement all the GAD PAPs in the PCW-endorsed GPB to ensure that identified gender issues are timely and properly addressed;	Partially Implemented

Reference	Observations	Recommendations	Actions Taken/Comments
Kererence	implemented with actual expenditures of P9.736 million or 51.44 per cent of the total GPB; and (c) Item V of COA Circular No. 2014-001 dated March 18, 2014, on the submission of the endorsed GPB and reviewed GAD AR to COA within five (5) working days from receipt from PCW was not complied with.	(b.2) Request assistance from PCW for the conduct of relevant trainings and seminars by gender experts, advocates, practitioners and institutions on gender sensitivity, gender audit, gender analysis, gender-responsive planning and budgeting, project design and implementation and institutional strengthening, among others; and	Partially Implemented
		(b.3) Comply with Item V of COA Circular No. 2014-001 dated March 18, 2014, on the submission of the endorsed GPB and reviewed GAD AR to COA within five (5) working days from receipt from PCW.	Fully Implemented