

**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
Financial AAR 2020 Audit Observation (AO) No. 1 page 43	The Unearned Revenue/Income account with a balance of P325.417 million as of December 31, 2020 was overstated by P18.517 million due to: (a) non-adjustment (debit) of the said account for earned revenue from completed projects in Calendar Year (CY) 2020 totaling P3.186 million; and (b) recording in the said account of penalty charges for the delayed payment of the office space rental from a lessee amounting to P15.331 million, instead of Rent/Lease Income account, contrary to Paragraph 19 of International Public Sector Accounting Standard (IPSAS) 9.	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 (b) Recognize the income on the period it was earned following the accrual basis of accounting.	Reiterated and updated under Part II – Observation and Recommendation No. 2 of this Report. Partially Implemented Overstatement of Unearned Revenue/Income account on the penalty charges for the delayed payment of the office space rental from a lessee amounting to P15.331 million was adjusted on December 29, 2021 in the amount of P10.867 million based on the OGCC Opinion No. 036, series of 2020, dated February 12, 2020, thus, leaving a balance of P4.464 million as of year-end. Partially Implemented

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		We further recommended that Management:	
		(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	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 value of P123.599 million as of December 31, 2020 was not established due to variances between: (a) the books and the confirmed balances from the agencies/clients totaling P6.523 million; and (b) the General Ledger (GL) and the schedule of receivables amounting to P3.690 million, which remained unreconciled at year-	We reiterated our previous year's audit recommendations that Management direct the Accounting Division to:	
		(a) Reconcile the Receivables account with the clients' records, and make the necessary adjustment in the books, if any; and	Partially Implemented Reiterated and updated under Part II – Observation and Recommendation No. 1 of this Report.
		(b) Observe the proper recording of transactions in the books to prevent erroneous entry.	Partially Implemented
		We further recommended that Management require	

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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 No. 10606, known as	(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
		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

Reference	Observations	Recommendations	Actions Taken/Comments
AAR 2020 AO No. 6 page 60	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.	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.	Partially Implemented
	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-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 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	We further recommended that Management: (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. (b) Direct the GAD Focal Person to: (b.1) Implement all the GAD PAPs in the PCW-endorsed GPB to ensure that identified gender issues are timely and properly addressed;	Fully Implemented
			Partially Implemented

Reference	Observations	Recommendations	Actions Taken/Comments
	<p>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.</p>	<p>(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</p>	<p>Partially Implemented</p>
		<p>(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.</p>	<p>Fully Implemented</p>