

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
**Audit Observations and Recommendations**  
**For the Calendar Year 2018**  
**As of May 31, 2019**

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation if applicable	Action Taken/Action to be Taken
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
2018 AAR Page No. 33	1. Errors in recording transactions resulted in misstatement of affected accounts.	<p>Management agreed to instruct the Accountant to:</p> <p>(a) Reclassify all items costing below ₱15,000 to Semi-Expendable as may be applicable;</p> <p>(b) Derecognize the lost/stolen property in the books and set-up a receivable account to record the liability of the accountable officer in adherence to section 41, Chapter 10, Volume 1, of the GAM for NGAs; and</p> <p>(c) Prepare the necessary adjusting entries to record the donated equipment and ensure proper disclosure in the Notes to FS of the appraised value.</p>	Review RPCPPE and prepare the necessary adjusting entries.	Finance Division	February 2019		Fully Implemented		Reviewed RPCPPE and implemented the adjusting entries for the affected accounts per Journal Entry Voucher Nos. 2019-02-0041, 2019-02-0042 (Annex A)

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2018 AAR Page No. 34	2. The recorded inter-agency receivables for the recovery of actual Project Development Cost (PDC) and the 10 per cent Cost Recovery Fee were long overdue and collection is nil since there is no counterpart recording in the IA books of accounts for reimbursements of costs incurred by the PPP Center.	Management agreed to coordinate with the GAS regarding the accounting treatment for PDC including the 10 per cent recovery fee for terminated and not pursued projects, the pro-forma entries in the PPP Center and the IA's books of accounts.	Schedule a meeting / follow up meetings with COA's Government Accountancy Sector (GAS) on the accounting treatment and pro forma entries for the project development cost (PDC) for terminated projects in the books of both the PPPCP and the IA.	PDMFS	June 2019	December 2019	Ongoing		Meeting of PPPC PDMFS & AdS with COA's Accounting Systems Development and Other Services Office, Government Accountancy Sector is on June 6, 2019 9:30 AM (Annex B)
2018 AAR Page No. 36	3. Timeline for the reimbursement of PDC by the IA was not included in the PDMF Guidelines and not stipulated in the Technical Assistance Agreements (TAA) between the PPP Center and the IA/LGUs.	Management agreed to revisit the PDMF Guidelines and include the timeline for the reimbursement of the PDC for terminated and not pursued projects and incorporate the same in the TAA between the PPP Center and the IA/LGUs.	Revisit the PDMF Guidelines and the TAA to incorporate the timeline for the reimbursement of the PDC for terminated and not pursued projects.	PDMFS	June 2019	December 2019	Ongoing review of the proposed provisions of the PDMF Guidelines and the TAA to include the timeline for reimbursement.		<ul style="list-style-type: none"> <li>• Seek the endorsement of the PDMF Committee in its 3<sup>rd</sup> quarter 2019 meeting</li> <li>• Present for approval of the PPP Governing Board in its 4<sup>th</sup> Quarter 2019 meeting</li> </ul> <p>The presentation for approval are subject to the availability and scheduled meetings of the</p>

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									PDMF Committee and the PPP Governing Board
2018 AAR Page No. 37	4. The SDO handled several cash advances and at the same time was designated as collecting officer resulting in the late liquidation of cash advances and exposing funds to possible commingling.	Management agreed to:  a) Adhere strictly to Section 89 of PD No. 1445 and existing rules and regulations on cash advances; and  b) Designate other bonded employees who will handle either the collections or PCF to avoid the commingling of funds.	Adhere strictly to Section 89 of PD No. 1445 and existing rules and regulations on cash advances  Designate other bonded employees as collecting officer	Finance Division	January 2019  February 2019		Fully Implemented		Designated the Chief Administrative Officer as Collecting Officer through Special Order No. 61 s. 2019 (Annex C)
2018 AAR Page No. 38	5. The foreign travels of officials and employees were approved by the Executive Director and not by the NEDA Secretary contrary to Section 2 of EO No. 459, s. 2005.	Management agreed that henceforth, officials and employees of the PPP Center secure authority to travel abroad from the NEDA Secretary.	Secure authority to travel from the NEDA Secretary.	Human Resources Division	January 2019		Fully Implemented		a) Effective January 2019, all official and personal travels of PPPCP officials and employees seek authority of NEDA Secretary.  b) The PPP Center officials and employees

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									<p>were informed of the policy on foreign travels through emails dated January 9, 2019, and February 26, 2019.</p> <p>c) The matter was further reiterated in the Management Committee meeting on March 5, 2019. (Annex D)</p>
2018 AAR Page No. 41	6. Status of Settlement of Audit Suspensions, Disallowances and Charges.	Management to require the Accountant to intensify/ensure the prompt settlement of the amounts disallowed, particularly, those which are already rendered final and executory.	Issue collection letters to former BOT Center employees with outstanding NDs	Finance Division	January 2019		Ongoing		<p>Issued collection letters to former BOT Center employees with outstanding NDs (Annex E). As of May 31, 2019, the amount of Php41,941.20 was settled through salary deduction from concerned employees. (Annex F)</p>
2018 AAR	7. The balances of the Due to NGAs and	Management agreed to:	1. Issue collection/ demand letters	PDMFS	January 2019	December 2019	Ongoing		In 2019, the PPP Center continues

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Page No. 43	Due from GOCCs accounts continued to increase by ₱376.548 million and ₱126.134 million, respectively, from CYs 2015 to 2017 due to terminated projects as of December 31, 2017, and with noted discrepancies between the books of the PPPCP and the Implementing Agencies (IAs).	<p>a) Enforce the provision of the Technical Assistance Agreement on the payment to the PPPCP by the IAs concerned of Project Development Cost for the terminated projects, plus the 10 per cent administrative cost; and</p> <p>b) Require the Accountant to coordinate with the IAs concerned for the reconciliation of both accounts.</p>	<p>and Statements of Account to concerned IAs on a regular basis</p> <p>2. Closely coordinate with the PPP/ Planning and Finance Units of the concerned IAs, as necessary</p> <p>3. Endeavor to expeditiously collect receivables from the IAs</p> <p>4. Coordinate with the Department of Budget and Management relative to the inclusion of the PDMF reimbursement in the agencies' budget proposal as necessary.</p> <p>5. Closely monitor status of the Projects</p>					<p>to closely coordinate with the concerned IAs, specifically their Finance, Planning and PPP or Sectoral Units and has issued several collection/ demand letters in the 1<sup>st</sup> semester of the year. As a result, reimbursement was received from the Department of Transportation (DOTr) on March 4, 2019 in the amount of ₱79.055 million for the Clark, Mactan – Cebu, and Puerto Princesa airport projects.</p> <p>The PPPC also met with the PPP Service of the Department of Public Works and Highways (DPWH) on May 6, 2019 and with the Finance &amp;</p>
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									<p>Management Service and Air Transport Planning Division of the DOTr on May 17, 2019 to address queries related to the processing of the reimbursements and to provide the requested payment-related documents.</p> <p>The Metropolitan Waterworks and Sewerage System, Department of Justice, DPWH, and DOTr committed to include in their 2020 budget proposal the requested reimbursement.</p> <p>The PPPC coordinates with the Department of Budget and Management to request assistance in facilitating the</p>
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									<p>IAs reimbursement.</p> <p>The actions taken per IA for each project is discussed in detail in Annex G.</p>
2018 AAR Page No. 49	8. Cash incentives paid in CY 2012 to PPP Center personnel named Cost Economy Measure Award (CEMA) totaling ₱1,108 million were granted without legal basis, thus, considered irregular and unauthorized.	Management to enforce the refund of the CEMA payment to PPP Center personnel for CY 2012 and, as warranted, consider imposing the applicable sanctions against erring officials and employees.	Follow-up on the refund of the CEMA from former PPPC employees	Finance Division	January 2019	December 2019	Partially implemented		Collected Php18,791.67 from Johanna V. Jambalos on January 10, 2019 (Annex H). Total amount settled as of May 31, 2019 is Php1,011,333.02 constituting 92% of total disallowance.
2018 AAR Page No. 50	9. The payment of cash benefits totaling P3.388 million for CY 2011 under its CEMA program was sourced from balance of unobligated allotments for MOOE and the savings from Personnel Services, specifically from the unfilled/vacant	Management direct the concerned officials and employees to refund the monetary award received for the CEMA, otherwise, the officials and personnel who have participation in the subject transaction will be held liable for the audit disallowance under ND No. 2012-001 issued on May 31, 2012.						A Motion for Reconsideration filed on October 4, 2017 by the concerned approving officials and employees on Decision No. 2017-246 dated August 18, 2017 has not been acted upon by COA.	

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	positions pending the completion of the PPPCP reorganization, and not from the monetary savings realized from the suggestions, inventions, superior accomplishments and other personal efforts of the PPPC officials and employees contrary to the provisions of CSC Memorandum Circular No. 01, 2001.								
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Prepared by:

  
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