

PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES
AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2020 and Prior Year 2019
As of June 30, 2021

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			
2020 AAR Pages 36-38	1. Obligations for undelivered services and/ or without complete and adequate supporting documents as at year-end and those based only on Job Order (JO) contracts totaling P1.105 million and P228,100.00, respectively, were recognized under <i>Accounts Payable</i> which resulted in the overstatement of <i>Accounts Payable</i> by ₱1.333 million and <i>Janitorial Services, Other General Services, Printing and Publication Expenses, Repairs and Maintenance - Machinery and Equipment, Office Equipment and Rent/Lease</i>	Management to require the Chief Administrative Officer Finance Division to: a) ensure that recorded payables in the books of accounts are for services rendered and goods delivered, and with complete and appropriate supporting documents; and b) establish the validity of obligations/ payables, analyze entries, made and make the necessary adjustments to correct the balances of the affected accounts.	Review transactions affecting the Accounts Payable Account and its supporting documents and make necessary adjustments to reflect the correct balances of the affected accounts.	Accountant III and Accountant IV	March 12, 2021	March 31, 2021	Fully Implemented		The Finance Division reviewed the transactions affecting the Accounts Payable and made adjustments to correct the balances of affected accounts as per Journal Entry Voucher (JEV) No. 2021-03-000107 dated March 12, 2021 (Annex A).


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	Expenses by ₱28,287.63, ₱114,543.33, ₱1.107 million, ₱20,800.00 and ₱62,150.00 respectively, and the understatement of <i>Accumulated Surplus/(Deficit)</i> by ₱1.333 million								
2020 AAR Page 38	2. Erroneous recognition of 22 units of pocket Wi-Fi totaling ₱55,000.00 under <i>Telephone Expenses</i> resulted in the overstatement of the said account and the understatement of <i>Semi-Expendable Communications Equipment</i> , both by the same amount.	Management to require the Chief Administrative Officer, Finance Division to reclassify the pocket Wi-Fi totaling ₱55,000.00 to <i>Semi-Expendable Communications Equipment</i> and make the corresponding adjustment to <i>Accumulated Surplus/(Deficit)</i> .						No adjustments necessary. The cost of pocket wi-fi was recorded as Semi-Expendable Information and Communications Technology Equipment as per JEV 2020-12-000885 and consequently closed to Accumulated Surplus/(Deficit) per JEV Nos. 2020-12-001060, 2020-12-1070 and 2020-12-001071 dated December 31, 2020 (Annex B).	
2020 AAR Pages 38-41	3. Non-reconciliation and/or non-confirmation of balances of receivables with/by IAs under <i>Due from National</i>	Management to require the Chief Administrative Officer, Finance Division to: a) provide the Accountant/ Finance Officer of the concerned IAs with the details of	Provide concerned IAs with all proof or evidence for the collectibles from them	FMD/PDMFS	January 2021	December 2021	Fully Implemented	<ul style="list-style-type: none"> The PPP Center has already provided the respective IAs with proofs or evidence of the collectibles from them such as statements of account and collection letters. 	

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	<p><i>Government Agencies, Due from Government-Owned or Controlled Corporations and Other Receivables</i> totaling ₱1.095 billion, ₱176.952 million and ₱150.964 million, respectively, had precluded the determination of the existence, completeness and accuracy of the balances of the said accounts at year-end.</p>	<p>receivables and relevant documents to facilitate reconciliation of the reciprocal accounts between the PPPCP and IAs;</p> <p>b) follow up the results of reconciliation with the Accountants/Finance Officers and settlements thereon; and</p> <p>c) analyze and verify reconciling items and effect adjustments, as necessary, based on pertinent documents.</p>	<p>Constant coordination and continuous consultative meetings with the Project and Finance officers of the IAs</p>					<ul style="list-style-type: none"> Regular coordination through email, text messages and telephone conversation with the project and finance officers to monitor the actions taken of the IAs on the request for reimbursement. The PPP Center shall schedule the next consultative meeting with the Budget/Finance officers of the IAs to address the problem on collection of project development cost once the COA issues the guidelines to IAs on the accounting treatment of notices of collection from the PPP Center and upon the issuance by the DBM of the amended National Budget Circular No. 538. 	
2019 AAR Pages 36-37/ 2020 AAR Page 47	4. Various accounting errors in the keeping of accounts resulted in the misstatement of affected accounts reported in	Management to require the Chief Accountant to review the depreciation of PPE and ensure that the same are depreciated only to their maximum useful life and are carried at their residual value at the end of their useful life.	Review of the depreciation, make necessary adjustments and ensure PPE are depreciated only to their maximum useful life and are carried at their	Accountant III	January 2020	April 2021	Fully Implemented	Reviewed the depreciation of PPE and made adjustments through JEV Nos. 2020-01-000075 dated January 31, 2020 and 2020-02-000203 dated February 28, 2020.	


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	the financial statements. a. Inaccurate depreciation for 34 Property, Plant and Equipment (PPE)		residual value at the end of their useful life.					Updated the records of PPE in the e-NGAs with depreciation carried at their residual value at the end of their useful life. as per attached schedules as of May 31, 2021. (Annex C).	
2019 AAR Pages 38-42/ 2020 AAR Page 51	5. A number of accounts were either with unreconciled balances or with account balances unconfirmed by property and accounting records, thus, existence and accuracy of account balances could not be determined. c) Unreconciled payables to government agencies	Management to require the Chief Accountant to: a) Determine the causes of the unreconciled and/or negative balances and coordinate with the concerned government agencies as necessary to facilitate reconciliation of the accounts; and b) Make adjustments as necessary after the reconciliation of the accounts.	Review accounts with unreconciled or negative balances, coordinate with concerned agencies for the reconciliation of accounts and make adjustments as necessary.	Accountant III	April 2020	June 30, 2021	Partially Implemented	Moving/changes in amounts in the electronic records provided by the concerned agencies and limitations imposed due to COVID-19 protocols. On February 24, GSIS sent a letter to the PPP Center regarding unremitted loan repayments/amortizations. Thereafter, FD and HRD conducted detailed analysis of accounts and reconciliation of records. The result of the analysis and reconciliation was sent to GSIS per letter dated March 9, 2021 (Annex D). The Accountant III is updating the payables to PHIC and HDMF and necessary adjustments, if any will be made by end of June 2021.	
2019 AAR Pages 46-47/ 2020 AAR Pages 54-55	6. Status of Audit Suspensions, Disallowances and Charges	Management to verify employees who are separated from the service of their physical existence from the local government units, such as barangay of their last known addresses, and assistance, if any, from the	Verify the addresses of separated employees through available records and social media.	Finance and HR Division	June 2020	September 2021	Partially Implemented	Consideration of quarantine protocols. Sent final demand letters to the last known addresses/address indicated in their 201 records; address gathered from colleagues; searched thru social media accounts; and email addresses resulting to the	

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		barangay for the delivery of the demand letters						collection of Php529,308.89 in FY2020.	

Prepared by:


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