

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
**Audit Observations and Recommendations**  
**For the Calendar Year 2019 and Prior Years' 2018 and 2017**  
**As of September 1, 2020**

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			
2019 AAR Page No. 36	Various accounting errors in the keeping of accounts resulted in the misstatement of affected accounts reported in the financial statements (FSs)	Management agreed to direct the Accountant to:							
		i) Analyze the transactions and make the necessary adjustments to correct the aforementioned errors and omissions;	Analysis of transactions and preparation of necessary adjustments	Accountant IV	January 2020		Fully Implemented		Analyzed and properly recognized the affected accounts, and made necessary adjustments per Journal Entry Voucher No. 2020-01-000066 dated January 31, 2020.
		ii) Observe the proper recognition of transactions in accordance with the GAM for NGAs and other existing accounting rules and regulations;	Compliance to GAM for NGAs and other existing accounting rules and regulations						
		iii) Reconcile transactions in the SL tagged "For reconciliation" to bring its balance to the correct amount;	Reconciliation of SL accounts	Accountant III	January 2020	March 2020	Fully Implemented		<ul style="list-style-type: none"> <li>• Reconciled SL accounts</li> <li>• Updated the schedule of depreciation in the eNGAS, and closely monitored the computation of depreciation and the movements in the PPE accounts.</li> </ul>
		iv) 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;	Maintain schedule of depreciation using straight line method						
	v) Provide depreciation for newly-acquired								

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		assets when they are available for use; and vi) Observe due care in the computation of depreciation to preclude errors.						<ul style="list-style-type: none"> <li>Necessary adjustments were made through JEV Nos. 2020-01-000075 dated January 31, 2020 &amp; 2020-02-000203 dated February 28, 2020.</li> </ul>	
2019 AAR Page No. 38	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.  a) Unreconciled and long-outstanding balances of receivables	Management agreed to require the Chief Accountant to:  i) Provide IAs' Accountants with the necessary documents as proofs or evidences of the PPPCP's collectibles from the IAs to facilitate reconciliation; ii) Reconcile with the IAs' Accountants the balances of their	Provide all proof or evidence for the collectibles from the IAs	FMD/PDMFS	July 2019	December 2020	Fully Implemented	<ul style="list-style-type: none"> <li>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.</li> </ul>	

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		<p>respective accounts under the <i>Due from NGAs</i> and <i>Due from GOCCs</i>; and</p> <p>iii) Continue coordination and collection efforts to reduce the balances of the <i>Due from NGAs</i> and <i>Due from GOCCs</i> accounts.</p>	Continuous consultative meetings with the Project and Finance officers of the IAs					<ul style="list-style-type: none"> <li>The details and results of the meetings with IAs are hereto attached.</li> <li>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.</li> </ul>	
	b) Unrefunded Guaranty Deposits	Management agreed to require the Chief Accountant to demand the refund of the long-outstanding receivables from the different companies	<p>Sending of letters to service providers</p> <p>Reconciliation of accounts as necessary</p>	Chief FD	June 2020		Fully Implemented	<ul style="list-style-type: none"> <li>Sent letters to Economi Petron and PLDT on June 29, 2020 to confirm the existence of the receivable account and</li> </ul>	

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								<p>request for reconciliation of records. The letter was returned to PPPC since Economi Petron is no longer existing in the stated address. Adjustment in the books will be done after efforts have been exhausted to confirm that the business no longer exists.</p> <ul style="list-style-type: none"> <li>• Reconciled with Meralco and corresponding adjustment was made through JEV No. 2020-06-000475 dated June 30, 2020.</li> <li>• Sent letter to PLDT on June 29, 2020 and it replied with a statement of unpaid bills. Verification of 2014 records is ongoing to validate PLDT's statement of unpaid bills.</li> </ul>	

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	c) Unreconciled payables to government agencies	Management agreed to require the Chief Accountant: i) 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 ii) Make adjustments as necessary after the reconciliation of the accounts.	Reconciliation of records with GSIS, PagIBIG and Philhealth	Accountant IV	April 2020	December 2020	Partially Implemented	Accessibility of physical records, moving /changes in amounts in the electronic records provided by the concerned agencies and limitations imposed due to COVID-19 pandemic	<ul style="list-style-type: none"> <li>Detailed analysis of accounts and reconciliation of records being done because of the changes in the electronic records provided by the concerned agencies.</li> <li>Make adjustments as necessary after the reconciliation</li> </ul>
	d) Non-preparation and non-submission of Report on the Physical Count of Inventories (RPCI)	Management agreed to require the Inventory Committee created to prepare the RPCI for each type of inventory and submit to the Audit team, General service Division and Finance Division not later than July 31 and January 31 of each year for the first and second semester, respectively.	Devise a process flow to properly account the inventories.  Prepare and submit the RPCI on prescribed deadline	General Services Division	February 2020	March 2020	Fully Implemented		<ul style="list-style-type: none"> <li>The Process Flow for the Preparation and Submission of RPCI for Semi-Expendable Properties is laid down in the GSD Operations Manual, and supply officer was reoriented on the process and submissions.</li> <li>The reconciled RPCI for 2019 was submitted to COA on March 12, 2020 and the 1<sup>st</sup> Semester 2020 Reports were submitted on July 13, 2020.</li> </ul>

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									<ul style="list-style-type: none"> <li>RPCI submitted to Finance Division and corresponding adjustments were made through Journal Entry Voucher Nos. 2020-02-000213 and 2020-03-000220</li> </ul>
2019 AAR-Page No. 42	Planned activities implemented at a cost in excess of the budget by ₱7,336,324.65 and implementation of unplanned GAD activities at ₱2,187,422.52 resulted in expenditures totaling ₱9,523,747.17 or 1,045.53 per cent over the PCW-endorsed GPB of ₱910,902.76.	<p>Management require the GFPS to:</p> <p>i) Plan carefully its GAD activities and determine those which should be implemented in a given year and include the same in the GPB to provide a basis for activities to be implemented and the related budget; and</p> <p>ii) Implement the GPB as approved to ensure that planned GAD issues are addressed and objectives are achieved.</p>	<p>Include in the GAD Plan the activities to be implemented for the year and all attributable costs and expenses per activity</p> <p>Adhere to PCW's advice to request for adjustment in the endorsed GAD Plan and Budget should there be unplanned GAD-related activities in the GAD Accomplishment Report.</p>	PPPC GAD Committee	November 2019	December 2020	Fully Implemented		<ul style="list-style-type: none"> <li>Formulated the GAD Plan and Budget based on PCW MC No. 2020-01. The FY2020 GAD Plan was approved by PCW on July 20, 2020.</li> <li>The PCW recognized the unplanned activities and increased cost attributed to GAD mainstreaming in the endorsed PPPC GAD Accomplishment Report for CY2019 per attached GMMS Report generated</li> </ul>

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								on June 23, 2020.	
2019 AAR-Page No. 45	Under remittances of GSIS, Pag-IBIG and PhilHealth contributions of ₱15,482.36, ₱1,438.16 and ₱6,500.00, respectively, may likely affect the access of affected employees to the agencies' loan facilities and other benefits.	Management agreed to require the Chief Accountant to coordinate with the concerned agencies, reconcile and settle all deficiencies in remittances to preclude limits to its employees' access to loan facilities and benefits from the said agencies.	Closely monitor the accounts and reconcile the records with concerned agencies.	Finance Division	January 2020	December 2020	Fully Implemented		Reconciled the accounts and deficiencies were settled in July 2020 remittances.
2019 AAR-Page No. 46	Status of Audit Suspensions, Disallowances and Charges	Management agreed to verify employees who are separated from the service of their physical existence from the local government units, such as the barangay of their last known addresses, and assistance, if any from the barangay for the delivery of the demand letters.	Send demand letters to the officials and employees whose current addresses and contact details were traced  Continue contact tracing through professional network and social media	Finance Division	June 2020	December 2020	Partially Implemented	Accessibility of physical records and limitations imposed due to COVID-19 pandemic	<ul style="list-style-type: none"> <li>Final Demand letters sent on June 29, 2020 and as of August 31, 2020, a total of ₱416,375.18 was collected from said disallowances.</li> <li>The Finance Division will continue efforts to trace other concerned BOTC officials and employees' current contacts and addresses through professional network (e.g. LinkedIn) and social media</li> </ul>


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								(e.g. Facebook) platforms, after which demand letters will be sent to them immediately.	
2018 AAR Page No. 37	The Special Disbursing Officer handled several cash advances (CAs) 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 adhere strictly to Section 89 of PD No. 1445 and existing rules and regulations on CAs	Adhere strictly to Section 89 of PD No. 1445 and existing rules and regulations on cash advances  Designate other bonded employees as special disbursing officer	Finance Division	January 2020		Fully Implemented	<ul style="list-style-type: none"> <li>The Director for Administrative Service was designated as SDO for special projects per SO # 030 s. 2020</li> <li>The Chief GSD was designated as SDO for procurement of supplies per SO # 012 s. 2020 and registration of vehicles per SO # 028 s. 2020.</li> </ul>	
2017 AAR-Page No. 31	The balances of the <i>Due from NGAs</i> and <i>Due from GOCCs</i> 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	Management agreed to enforce the provision of the TAA on the payment of the PPPCP by the IAs concerned of PDC for the terminated projects, plus the 10 per cent administrative cost.	Facilitate the inclusion of the cost of consultancy services plus the 10% per cent administrative cost for the terminated projects in the IA's budget proposal	Financial Management Division/ PDMFS	January 2020	July 2020	Fully Implemented	The IAs have included in their 2021 budget proposal the payment for PDMF-funded PPP Projects which has been included in the FY 2021 National Expenditure Program (NEP).	



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	noted discrepancies between the books of the PPPCP and the IAs.								

Prepared by:

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