



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City

# **ANNUAL AUDIT REPORT**

on the

**PUBLIC-PRIVATE PARTNERSHIP  
CENTER OF THE PHILIPPINES**

**For the Year Ended December 31, 2023**

## EXECUTIVE SUMMARY

### A. Introduction

The Build-Operate and Transfer (BOT) Center was reorganized and renamed as the Public-Private Partnership Center of the Philippines (PPPCP) by virtue of Executive Order (EO) No. 8, series (s.) of 2010. It was transferred as an attached agency from the Department of Trade and Industry to the National Economic and Development Authority (NEDA). The PPPCP shall cover all Public-Private Partnership (PPP) programs and projects including all the variants or arrangements under Republic Act (RA) No. 7718, otherwise known as the BOT Law.

Under EO No. 8, series of 2010, the PPPCP exercises, among others, the following powers and functions:

- a) Conduct project facilitation and assistance to the national implementing agencies, including government-owned and controlled corporations and local government units (LGUs) in addressing impediments or bottlenecks in the implementation of PPP programs and projects;
- b) Provide advisory services, technical assistance, trainings and capacity development to agencies/LGUs in PPP project preparation and development;
- c) Recommend plans, policies and implementation guidelines related to PPP in consultation with appropriate oversight committees, implementing agencies, LGUs and the private sectors;
- d) Manage and administer a revolving fund to be known as the Project Development and Monitoring Facility (PDMF) for the preparation of business case, pre-feasibility and feasibility studies and tender documents of PPP programs and projects;
- e) Monitor and facilitate the implementation of the priority PPP programs and projects of the agencies/LGUs which shall be formulated by respective agencies/LGUs in coordination with the NEDA Secretariat;
- f) Establish and manage a central database system of PPP programs and projects;
- g) Recommend improvements to timelines in processing PPP programs and project proposals, and monitor compliance of all agencies/LGUs;
- h) Prepare reports on the implementation of the PPP programs and projects of the government for submission to the President at the end of each year; and

- i) Perform such other function, which may be critical in expediting and effectively implementing the government's PPP programs and projects.

The PPPCP is headed by Executive Director Ma. Cynthia C. Hernandez and has 143 plantilla positions, of which 132 are filled-up as at December 31, 2023. In addition, six Contract of Service personnel were hired in calendar year (CY) 2023.

## PDMF

The PPPCP manages and administers the PDMF which was established as a revolving fund under EO No. 44, s. 2002.

The PDMF fund is used to finance the conduct of business case, pre-feasibility and feasibility studies and the preparation of tender documents of PPP programs and projects in a timely manner, and to ensure effective monitoring of PPP project implementation.

The PDMF Committee, composed of the representatives from the NEDA, Department of Finance, Department of Budget and Management (DBM) and PPPCP, approves applications for PDMF support. Subject to the approval of the PPP Governing Board, the PDMF Committee is mandated to formulate, prescribe and recommend policies, procedures and guidelines for the use of the PDMF for the development of PPP projects and recovery of costs charged to the fund. The PPPCP also serves as the Secretariat of the PDMF Committee.

## B. Financial Highlights

The sources and application of funds, financial position, and financial performance of the PPPCP (General Fund and PDMF), for CY 2023 with corresponding figures for CY 2022, are summarized below:

Particulars	2023	2022	Increase/ (Decrease)
		(As Restated)	
	(in ₱)		
<b>Sources and Application of Funds</b>	<b>240,303,511.20</b>	<b>241,482,373.10</b>	<b>(1,178,861.90)</b>
Appropriation	198,010,000.00	206,848,000.00	(8,838,000.00)
Regular Appropriation	9,056,888.00	4,919,104.00	4,137,784.00
Special Purpose Fund	11,166,000.00	10,803,000.00	363,000.00
Automatic Appropriation	22,070,623.20	18,912,269.10	3,158,354.10
Continuing Appropriation	<b>240,303,511.20</b>	<b>241,482,373.10</b>	<b>(1,178,861.90)</b>
Allotment Received	198,010,000.00	206,848,000.00	(8,838,000.00)
Regular Appropriation	9,056,888.00	4,919,104.00	4,137,784.00
Special Purpose Fund	11,166,000.00	10,803,000.00	363,000.00
Automatic Appropriation	22,070,623.20	18,912,269.10	3,158,354.10
Continuing Appropriation	<b>231,382,623.92</b>	<b>216,075,423.73</b>	<b>15,307,200.19</b>
Obligations Incurred	189,878,912.75	183,115,748.22	6,763,164.53
Regular Appropriation	9,056,885.40	4,919,103.36	4,137,782.04
Special Purpose Fund			

Particulars	2023	2022 (As Restated) (in ₱)	Increase/ (Decrease)
Automatic Appropriation	10,406,147.55	9,836,922.78	569,224.77
Continuing Appropriation	22,040,678.22	18,203,649.37	3,837,028.85
Unobligated Balance	<b>8,920,887.28</b>	<b>25,406,949.37</b>	<b>(16,486,062.09)</b>
Regular Appropriation	8,131,087.25	23,732,251.78	(15,601,164.53)
Special Purpose Fund	2.60	0.64	1.96
Automatic Appropriation	759,852.45	966,077.22	(206,224.77)
Continuing Appropriation	29,944.98	708,619.73	(678,674.75)
<b>Financial Position</b>			
Assets	2,514,329,020.11	2,528,453,507.78	(14,124,487.67)
Liabilities	53,063,378.85	42,063,504.82	10,999,874.03
Net Assets/Equity	2,461,265,641.26	2,486,390,002.96	(25,124,361.70)
<b>Financial Performance</b>			
Revenue	21,932,926.46	60,449,579.93	(38,516,653.47)
Net Assistance/Subsidy	231,435,979.73	207,962,788.21	23,473,191.52
Gains	39,629,854.08	6,942,083.96	32,687,770.12
Losses	(6,889,468.45)	(7,986,465.96)	1,096,997.51
<b>Sub-Total</b>	<b>286,109,291.82</b>	<b>267,367,986.14</b>	<b>18,741,305.68</b>
Expenses	313,698,131.11	300,714,242.25	12,983,888.86
<b>Surplus (Deficit) for the Period</b>	<b>(27,588,839.29)</b>	<b>(33,346,256.11)</b>	<b>5,757,416.82</b>

The PDMF gets financing support through the Capacity Development Technical Assistance administered by the Asian Development Bank (ADB), under Technical Assistance (TA) No. 7795: Strengthening Public-Private Partnership in the Philippines. However, the TA had already ended on December 31, 2023.

The PDMF status of funds as at December 31, 2023 in US dollar is summarized as follows:

Particulars	Government of the Philippines	ADB	Total
	(in US\$)		
Total PMDF Funds	83,927,751.81	14,837,989.28	98,765,741.09
Committed/Earmarked Funds	(40,792,444.77)	(14,837,989.28)	(55,630,434.05)
Cost Sharing Rate effective October 1, 2018	37.50%	62.50%	100%
<b>Fund Balance, December 31, 2023</b>	<b>43,135,307.04</b>	<b>0.00</b>	<b>43,135,307.04</b>
Reflows			
Actual as of December 31, 2023	33,134,704.04	0.00	33,134,704.04
Committed/Earmarked Funds	(2,195,361.63)	0.00	(2,195,361.63)
<b>Available Funds (PDMF Reflows)</b>	<b>30,939,342.41</b>	<b>0.00</b>	<b>30,939,342.41</b>
<b>Adjusted Fund Balance for CY 2023</b>	<b>74,074,649.45</b>	<b>0.00</b>	<b>74,074,649.45</b>

### C. Scope and Objectives of the Audit

The audit covered the financial accounts and operations of PPPCP for CY 2023. The audit was conducted to: (a) ascertain the level of assurance that may be placed on Management's assertions on the financial statements (FSs); (b) determine the

propriety of transactions, as well as the extent of compliance with applicable laws, rules, and regulations; (c) recommend agency's improvement opportunities; and (d) determine the extent of implementation of prior year's audit recommendations.

#### **D. Audit Methodology**

We adopted a risk-based audit approach in the audit of the FSs of PPPCP and in the review of compliance with laws, rules and regulations. The audit procedures, among others, included: (i) examination of financial and accounting procedures adopted by the PPPCP and other relevant documentation; (ii) assessment of internal controls regulating financial operations and carried out compliance testing for determining the extent of control in operation; (iii) conduct of substantive testing of a representative sample of selected transactions; (iv) carried out review, on test check basis, of a number of contracts and transactions related to movements in balances of assets, liabilities, revenues and expenses; and (v) conduct of interviews and held discussions with the concerned officials and staff of the Agency.

The results of the audit were communicated to the Head of the Agency and the concerned officials thru the issuance of Audit Observation Memoranda.

#### **E. Independent Auditor's Report on the Financial Statements**

The Auditor rendered an unmodified opinion on the fairness of the presentation of PPPCP's FSs as at December 31, 2023.

#### **F. Summary of Significant Audit Observations and Recommendations**

The significant audit observations and corresponding recommendations discussed in *Part II* of this report are as follows:

1. Various accounting errors in the keeping of accounts resulted in the misstatement of affected accounts reported in the FSs.

**We recommended and Management agreed to require the Officer-in-Charge-Chief Administrative Officer (OIC-CAO), Finance Division (FD) to effect the necessary adjustments on the affected accounts.**

*Overpayment of Representation Allowance and Transportation Allowance (RATA)*

**We recommended and Management agreed to require: (a) the concerned official to refund the overpayment of RATA for CY 2023 amounting to ₱10,000.00; and (b) the OIC-CAO, FD, moving forward, to conduct a**

**meticulous validation on the payments of RATA and that supporting documents are all original copies and Index of Payment is checked.**

2. The balance of *Due from National Government Agencies* – Procurement Service (PS) amounting to ₱3.732 million was unreliable due to unreconciled balance with PS record of ₱434,411.68 or a difference of ₱3.298 million.

**We recommended and Management agreed to direct the OIC-CAO, FD and Supply Officer to: (a) analyze the unreconciled balances in prior and current years and effect the necessary adjustments; and (b) henceforth, regularly coordinate with the Comptroller Division, PS.**

The aforementioned observations and recommendations were discussed with the Management during the exit conference on March 21, 2024. Management's views and comments were incorporated in the report, where appropriate.

#### **G. Status of Suspensions, Disallowances and Charges**

For the year, there was no issuance of Notice of Suspension/Disallowance/Charge. As of December 31, 2023, the PPPCP has an outstanding disallowance of ₱6.829 million, net of settlement for the year of ₱172,653.00. The details are shown in *Part II* of this report.

#### **H. Status of Implementation of Prior Year's Audit Recommendations**

All of the 10 prior year's audit recommendations were implemented during the year. The details are discussed in *Part III* of this report.

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**PART I**

**AUDITED FINANCIAL STATEMENTS**





REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City

## INDEPENDENT AUDITOR'S REPORT

### **The Executive Director**

Public-Private Partnership Center of the Philippines  
8<sup>th</sup> Floor, One Cyberpod Centris, EDSA cor. Quezon Avenue  
Barangay Pinyahan, Quezon City

### *Report on the Audit of Financial Statements*

#### **Opinion**

We have audited the financial statements of **Public-Private Partnership Center of the Philippines (PPPCCP)**, which comprise the statement of financial position as at December 31, 2023, and the statement of financial performance, statement of changes in net assets/equity, statement of cash flows, statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **PPPCCP** as at December 31, 2023, and its financial performance, changes in net assets/equity, cash flows, comparison of budget and actual amounts for the year then ended, and notes to the financial statements, in accordance with International Public Sector Accounting Standards (IPSASs).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the agency in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with IPSASs, and for such internal control as Management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit observations, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**COMMISSION ON AUDIT**

By:

  
**ELENITA T. MANAOIS**  
State Auditor IV  
Officer-in-Charge-Supervising Auditor

March 21, 2024



REPUBLIC OF THE PHILIPPINES  
**PUBLIC-PRIVATE PARTNERSHIP  
CENTER**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR  
FINANCIAL STATEMENTS**

The management of the **PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2023 and the related Statements of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the International Public Sector Accounting Standards (IPSAS) and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

  
**CATALINA R. CARAAN**  
Director IV, Administrative Service

  
**ELEAZAR E. RICOTE**  
Deputy Executive Director

February 14, 2024  
Date Signed

February 14, 2024  
Date Signed

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF FINANCIAL POSITION**  
**ALL FUNDS**  
**AS AT DECEMBER 31, 2023**  
**(In Philippine Peso)**

	<u>Note</u>	<u>2023</u>	<u>2022</u> (As Restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	1,593,487,225.94	1,507,958,106.83
Receivables	6	872,036,809.47	972,964,525.37
Inventories	7	732,444.18	948,589.28
Other Current Assets	8	11,439,010.40	10,660,419.00
<b>Total Current Assets</b>		<u>2,477,695,489.99</u>	<u>2,492,531,640.48</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	26,961,302.69	26,090,723.51
Intangible Assets	10	9,672,227.43	9,831,143.79
<b>Total Non-Current Assets</b>		<u>36,633,530.12</u>	<u>35,921,867.30</u>
<b>Total Assets</b>		<u>2,514,329,020.11</u>	<u>2,528,453,507.78</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	11	6,672,377.08	3,065,825.91
Inter-Agency Payables	12	17,220,547.62	4,783,869.53
Trust Liabilities	13	28,786,758.40	34,117,367.69
Deferred Credits	14	0.00	62,745.94
Other Payables	15	383,695.75	33,695.75
<b>Total Current Liabilities</b>		<u>53,063,378.85</u>	<u>42,063,504.82</u>
<b>Total Liabilities</b>		<u>53,063,378.85</u>	<u>42,063,504.82</u>
<b>Total Assets Less Total Liabilities</b>		<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>
<b>NET ASSETS/EQUITY</b>			
Accumulated Surplus/(Deficit)	25	<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>
<b>Total Net Assets/Equity</b>		<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>

*This statement should be read in conjunction with the accompanying notes.*

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Philippine Peso)**

	<u>Note</u>	<u>2023</u>	<u>2022</u> (As Restated)
<b>Revenue</b>			
Service and Business Income	17	21,815,399.02	60,419,579.93
Non-Operating Income	18	117,527.44	30,000.00
<b>Total Revenue</b>		<u>21,932,926.46</u>	<u>60,449,579.93</u>
<b>Less: Current Operating Expenses</b>			
Personnel Services	19	136,965,343.63	132,646,211.38
Maintenance and Other Operating Expenses	20	167,623,402.09	158,102,963.11
Non-Cash Expenses	21	9,109,385.39	9,965,067.76
<b>Total Current Operating Expenses</b>		<u>313,698,131.11</u>	<u>300,714,242.25</u>
<b>Surplus/(Deficit) from Current Operations</b>		<u>(291,765,204.65)</u>	<u>(240,264,662.32)</u>
Net Assistance/Subsidy	22	231,435,979.73	207,962,788.21
Gains	23	39,629,854.08	6,942,083.96
Losses	23	(6,889,468.45)	(7,986,465.96)
<b>Surplus/(Deficit) for the period</b>		<u>(27,588,839.29)</u>	<u>(33,346,256.11)</u>

*This statement should be read in conjunction with the accompanying notes.*

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Philippine Peso)**

	Accumulated Surplus/(Deficit)	
	<u>2023</u>	<u>2022</u> (As Restated)
<b>Balance at January 1</b>	2,486,390,002.96	2,537,604,479.07
<b>Add/(Deduct):</b>		
Changes in accounting policy	0.00	0.00
Prior Period Adjustments / Unrecorded Income and Expenses	0.00	0.00
Other Adjustments	0.00	0.00
<b>Restated balance</b>	<u>2,486,390,002.96</u>	<u>2,537,604,479.07</u>
<b>Add/(Deduct):</b>		
<b>Changes in Net Assets/Equity for the Calendar Year</b>		
Surplus (Deficit) for the period	(27,588,839.29)	(33,346,256.11)
Adjustment of net revenue recognized directly in Net Assets/Equity	(1,253,096.12)	(1,534,119.36)
Others	3,717,573.71	(16,334,100.64)
<b>Balance at December 31</b>	<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF CASH FLOWS**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Philippine Peso)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
<b>Cash Inflows</b>		
Receipt of Notice of Cash Allocation (NCA)	231,438,256.41	227,888,332.77
Collection of Income/Revenues	776,827.91	509,258.34
Collection of Receivables	157,324,626.85	389,327,250.04
Receipt of Intra-Agency Fund Transfers	0.00	2,419,241.41
Other Receipts (Refund of Excess Cash Advance)	224,317.85	140,466.04
Adjustments	0.00	0.00
<b>Total Cash Inflows</b>	<b>389,764,029.02</b>	<b>620,284,548.60</b>
<b>Cash Outflows</b>		
Remittance to National Treasury	1,264,282.06	512,602.82
Payment of Expenses	228,695,517.73	215,395,950.34
Purchase of Inventories	1,458,040.44	1,035,244.04
Grant of Cash Advances	1,101,673.14	1,562,001.34
Prepayments	7,731,401.15	2,970,984.31
Payment of Accounts Payable	3,401,060.82	8,733,600.75
Remittance of Personnel Benefits Contributions and Mandatory Deductions	47,958,346.84	58,083,237.33
Release of Inter-Agency Fund Transfers	4,364,645.75	3,223,320.41
Other Disbursements	91,294.75	25,300.00
Reversal of Unutilized NCA	2,276.68	19,925,544.56
Adjustments	136,922.20	7,917,431.35
<b>Total Cash Outflows</b>	<b>296,205,461.56</b>	<b>319,385,217.25</b>
<b>Net cash Provided by (Used in) Operating Activities</b>	<b>93,558,567.46</b>	<b>300,899,331.35</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	5,159,822.06	1,594,698.55
Purchase of Intangible Assets	2,869,626.29	0.00
<b>Total Cash Outflows</b>	<b>8,029,448.35</b>	<b>1,594,698.55</b>
<b>Net cash Provided by (Used in) Investing Activities</b>	<b>(8,029,448.35)</b>	<b>(1,594,698.55)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>85,529,119.11</b>	<b>299,304,632.80</b>
<b>Cash and Cash Equivalents, January 1</b>	<b>1,507,958,106.83</b>	<b>1,208,653,474.03</b>
<b>Cash and Cash Equivalents, December 31</b>	<b>1,593,487,225.94</b>	<b>1,507,958,106.83</b>



**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Philippine Peso)**

Particulars	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual Amount
		Original	Final		
<b>RECEIPTS</b>					
Services and Business Income		218,769,000.00	218,769,000.00	158,017,499.56	60,751,500.44
Others		0.00	0.00	290,180.44	(290,180.44)
<b>Total Receipts</b>		<b>218,769,000.00</b>	<b>218,769,000.00</b>	<b>158,307,680.00</b>	<b>60,461,320.00</b>
<b>PAYMENTS</b>					
Personnel Services	24	131,333,000.00	143,755,888.00	135,495,976.19	8,259,911.81
Maintenance and Other Operating Expenses		248,370,838.17	259,986,348.70	166,920,693.84	93,065,654.86
Capital Outlay		5,446,600.00	5,321,274.50	3,078,400.10	2,242,874.40
<b>Total Payments</b>		<b>385,150,438.17</b>	<b>409,063,511.20</b>	<b>305,495,070.13</b>	<b>103,568,441.07</b>
<b>NET RECEIPTS/PAYMENTS</b>		<b>(166,381,438.17)</b>	<b>(190,294,511.20)</b>	<b>(147,187,390.13)</b>	<b>(43,107,121.07)</b>

*This statement should be read in conjunction with the accompanying notes.*

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2023**

**1. General Information/Agency Profile**

The financial statements of the Public-Private Partnership Center of the Philippines (PPPCP) were authorized for issue on February 14, 2024, as shown in the Statement of Management's Responsibility for Financial Statements signed by its Deputy Executive Director, Eleazar E. Ricote and Director IV, Administrative Service, Catalina R. Caraan.

The PPPCP, formerly Build-Operate and Transfer (BOT) Center, was reorganized and renamed as such by virtue of Executive Order (EO) No. 8, series of 2010. On May 28, 2013, EO No. 8 was amended by EO No. 136 clarifying certain provisions for a more efficient implementation of Public-Private Partnership (PPP) programs and projects. Its attachment from the Department of Trade and Industry was transferred to the National Economic and Development Authority (NEDA) for budgetary purposes and administrative supervision. The PPPCP reports directly and acts as Secretariat to the PPP Governing Board which was created as the overall policy-making body for all PPP-related matters, including the Project Development and Monitoring Facility (PDMF). Since PPP is one of the key strategies in economic development, the PPPCP is included as a member of the NEDA Infrastructure Committee – Technical Board and the NEDA Investment Coordination Committee – Technical Board.

The PPPCP is the main driver of the PPP Program and serves as the government's facilitator and catalyst in pursuing and delivering PPP projects. Under EO No. 8, the PPPCP shall cover all the PPP programs and projects including all the variants or arrangements under Republic Act (RA) No. 7718, otherwise known as the BOT Law. The PPPCP exercises the following powers and functions:

- a. Conduct project facilitation and assistance to the National Government Agencies (NGAs), Government-Owned and/or Controlled Corporations (GOCCs), and Local Government Units (LGUs) in addressing impediments or bottlenecks in the implementation of PPP programs and projects;
- b. Provide advisory services, technical assistance, training, and capacity development to agencies/LGUs in PPP project preparation and development;
- c. Recommend plans, policies, and implementation guidelines related to PPP in consultation with appropriate oversight committees, implementing agencies, LGUs, and the private sectors;

- d. Manage and administer a revolving fund to be known as the PDMF for the preparation of business cases, pre-feasibility and feasibility studies, and tender documents of PPP programs and projects;
- e. Monitor and facilitate the implementation of the priority PPP programs and projects of the agencies/LGUs which shall be formulated by respective agencies/LGUs in coordination with the NEDA Secretariat;
- f. Establish and manage a central database system of PPP programs and projects;
- g. Recommend improvements to timelines in processing PPP programs and project proposals, and monitor compliance of all agencies/LGUs;
- h. Prepare reports on the implementation of the PPP programs and projects of the government for submission to the President at the end of each year; and,
- i. Perform such other functions which may be critical in expediting and effectively implementing the government's PPP programs and projects.

The Agency's registered office is on the 8th Floor, One Cyberpod Centris, EDSA corner Quezon Avenue, Brgy. Pinyahan, Quezon City.

## **2. Statement of Compliance and Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with the Government Accounting Manual for NGAs and the Revised Chart of Accounts per Commission on Audit (COA) Circular No. 2020-001 dated January 8, 2020 and complies with the Philippine Public Sector Accounting Standards (PPSASs) under COA Resolution No. 2014-003 dated January 24, 2014, renamed as International Public Sector Accounting Standards (IPSASs) under COA Resolution No. 2020-001 dated January 9, 2020 which was implemented through COA Circular No. 2021-004 dated July 21, 2021.

The financial statements have been prepared based on historical costs. The Statement of Cash Flows is prepared using the direct method.

## **3. Summary of Significant Accounting Policies**

### **3.1 Basis of Accounting**

The financial statements are prepared on an accrual basis in accordance with the IPSASs.

### **3.2 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash-in-bank, deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. For the consolidated statement of cash flows, cash and cash equivalents, consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

### **3.3 Inventories**

The PPPCP measures inventory at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions, the cost of the inventory is its fair value at the date of acquisition.

The cost of inventories comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Inventories are recognized as an expense when deployed for utilization or consumption or the related service is rendered in the ordinary course of operations of the PPPCP.

Inventories are recognized in compliance with COA Circular No. 2022-004 dated May 31, 2023, which provides that tangible items below the capitalization threshold of ₱15,000.00 increased to ₱50,000.00 shall be accounted as semi-expendable property.

### **3.4 Property, Plant, and Equipment**

At recognition, the PPPCP measures Property, Plant, and Equipment (PPE) at its cost. An item of PPE is recognized as an asset when it is tangible; held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and is expected to be used during more than one reporting period.

COA Circular No. 2022-004 on higher capitalization threshold of ₱50,000.00 accounted for as tangible item which meets the criteria of PPE are classified as PPE. Tangible item which meets the definition and recognition criteria of PPE but the cost is below ₱50,000.00 shall be accounted in the books of accounts of the agencies as semi-expendable property.

A PPE acquired through a non-exchange transaction is measured at its fair value as at the date of acquisition.

After recognition, all PPE is stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the PPPCP recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as an expense in surplus or deficit as incurred.

The PPPCP begins to depreciate its asset when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by Management. The agency adopts the straight-line method of depreciation using the Schedule on the Estimated Useful Life of PPE by classification prepared by the COA and a residual value of five percent of the cost.

The PPPCP derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

### **3.5 Intangible Assets**

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable, that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

The PPPCP recognizes intangible assets at cost and begins to amortize when the items are already available for use. The straight-line method is adopted in the amortization based on the useful life or over the period of expected future benefit of the assets.

### **3.6 Contingent Liabilities**

The PPPCP does not recognize contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

### **3.7 Changes in Accounting Policies and Estimates**

The PPPCP recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy were applied prospectively if retrospective application is impractical.

The PPPCP recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

The PPPCP corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities, and net assets/equity for the earliest prior period presented.

### **3.8 Foreign Currency Transaction**

Transactions in foreign currencies were initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction.

At year-end, foreign currency monetary items are translated using the closing rate.

### **3.9 Budget Information**

The annual budget is prepared on a cash basis and is published on the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) was prepared since the budget and the financial statements were not prepared on a comparable basis. The SCBAA was presented showing the original and final budget and the actual amounts on a comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

### **3.10 Employee Benefits**

The employees of the PPPCP are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The PPPCP recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowance, etc., as an expense unless capitalized, and as a liability after deducting the amount paid.

#### 4. Prior Period Adjustments

The PPPCP has determined that adjustments had to be made in various accounts due to errors in recording, failure to recognize expenses for lack of supporting documents, and effects of changes in accounting policies and estimates. As a result, the following accounts had to be restated:

Account	Balances in CY 2022	Adjustment  (in ₱)	Balances in CY 2022 (As Restated)
<b>Assets</b>			
<i>Due from Government-Owned or Controlled Corporations</i>	9,718,061.07	45,152,102.34	54,870,163.41
<i>Information and Communications Technology Equipment</i>	55,536,750.91	(633,883.02)	54,902,867.89
<i>Accumulated Depreciation - Information and Communications Technology Equipment</i>	35,593,137.48	(562,840.20)	35,030,297.28
<i>Accumulated Depreciation-Motor Vehicles</i>	10,266,242.80	385,564.32	10,651,807.12
<i>Accumulated Depreciation- Furniture and Fixtures</i>	2,859,669.92	7,969.32	2,867,639.24
<b>Liabilities</b>			
<i>Accounts Payable</i>	2,178,167.26	3,800.00	2,181,967.26
<i>Due to Officers and Employees</i>	846,589.91	37,268.74	883,858.65
<b>Revenue</b>			
<i>Other Service Income</i>	14,662,956.84	45,152,102.34	59,815,059.18
<b>Expenses</b>			
<i>Representation Allowance (RA)</i>	2,241,125.00	3,750.00	2,244,875.00
<i>Transportation Allowance (TA)</i>	1,910,625.00	3,750.00	1,914,375.00
<i>Performance Based Bonus-Civilian</i>	3,635,099.99	27,329.74	3,662,429.73
<i>Representation Expenses</i>	3,093,379.60	2,439.00	3,095,818.60
<i>Rent/Lease Expenses</i>	36,824,871.82	3,800.00	36,828,671.82
<i>Depreciation - Machinery and Equipment</i>	7,820,222.05	3,882.34	7,824,104.39
<i>Depreciation - Transportation Equipment</i>	223,792.80	385,564.32	609,357.12
<i>Depreciation - Furniture, Fixtures, and Books</i>	2.46	7,969.32	7,971.78
<i>Loss on Sale of Property, Plant and Equipment</i>	0.00	67,160.48	67,160.48
<b>Total</b>	<b>187,410,694.91</b>	<b>90,047,729.04</b>	<b>277,458,423.95</b>

### Assets

The *Due from Government-Owned or Controlled Corporations* was restated to recognize receivable for the reimbursement of share in the cost of PDMF support plus 10 percent cost recovery fee for the Independent Consultant (IC) for Clark International Airport Expansion - Bases Conversion Development Authority and Bislig City Bulk Water Supply and Septage Project – Bislig City Water District.

The affected PPE accounts were restated due to the adjustment of cost of equipment from sale of unserviceable properties per COA recommendation stated in AOM No. 2023- 04(2022) dated March 7, 2023 and prior period depreciation adjustment of motor vehicles.

### Liabilities

The *Accounts Payable* and *Due to Officers and Employees* were restated due to prior year's unpaid Maintenance and Other Operating Expenses (MOOE) and Personnel Services.

### Revenue

The *Other Service Income* was also affected by the recognition of receivable for the reimbursement of share in the cost of PDMF support plus 10 percent cost recovery fee for the IC for Clark International Airport Expansion - Bases Conversion Development Authority and Bislig City Bulk Water Supply and Septage Project – Bislig City Water District as mentioned above.

### Personnel Services

In recognition of the prior year's unpaid salaries and allowances and personnel benefits, the following accounts were restated:

The adjustment in *RATA* was made due to unpaid prior year's *RATA* of Maria Beatriz N. Quintos.

Adjustment in the *Performance Based Bonus (PBB)* was also made due to the prior years' unpaid *PBB* of Kevin Ray T. Salvatierra.

### Maintenance and Other Operating Expenses

The PPPCP recognized the prior year's unpaid meal expenses during the Opening meeting of Corporate Planning and Development Division (CPDD) Internal Audit dated August 25, 2022 reimbursed by Ms. Vilma P. Del Rosario. *Rent/Lease Expenses* was also restated due to the prior year's unpaid rental of photocopying machines for the period December 2022 payable to Otus Copy Systems Inc.



### Non-Cash Expenses

*Depreciation Expenses* was also restated due to the prior year's over and under recognition of depreciation.

### Losses

The PPPCP recognized the prior year's loss on sale of PPE incurred on the sale of unserviceable information and communications technology equipment as recommended in AOM No. 2023- 04(2022).

## 5. Cash and Cash Equivalents

The account consists of the following:

Account	2023			2022
	General Fund	PDMF Fund	Total	
	(in ₱)			
<i>Petty Cash</i>	58,705.25	0.00	58,705.25	24,700.00
<i>Cash in Bank - Local</i>				
<i>Currency, Current Account</i>	2,265,903.41	1,563,852,639.99	1,566,118,543.40	1,480,314,814.65
<i>Cash in Bank - Foreign</i>				
<i>Currency, Savings Account</i>	0.00	27,309,977.29	27,309,977.29	27,618,592.18
<b>Total</b>	<b>2,324,608.66</b>	<b>1,591,162,617.28</b>	<b>1,593,487,225.94</b>	<b>1,507,958,106.83</b>

5.1. The details of the *Cash in Bank - Local Currency, Current Account* is as follows:

#### General Fund (GF)

Entity	Amount (in ₱)	Purpose
LBP – EDSA NIA Road	503,600.00	Trusts – Proceeds from the sale of bid and eligibility documents
LBP – EDSA NIA Road	1,762,303.41	ATM Payroll System for PPPCP employees
<b>Total</b>	<b>2,265,903.41</b>	

#### PDMF Fund

Entity	Amount (in ₱)	Purpose
LBP – EDSA NIA Road	1,563,852,639.99	Account for Notice of Cash Allocations received by Government of the Philippines as counterpart to the PDMF Revolving Fund and reimbursement of the amount advanced as payment of transaction advisory fees for the preparation of pre-feasibility and/or feasibility studies and tender documents of PPP projects.

- 5.2 The balance of the ATM Payroll System account includes the amount withheld from former employees corresponding to the refund of the Cost Economy Measure Award (CEMA) incentives disallowed in the audit in CY 2011, the salaries and other personnel benefits of resigned employees that were put on hold pending clearance from the property and financial accountabilities.
- 5.3 The details of *Cash in Bank - Foreign Currency, Savings Account* is as follows:

Bank	Amount		Purpose
	(in \$)	(in ₱)	
LBP – EDSA NIA Road	492,249.05	27,309,977.29	Counterpart contributions of Concessionaires for fees and expenses of the PPPCP PDMF – Independent Consultant.

The peso value as at December 31, 2023 was revalued using the Philippine Dealing System Closing Rate of \$1 to ₱55.480 published in Bangko Sentral ng Pilipinas (BSP) Reference Exchange Rate Bulletin on January 2, 2024.

## 6. Receivables

Account	2023			2022 (As Restated)
	GF	PDMF Fund	Total	
(in ₱)				
<b>Inter-Agency Receivables</b>				
<i>Due from National Government Agencies</i>	3,732,058.65	632,665,017.70	636,397,076.35	759,234,799.82
<i>Due from Government-Owned or Controlled Corporations</i>	0.00	57,375,660.87	57,375,660.87	54,870,163.41
<i>Due from Local Government Units</i>	0.00	19,472,593.03	19,472,593.03	0.00
<b>Other Receivables</b>				
<i>Receivables - Disallowances/ Charges</i>	3,525,120.24	0.00	3,525,120.24	3,525,120.24
<i>Due from Officers and Employees</i>	0.00	0.00	0.00	62,745.94
<i>Other Receivables</i>	0.00	155,266,358.98	155,266,358.98	155,271,695.96
<b>Total</b>	<b>7,257,178.89</b>	<b>864,779,630.58</b>	<b>872,036,809.47</b>	<b>972,964,525.37</b>

- 6.1. *Due from National Government Agencies* amounting to ₱3,732,058.65 under GF represents the fund transferred to the Procurement Service (PS) for the common-use supplies and equipment and airfare ticket for official travel under the Government Fares Agreement. For PDMF, the amount of ₱632,665,017.70 represents the receivables from NGAs who availed the PDMF funds for the conduct of feasibility studies on their projects but were terminated or not pursued.

- 6.2. *Due from Government-Owned or Controlled Corporations* amounting to ₱57,375,660.87 represents the receivables from GOCCs that availed of the PDMF Funds but were terminated or not pursued.
- 6.3. The *Due from Local Government Units* amounting to ₱19,472,593.03 represents the receivables from LGUs for reimbursement of their share of the PDMF support plus 10 percent recovery fee for payment of terminated or discontinued consultancy contracts.
- 6.4. A request letter dated February 21, 2024 to COA-Government Accountancy Sector (GAS) was made to reopen the books of accounts for Fund 06207541 in order to record receivables from Implementing Agencies, following the termination or discontinuation of their project consultancy contracts. The request was made through the COA-eNGAS e-ticketing system and was resolved on February 26, 2024.
- 6.5. The details and aging of the *Due from National Government Agencies, Due from Government-Owned or Controlled Corporations and Due from Local Government Units* under the PDMF Fund are as follows:

<b>Implementing Agencies/ Projects</b>	<b>Current (Less than 1 year)</b>	<b>Over 1 Year</b>	<b>Over 2 Years</b>	<b>3 Years and above</b>	<b>Total</b>
<b>(in ₱)</b>					
<b><i>Due from National Government Agencies</i></b>					
<b>Department of Transportation (DOTr)</b>					
1. Automatic Fare Collection System Project	0.00	0.00	0.00	33,152,898.24	33,152,898.24
2. Integrated Transport Systems Project	0.00	0.00	0.00	22,415,161.36	22,415,161.36
3. Laguindingan Airport Development (O&M)	0.00	0.00	0.00	81,192,396.39	81,192,396.39
4. NAIA Development Project	0.00	0.00	983,153.20	119,616,448.70	120,599,601.90
5. New Bohol (Panglao) Airport Development Project	0.00	0.00	0.00	68,101,156.55	68,101,156.55
6. O&M Iloilo, Davao and Bacolod Airports Project	0.00	0.00	0.00	191,151,033.77	191,151,033.77
7. Puerto Princesa Airport Project	0.00	0.00	0.00	21,089,819.50	21,089,819.50
<b>Department of Public Works and Highways (DPWH)</b>					
8. Improvement/ Rehabilitation of Quirino Highway Project	0.00	0.00	0.00	20,412,355.37	20,412,355.37
9. NAIA Expressway- Phase 2 Project	0.00	0.00	0.00	4,045,155.82	4,045,155.82

Implementing Agencies/ Projects	Current (Less than 1 year)	Over 1 Year	Over 2 Years	3 Years and above	Total
(in ₱)					
<b>Department of Justice (DOJ)</b>					
10. Regional Prison Facilities through PPP Project	0.00	0.00	0.00	66,653,238.80	66,653,238.80
<b>Department of Health (DOH)</b>					
11. Vaccine Self-Sufficiency Project	0.00	0.00	0.00	3,852,200.00	3,852,200.00
<b>Sub-total</b>	<b>0.00</b>	<b>0.00</b>	<b>983,153.20</b>	<b>631,681,864.50</b>	<b>632,665,017.70</b>
<b>Due from Government-Owned or Controlled Corporation</b>					
<b>Philippine National Oil Company (PNOC)</b>					
12. Batangas –Manila Natural Gas Pipeline Project	0.00	0.00	0.00	54,024,216.65	54,024,216.65
<b>Bislig City Water District (BCWD)</b>					
13. Bislig City Bulk Water Supply and Septage Project	0.00	3,351,444.22	0.00	0.00	3,351,444.22
<b>Sub-total</b>	<b>0.00</b>	<b>3,351,444.22</b>	<b>0.00</b>	<b>54,024,216.65</b>	<b>57,375,660.87</b>
<b>Due from Local Government Units</b>					
14. Ormoc City Water Supply System Project	19,472,593.03	0.00	0.00	0.00	19,472,593.03
<b>Sub-total</b>	<b>19,472,593.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19,472,593.03</b>
<b>Total</b>	<b>19,472,593.03</b>	<b>3,351,444.22</b>	<b>983,153.20</b>	<b>685,706,081.15</b>	<b>709,513,271.60</b>

6.6 *Receivables-Disallowances/Charges* reported comprises of disallowances that have become final and executory, and accounts forwarded from BOT Center transactions that were not settled in view of the involuntary separation of former BOT Center officials and employees as a result of the reorganization pursuant to EO No. 8. There was no settlement of disallowances recognized in CY 2022.

The reconciliation of the account with the amount per Statement of Audit Suspensions, Disallowance and Charges (SASDC) follows:

Particulars	Amount (in ₱)
Amount per Books	3,525,120.24
Unrecognized NDs pending issuance of Notice of Finality of Decision and COA Order of Execution	3,476,702.34
Amount per SASDC, Beginning Balance	7,001,822.58
Settlement of Disallowances for CY 2023:	
NSSDC No. 2023-01	82,153.00
NSSDC No. 2023-02	70,000.00
NSSDC No. 2023-03	20,500.00
<b>Amount per SASDC, Ending Balance</b>	<b>6,829,169.58</b>

6.7 *Other Receivables* under the PDMF, the amount of ₱155,266,358.98 refers to the payment for consultancy services of Transaction Advisors/Consultants that

will be reimbursed by either the winning bidder or the implementing agency depending on the outcome of the project.

Project	Amount (in ₱)
Road Transport Information Technology Infrastructure Project	93,623,297.57
San Ramon Newport Project	57,340,631.03
Metropolitan Waterworks & Sewerage System (MWSS)	4,302,430.38
<b>Total</b>	<b>155,266,358.98</b>

## 7. Inventories

Account	2023	2022
	(in ₱)	
<i>Office Supplies Inventory</i>	725,444.18	768,499.82
<i>Semi-Expendable Office Equipment</i>	7,000.00	7,000.00
<i>Semi-Expendable Information and Communications Technology Equipment</i>	0.00	152,609.46
<i>Semi-Expendable Furniture and Fixtures</i>	0.00	20,480.00
<b>Total</b>	<b>732,444.18</b>	<b>948,589.28</b>

In CY 2022, tangible items below the capitalization threshold of ₱50,000.00 were recognized as semi-expendable property. Semi-expendable items remain in inventory until issuance to the end user. This is pursuant to Section 23 of the General Provisions of the General Appropriations Act for Fiscal Year (FY) 2022, RA No. 11639, relative to the increase in the capitalization threshold from ₱15,000.00 to ₱50,000.00 which was retroactively implemented through guidelines set forth in COA Circular No. 2022-004.

Amounts reflected were reconciled in the Report on the Physical Count of Inventories as of December 31, 2023.

## 8. Other Current Assets

8.1 The account consists of the following:

Account	2023	2022 (As Restated)
	(in ₱)	
<b>Advances</b>		
<i>Advances to Special Disbursing Officers</i>	17,995.45	0.00
<i>Advances to Officers and Employees</i>	13,460.00	0.00

Account	2023	2022
	(As Restated)	
	(in ₱)	
<b>Prepayments</b>		
<i>Prepaid Insurance</i>	138,189.12	90,003.83
<i>Prepaid Subscription</i>	4,295,687.85	3,604,456.87
<i>Other Prepayments</i>	105,532.18	97,812.50
<b>Deposits</b>		
<i>Guaranty Deposits</i>	6,868,145.80	6,868,145.80
<b>Total</b>	<b>11,439,010.40</b>	<b>10,660,419.00</b>

- 8.2 *Advances to Special Disbursing Officers* is the unliquidated portion of the cash advance granted to Atty. Lester Añonuevo for the conduct of the 26<sup>th</sup> PPP Governing Board Meeting held on December 21, 2023.
- 8.3 The balance of *Advances to Officers and Employees* pertains to the cash advance for travel expenses of Aurora Batoctoy to attend and participate in the 3rd National Summit on Government Procurement per Special Order No. 203, s. 2023 and Local Travel Order No. 257 s. 2023 held on December 13-15, 2023 in Baguio City.
- 8.4 *Prepaid Insurance* represents the payment to the GSIS for the insurance coverage of PPPCP office equipment, and furniture and fixtures for CY 2023.
- 8.5 *Prepaid Subscription* refers to the subscription of various Cloud Computing Service and the online Library and Other Reading Materials Subscription.
- 8.6 *Other Prepayments* refers to the unexpired portion of the fidelity bond premium paid to the Bureau of the Treasury.

Accountable Officers	Balance as at
	December 31, 2023
	(in ₱)
Joanne B. Babon	5,625.00
Reno Joseph N. Cantre	3,750.00
Reonel M. Ulep	1,000.00
Imelda P. Higanto	1,313.43
Jeffrey I. Manalo	5,625.00
Catalina R. Caraan	9,375.00
Eleazar E. Ricote	11,250.00
Mildred A. Castillo	6,562.50
Ma. Cynthia C. Hernandez	18,750.00
Lester A. Añonuevo	1,031.25
Romylyn B. Abas	20,625.00
Feroisa Francisca T. Concordia	20,625.00
<b>Total</b>	<b>105,532.18</b>

8.7 *Guaranty Deposits* amounting to ₱6,868,145.80 represents deposits made to ETON Properties for the rental of office space.

## 9. Property, Plant and Equipment

2023					
Particulars	<i>Machinery and Equipment</i>	<i>Transportation Equipment</i>	<i>Furniture, Fixtures and Books</i>	<i>Leased Assets Improvements</i>	Total
(in ₱)					
Carrying Amount, January 1	22,266,310.78	1,217,192.88	1,555,175.80	1,052,044.05	26,090,723.51
Additions/Acquisitions	5,038,004.48	4,203,600.00	0.00	1,536,132.75	10,777,737.23
Derecognition	0.00	0.00	0.00	0.00	0.00
Reclassification	(204,200.64)	0.00	(1,533,714.14)	0.00	(1,737,914.78)
<b>Total</b>	<b>27,100,114.62</b>	<b>5,420,792.88</b>	<b>21,461.66</b>	<b>2,588,176.80</b>	<b>35,130,545.96</b>
Depreciation	(7,218,532.26)	(811,001.26)	(7,969.32)	(131,740.43)	(8,169,243.27)
<b>Carrying Amount, December 31</b>	<b>19,881,582.36</b>	<b>4,609,791.62</b>	<b>13,492.34</b>	<b>2,456,436.37</b>	<b>26,961,302.69</b>
Gross Cost	67,760,288.61	16,072,600.00	83,888.00	22,577,013.71	106,493,790.32
Accumulated Depreciation	(47,878,706.25)	(11,462,808.38)	(70,395.66)	(20,120,577.34)	(79,532,487.63)
<b>Carrying Amount, December 31</b>	<b>19,881,582.36</b>	<b>4,609,791.62</b>	<b>13,492.34</b>	<b>2,456,436.37</b>	<b>26,961,302.69</b>
2022 (As Restated)					
Particulars	<i>Machinery and Equipment</i>	<i>Transportation Equipment</i>	<i>Furniture, Fixtures and Books</i>	<i>Leased Assets Improvements</i>	Total
(in ₱)					
Carrying Amount, January 1	29,468,529.17	1,826,550.00	1,772,782.34	1,053,172.65	34,121,034.16
Additions/Acquisitions	3,897,793.68	0.00	0.00	0.00	3,897,793.68
Loss of Assets	(43,203.76)	0.00	0.00	0.00	(43,203.76)
Loss on Sale of PPE	(67,160.48)	0.00	0.00	0.00	(67,160.48)
Impairment Loss	(263,865.14)	0.00	0.00	0.00	(263,865.14)
Reclassification	(2,901,678.30)	0.00	(209,634.76)	(1,128.60)	(3,112,441.66)
<b>Total</b>	<b>30,090,415.17</b>	<b>1,826,550.00</b>	<b>1,563,147.58</b>	<b>1,052,044.05</b>	<b>34,532,156.80</b>
Depreciation	(7,824,104.39)	(609,357.12)	(7,971.78)	0.00	(8,441,433.29)
<b>Carrying Amount, December 31</b>	<b>22,266,310.78</b>	<b>1,217,192.88</b>	<b>1,555,175.80</b>	<b>1,052,044.05</b>	<b>26,090,723.51</b>
Gross Cost	63,136,204.13	11,869,000.00	4,422,815.04	21,040,880.96	100,468,900.13
Accumulated Depreciation	(40,869,893.35)	(10,651,807.12)	(2,867,639.24)	(19,988,836.91)	(74,378,176.62)
<b>Carrying Amount, December 31</b>	<b>22,266,310.78</b>	<b>1,217,192.88</b>	<b>1,555,175.80</b>	<b>1,052,044.05</b>	<b>26,090,723.51</b>

9.1 The details of acquisitions amounting to ₱10,777,737.23 is as follows:

Payee/Donor	Mode of Acquisition	Particulars	Amount (in ₱)
<b>Office Equipment</b>			
Avid Sales Corporation	Purchase	Audio- Visual System at the Board Room	1,979,165.00
<b>Information and Communications Technology Equipment</b>			
Microgenesis Business Systems	Purchase	HP Scanjet Document scanner	220,000.00
Pronet Systems Integrated Network Solution, Inc.	Purchase	Network Core Switch and Wi-Fi Devices	2,838,839.48
<b>Motor Vehicles</b>			
Toyota Quezon Avenue, Inc.	Purchase	3 units of Toyota Innova 2.8 Diesel, A/T	4,203,600.00
<b>Leased Assets Improvements</b>			
Vistaaire Builders and Airconditioning Sales and Services Inc.	Purchase	Installation of Partition for the Administrative Service Director's Office at 10th Floor	229,000.00
CLC Marketing Ventures Corp.	Purchase	Installation of workstations at 8th Floor for CBKMS-MISD	476,417.50
Roseco Marketing	Purchase	Installation of Partition Panels in Offices of Chief - PFPEMS, Executive Director located at 8th Floor	649,819.00
Milouch Enterprises	Purchase	Installation of Partition for the new Deputy Executive Director- 2 (DED2) Office located at 8th Floor	180,896.25
<b>Total</b>			<b>10,777,737.23</b>

## 10. Intangible Assets

### 10.1 Computer Software

Computer Software	2023	2022
	(in ₱)	
Carrying Amount, January 1	8,443,995.47	2,505,201.24
Additions – Purchased/acquired thru exchange or non-exchange transaction	226,467.36	7,198,563.56
<b>Total</b>	<b>8,670,462.83</b>	<b>9,703,764.80</b>
Amortization recognized	(940,142.12)	(1,259,769.33)
<b>Carrying Amount, December 31</b>	<b>7,730,320.71</b>	<b>8,443,995.47</b>
Gross Cost	28,958,268.59	28,731,801.23
Less: Accumulated Amortization	(21,227,947.88)	(20,287,805.76)
<b>Carrying Amount, December 31</b>	<b>7,730,320.71</b>	<b>8,443,995.47</b>



The details of the additions amounting to ₱226,467.36 is as follows:

Payee	Mode of Acquisition	Particulars	Amount (in ₱)
PS	Purchase	12 licenses of Office Std Dev SL	226,467.36

10.2 The *Development in Progress-Computer Software* amounting to ₱1,941,906.72 refers to the on-going enhancement and customization of the HRIS.

## 11. Financial Liabilities

*Financial Liabilities* consists of payables broken down as follows:

Account	2023	2022 (As Restated)
	(in ₱)	
<i>Accounts Payable</i>	5,627,872.15	2,181,967.26
<i>Due to Officers and Employees</i>	1,044,504.93	883,858.65
<b>Total</b>	<b>6,672,377.08</b>	<b>3,065,825.91</b>

The *Accounts Payable* and *Due to Officers and Employees* represent the due and demandable unpaid obligations for CY 2023.

## 12. Inter-Agency Payables

Account	2023			2022
	GF	PDMF Fund	Total	
(in ₱)				
<i>Due to BIR</i>	1,976,566.14	13,197,647.94	15,174,214.08	4,095,910.67
<i>Due to GSIS</i>	1,775,876.36	0.00	1,775,876.36	639,779.97
<i>Due to Pag-IBIG</i>	140,115.17	0.00	140,115.17	44,422.62
<i>Due to PhilHealth</i>	130,342.01	0.00	130,342.01	3,756.27
<b>Total</b>	<b>4,022,899.68</b>	<b>13,197,647.94</b>	<b>17,220,547.62</b>	<b>4,783,869.53</b>

12.1 *Due to BIR* is the taxes withheld from employees, suppliers and service providers.

12.2 *Due to GSIS*, *Due to Pag-IBIG* and *Due to PhilHealth* represent the amount deducted from the salaries of PPPCP employees that are due for remittance in January 2024.

### 13. Trust Liabilities

Account	2023			2022
	GF	PDMF Fund	Total	
	(in ₱)			
<i>Trust Liabilities</i>	0.00	27,309,977.29	27,309,977.29	32,911,389.69
<i>Trust Liabilities - Disallowances/ Charges</i>	1,476,781.11	0.00	1,476,781.11	1,205,978.00
<b>Total</b>	<b>1,476,781.11</b>	<b>27,309,977.29</b>	<b>28,786,758.40</b>	<b>34,117,367.69</b>

The *Trust Liabilities* refers to the counterpart contributions of the concessionaire for the independent consultants contracted to monitor the implementation of awarded projects. The amount of ₱1,476,781.11 refers to the settlement of former PPPCP employees corresponding to the refund of the CEMA incentives disallowed in audit in CY 2011 that is still pending for finality of decision.

### 14. Deferred Credits

The *Other Deferred Credits* amounting to ₱62,745.94 in CY 2022 which refers to the recognized accountability of the PPPCP employees for the stolen/lost laptops in CYs 2018 and 2022 were already settled, thus, the amount is no longer included in the CY 2023 report.

### 15. Other Payables

Account	2023			2022
	GF	PDMF Fund	Total	
	(in ₱)			
<i>Other Payables</i>	<b>383,695.75</b>	<b>0.00</b>	<b>383,695.75</b>	<b>33,695.75</b>

The *Other Payables* represents the unpaid personnel benefits of former PPPCP employees as follows:

Payee	Particulars	Amount (in ₱)
Hannah Sheila P. Cervantes	Salaries and allowances	26,817.63
Harvey A. Juico	Salaries and allowances	6,878.12
Lorraine Kamylye T. Casibang	Terminal Leave Benefit	140,000.00
Marikris Florenz G. Sevilla	Terminal Leave Benefit	210,000.00
<b>Total</b>		<b>383,695.75</b>

## 16. Contingent Liabilities

The PPPCP has contingent liabilities amounting to ₱445,577,246.94 representing the balance of contracted amount for consultancy services not yet rendered/delivered for the PDMF-funded feasibility studies (FSs) being conducted by the transaction advisors/consultants.

Projects	Implementing Agency	Amount (in ₱)
IC-Civil Registry System Information Technology Project - Phase II	PSA	33,132.29
IC-Clark International Airport Expansion Project	BCDA	49,983,841.80
Mariveles Wellness Center Project	DOH	12,697,448.40
NCR EDSA Busway Project	DOTr	10,037,030.64
O&M of Cebu Bus Rapid Transit Project	DOTr	7,980,064.48
Mindanao Railway Project, Phase III (Northern Mindanao) - Pre-FS	DOTr	4,314,490.20
San Mateo Railway Project - Pre-FS	DOTr	3,383,505.66
North ITS Project - Pre-FS	DOTr	2,779,733.47
Unsolicited Proposals for Regional Airport Projects	DOTr	224,248,500.00
Rehabilitation, Expansion, Operations and Maintenance of the LRT Line 2 Project	DOTr	110,740,000.00
Air Traffic Services - Air Navigation Services	DOTr	19,379,500.00
<b>Total</b>		<b>445,577,246.94</b>

## 17. Service and Business Income

Account	2023			2022 (As Restated)
	GF	PDMF Fund	Total	
<b>Service Income</b>				
<i>Other Service Income</i>	0.00	20,670,625.20	20,670,625.20	59,815,059.18
<b>Business Income</b>				
<i>Interest Income</i>	0.00	1,009,773.82	1,009,773.82	504,520.75
<i>Other Business Income</i>	135,000.00	0.00	135,000.00	100,000.00
<b>Total</b>	<b>135,000.00</b>	<b>21,680,399.02</b>	<b>21,815,399.02</b>	<b>60,419,579.93</b>

17.1 *Other Service Income* under the PDMF represents the amount of reimbursement by share in the cost of PDMF support plus 10 percent cost recovery fee for the payment to the Independent Consultant for Clark International Airport Expansion Project-BCDA and and Bislig City Bulk Water Supply and Septage Project – Bislig City Water District.

17.2 *Interest Income* represents the interest earned on the fund deposited at LBP local and foreign currency accounts.

17.3 *Other Business Income* amounting to ₱135,000.00 represents income earned from sale of bid documents that is deposited at PPPCP trust account at LBP.

## 18. Non-Operating Income

Account	2023			2022
	GF	PDMF Fund	Total	
	(in ₱)			
<i>Proceeds from Insurance/Indemnities</i>	4,847.99	0.00	4,847.99	0.00
<i>Miscellaneous Income</i>	112,679.45	0.00	112,679.45	30,000.00
	<b>117,527.44</b>	<b>0.00</b>	<b>117,527.44</b>	<b>30,000.00</b>

18.1 The *Proceeds from Insurance/Indemnities* pertains to the amount collected from the GSIS for the repair of insured vehicle.

18.2 The *Miscellaneous Income* in the amount of ₱69,012.18 refers to the income realized due to the collection of receivables from Mr. Nathaniel C. Cachero and Mr. Jhoel G. Jorda for the lost laptops while the ₱6,048.18 proceeds from the sale of waste/scrap materials and valueless records. The remaining ₱37,619.09 pertains to the miscellaneous income earned for the service obligation for the Scholarship attended by Ms. Dionne Marga M. Larin.

## 19. Personnel Services

This consists of the following:

Account	2023	2022
	(As Restated)	
	(in ₱)	
<i>Salaries and Wages – Regular</i>	86,988,125.48	82,533,777.87
<i>Other Compensation</i>	31,120,624.42	28,917,293.62
<i>Personnel Benefit Contributions</i>	12,222,049.59	11,573,296.03
<i>Other Personnel Benefits</i>	6,634,544.14	9,621,843.86
<b>Total</b>	<b>136,965,343.63</b>	<b>132,646,211.38</b>

The increases in *Salaries and Wages-Regular*, *Other Compensation*, and *Personnel Benefit Contributions* are primarily attributable to the implementation of the Salary Standardization Law V 4<sup>th</sup> tranche which took effect on January 1, 2023. *Other Compensation* includes the Year End Bonus and Mid-Year Bonus which are based on the latest salary rates which increased in CY 2023. *Personnel Benefits Contributions* also increased since GSIS and PhilHealth contributions are calculated as a percentage of the salary rates.

Collective Negotiation Agreement (CNA) Incentive under *Other Compensation* increased significantly due to the rise of CNA Incentive rate from ₱25,000.00 in CY

2022 to ₱30,000.00 in CY 2023. There was also an increased in the number of employees who were qualified to receive full and prorated CNA Incentive in CY 2023, from 105 employees in 2022 to 126 in 2023.

*Other Personnel Benefits* decreased due to the fewer claims for Terminal Leave Benefits (TLB) and monetization of leave benefits in CY 2023. The number of separated employees who claimed TLB dropped from twenty-three (23) to nine (9). Additionally, we limited the acceptance of requests for leave credit monetization to cases of extraordinary circumstances only, pursuant to DBM Circular Letter No. 2022-4 dated February 15, 2022.

### 19.1. Other Compensation

Account	2023	2022
	(in ₱)	
<i>Personnel Economic Relief Allowance (PERA)</i>	2,844,818.19	2,747,271.89
<i>Representation Allowance (RA)</i>	2,249,125.00	2,244,875.00
<i>Transportation Allowance (TA)</i>	1,792,875.00	1,914,375.00
<i>Clothing/Uniform Allowance</i>	666,000.00	630,000.00
<i>Honoraria</i>	263,000.00	271,326.34
<i>Hazard Pay</i>	5,738.06	0.00
<i>Overtime and Night Pay</i>	0.00	71,638.76
<i>Year-End Bonus</i>	7,174,622.50	6,970,716.90
<i>Cash Gift</i>	593,500.00	586,500.00
<i>Mid-Year Bonus</i>	6,766,628.00	6,710,160.00
<i>Collective Negotiation Agreement Incentive-Civilian</i>	3,366,000.00	2,550,000.00
<i>Productivity Enhancement Incentive-Civilian</i>	602,500.00	558,000.00
<i>Performance Based Bonus-Civilian</i>	4,795,817.67	3,662,429.73
<b>Total</b>	<b>31,120,624.42</b>	<b>28,917,293.62</b>

### 19.2. Personnel Benefit Contributions

Account	2023	2022
	(in ₱)	
<i>Retirement and Life Insurance Premiums</i>	10,406,142.52	9,867,403.23
<i>Pag-IBIG Contributions</i>	143,600.00	138,800.00
<i>PhilHealth Contributions</i>	1,528,807.07	1,429,292.80
<i>Employees Compensation Insurance Premiums</i>	143,500.00	137,800.00
<b>Total</b>	<b>12,222,049.59</b>	<b>11,573,296.03</b>

### 19.3. Other Personnel Benefits

Account	2023	2022
	(in ₱)	
<i>Terminal Leave Benefits</i>	3,540,165.62	5,944,216.54
<i>Other Personnel Benefits</i>	3,094,378.52	3,677,627.32
<b>Total</b>	<b>6,634,544.14</b>	<b>9,621,843.86</b>

## 20. Maintenance and Other Operating Expenses

Account	2023			2022 (As Restated)
	GF	PDMF Fund	Total	
	(in ₱)			
<i>Traveling Expenses</i>	3,826,823.65	0.00	3,826,823.65	3,119,013.54
<i>Training and Scholarship Expenses</i>	1,480,755.44	0.00	1,480,755.44	754,568.00
<i>Supplies and Materials Expenses</i>	3,990,719.68	0.00	3,990,719.68	4,703,309.44
<i>Utility Expenses</i>	3,739,173.14	0.00	3,739,173.14	2,215,794.47
<i>Communications Expenses</i>	3,466,213.76	0.00	3,466,213.76	2,816,296.23
<i>Awards/Rewards and Prizes and Indemnities</i>	186,000.00	0.00	186,000.00	202,000.00
<i>Confidential, Intelligence and Extraordinary Expenses</i>	1,125,550.44	0.00	1,125,550.44	1,003,357.76
<i>Professional Services</i>	2,285,092.41	82,686,131.36	84,971,223.77	83,534,602.19
<i>General Services</i>	6,943,450.94	0.00	6,943,450.94	6,673,518.22
<i>Repairs and Maintenance</i>	3,119,993.05	0.00	3,119,993.05	3,599,426.36
<i>Taxes, Insurance Premiums and Other Fees</i>	814,476.35	201,611.45	1,016,087.80	921,168.06
<i>Other Maintenance and Operating Expenses</i>	53,757,410.42	0.00	53,757,410.42	48,559,908.84
<b>Total</b>	<b>84,735,659.28</b>	<b>82,887,742.81</b>	<b>167,623,402.09</b>	<b>158,102,963.11</b>

### 20.1 Traveling Expenses

Account	2023			2022
	GF	PDMF	Total	
	(in ₱)			
<i>Traveling Expenses – Local</i>	2,869,494.59	0.00	2,869,494.59	2,291,040.36
<i>Traveling Expenses – Foreign</i>	957,329.06	0.00	957,329.06	827,973.18
<b>Total</b>	<b>3,826,823.65</b>	<b>0.00</b>	<b>3,826,823.65</b>	<b>3,119,013.54</b>

*Traveling Expenses* covers transportation, daily subsistence allowance, pre-travel and other related expenses incurred by PPPCP officials and employees in the course of official travel such as speaking engagement in PPP orientation and conferences, participation in investment promotions and roadshows, and attendance in seminars, workshops and training on PPP matters. For CY 2023, there is an increase in traveling expenses due to the lifting of travel restrictions and full operations of PPPC.

### 20.2 Training and Scholarship Expenses

Account	2023			2022
	GF	PDMF Fund	Total	
	(in ₱)			
<i>Training Expenses</i>	1,480,755.44	0.00	1,480,755.44	754,568.00

*Training Expenses* includes the costs incurred for the conduct of orientation and learning sessions for LGUs and NGAs, internal planning and assessment

workshops, learning and development seminars, cultural and sports activities, activities related to Gender and Development and participation/attendance of PPPCP employees in seminars, conventions and conferences organized by other professional organizations.

### 20.3 Supplies and Materials Expenses

Account	2023			2022
	GF	PDMF Fund	Total	
	(in ₱)			
<i>Office Supplies Expenses</i>	1,014,288.20	0.00	1,014,288.20	774,875.10
<i>Fuel, Oil and Lubricants Expenses</i>	1,529,824.38	0.00	1,529,824.38	1,786,855.82
<i>Semi-Expendable Machinery and Equipment Expenses</i>	826,127.10	0.00	826,127.10	1,925,499.52
<i>Semi-Expendable Furniture, Fixtures and Books Expenses</i>	620,480.00	0.00	620,480.00	216,079.00
<b>Total</b>	<b>3,990,719.68</b>	<b>0.00</b>	<b>3,990,719.68</b>	<b>4,703,309.44</b>

The *Supplies and Materials Expenses* includes the costs of office supplies used, fuel and lubricants consumed for PPPCP vehicles and semi-expendable items issued to the end-users.

### 20.4 Utility Expenses

Account	2023	2022
	(in ₱)	
<i>Water Expenses</i>	62,872.39	342,089.91
<i>Electricity Expenses</i>	3,676,300.75	1,873,704.56
<b>Total</b>	<b>3,739,173.14</b>	<b>2,215,794.47</b>

The increase in *Utility Expenses* is due to increased utilization of electricity and water as more employees are working on-site.

### 20.5 Communications Expenses

Account	2023	2022
	(in ₱)	
<i>Postage and Courier Expenses</i>	104,589.32	57,352.00
<i>Telephone Expenses</i>	1,338,216.26	1,464,144.78
<i>Internet Subscription Expenses</i>	2,023,408.18	1,294,799.45
<b>Total</b>	<b>3,466,213.76</b>	<b>2,816,296.23</b>

### 20.6 Awards/Rewards and Prizes and Indemnities

Account	2023	2022
	(in ₱)	
<i>Awards/Rewards Expenses</i>	186,000.00	202,000.00

The *Awards/Rewards Expenses* refers to the cash awards granted to PPPCP services and employees who achieved extraordinary accomplishments that contributed to the improvement of the operation of the PPP Center in CY 2022 in accordance with the PPPCP Awards and Incentives System approved by the Civil Service Commission.

## 20.7 Confidential, Intelligence and Extraordinary Expenses

Account	2023	2022
	(in ₱)	
<i>Extraordinary and Miscellaneous Expenses</i>	1,125,550.44	1,003,357.76

The increase in *Extraordinary and Miscellaneous Expenses* is due to the increase in the reimbursement of expenses for official functions of PPPCP officials.

## 20.8 Professional Services

Account	2023			2022
	GF	PDMF Fund	Total	
(in ₱)				
<i>Legal Services</i>	10,323.00	0.00	10,323.00	5,150.00
<i>Consultancy Services</i>	562,500.00	82,686,131.36	83,248,631.36	83,087,107.82
<i>Other Professional Services</i>	1,712,269.41	0.00	1,712,269.41	442,344.37
<b>Total</b>	<b>2,285,092.41</b>	<b>82,686,131.36</b>	<b>84,971,223.77</b>	<b>83,534,602.19</b>

The *Professional Services* under the GF includes ISO 9001:2015 Surveillance Audit, and for the payment for contract of service for the Technical Assistants and Counselling Psychologist while under PDMF, the *Consultancy Services* refers to the payment for consultants for PPPCP Projects. *Other Professional Services* represents payment for services rendered by the Contract of Service Personnel across different services.

## 20.9 General Services

Account	2023	2022
	(in ₱)	
<i>Janitorial Services</i>	1,337,836.12	1,219,539.85
<i>Security Services</i>	1,355,339.48	1,190,707.84
<i>Other General Services</i>	4,250,275.34	4,263,270.53
<b>Total</b>	<b>6,943,450.94</b>	<b>6,673,518.22</b>

The increase in *General Services* is due to the increase in the minimum daily wage rate effective July 16, 2023.



## 20.10 Repairs and Maintenance

Account	2023	2022
	(in ₱)	
<i>Repairs and Maintenance - Buildings and Other Structures</i>	0.00	81,095.00
<i>Repairs and Maintenance - Machinery and Equipment</i>	2,150,132.00	1,872,974.00
<i>Repairs and Maintenance - Transportation Equipment</i>	673,890.98	1,645,357.36
<i>Repairs and Maintenance - Leased Assets Improvements</i>	295,970.07	0.00
<b>Total</b>	<b>3,119,993.05</b>	<b>3,599,426.36</b>

## 20.11 Taxes, Insurance Premiums and Other Fees

Account	2023			2022
	GF	PDMF Fund	Total	(in ₱)
<i>Taxes, Duties and Licenses</i>	30,700.00	201,611.45	232,311.45	130,171.13
<i>Fidelity Bond Premiums</i>	195,909.07	0.00	195,909.07	206,500.00
<i>Insurance Expenses</i>	587,867.28	0.00	587,867.28	584,496.93
<b>Total</b>	<b>814,476.35</b>	<b>201,611.45</b>	<b>1,016,087.80</b>	<b>921,168.06</b>

## 20.12 Other Maintenance and Operating Expenses

Account	2023	2022
	(As Restated)	
(in ₱)		
<i>Advertising, Promotional and Marketing Expenses</i>	0.00	91,476.00
<i>Printing and Publication Expenses</i>	495,410.35	715,605.00
<i>Representation Expenses</i>	3,430,546.34	3,095,818.60
<i>Transportation and Delivery Expenses</i>	0.00	471,907.00
<i>Rent/Lease Expenses</i>	43,091,579.49	36,828,671.82
<i>Subscription Expenses</i>	6,739,874.24	7,264,112.42
<i>Other Maintenance and Operating Expenses</i>	0.00	92,318.00
<b>Total</b>	<b>53,757,410.42</b>	<b>48,559,908.84</b>

The decrease in *Printing and Publication Expenses* represents the postponed layout, editing, and printing of CY 2022 PPPCP Annual Report while the increase in *Representation Expenses* represents meal and incidental expenses incurred during face-to-face meetings, conferences, knowledge sharing sessions, in-house seminars and orientations which increased due to the increase in meal rates pursuant to PPPCP Office Circular 005 s. 2023 dated July 4, 2023.

Meanwhile, the increase in *Rent/Lease Expenses* is due to the price escalation of the rental of office space. The *Subscription Expenses* represents the expired portion of prepaid subscriptions.

## 21. Non-Cash Expenses

Account	2023	2022
	(in ₱)	
Depreciation	8,169,243.27	8,441,433.29
Amortization	940,142.12	1,259,769.33
Impairment Loss	0.00	263,865.14
<b>Total</b>	<b>9,109,385.39</b>	<b>9,965,067.76</b>

### 21.1 Depreciation

Account	2023	2022
	(As Restated) (in ₱)	
Depreciation – Machinery and Equipment	7,218,532.26	7,824,104.39
Depreciation – Transportation Equipment	811,001.26	609,357.12
Depreciation – Furniture, Fixtures and Books	7,969.32	7,971.78
Depreciation – Leased Assets Improvements	131,740.43	0.00
<b>Total</b>	<b>8,169,243.27</b>	<b>8,441,433.29</b>

### 21.2 Amortization

The amortization represents the allocation of the cost of computer software in accordance with the prescribed policy on amortization.

### 21.3 Impairment Loss

The *Impairment Loss* represents the loss incurred in the derecognition of unserviceable PPEs, however, there was no recognized impairment loss during the year.

## 22. Net Assistance/Subsidy

Particulars	2023			2022
	GF	PDMF Fund	Total	
(in ₱)				
Subsidy from National Government	231,435,979.73	0.00	231,435,979.73	207,962,788.21
Less: Assistance/Subsidy to NGAs, LGUs, GOCCs	0.00	0.00	0.00	0.00
<b>Net Assistance/Subsidy</b>	<b>231,435,979.73</b>	<b>0.00</b>	<b>231,435,979.73</b>	<b>207,962,788.21</b>

## 23. Non-Operating Income, Gain or Losses

### 23.1 Non-Operating Income/Gain

Account	2023	2022
	(in ₱)	
<i>Gain on Foreign Exchange (FOREX)</i>	39,629,854.08	6,937,083.96
<i>Gain on Sale of Unserviceable Property</i>	0.00	5,000.00
<b>Total</b>	<b>39,629,854.08</b>	<b>6,942,083.96</b>

The recognized *Gain on Foreign Exchange (FOREX)* during the year refers to the gains arising from the translation of the value of receivables from foreign currency denominated transactions using the spot closing rate as of December 31 of the year.

### 23.2 Non-Operating Losses

Account	2023	2022
	(As restated) (in ₱)	
<i>Loss on Foreign Exchange (FOREX)</i>	6,889,468.45	7,876,101.72
<i>Loss on Sale of Property, Plant and Equipment</i>	0.00	67,160.48
<i>Loss of Assets</i>	0.00	43,203.76
<b>Total</b>	<b>6,889,468.45</b>	<b>7,986,465.96</b>

The *Loss on Foreign Exchange (FOREX)* recognized during the year refers to the losses arising from the adjustment on the value of receivables collected from the implementing agencies based on the foreign exchange rate at the time of collection and the revaluation of cash denominated in foreign currency.

## 24. Statement of Comparison of Budget and Actual Amounts

24.1 The budget that was approved by virtue of RA No. 11936 covers the fiscal period January 1 to December 31, 2023.

24.2 The budgeted amounts for the Receipts pertain to the estimated amounts to be collected for the year from Implementing Agencies who availed of the PDMF Revolving fund to fund and facilitate pre-investment activities of potential PPP projects such as undertaking the pre-feasibility and feasibility studies and develop a robust pipeline of viable and well-structured PPP projects for IAs/LGUs. The said amount is shown in the Budget of Expenditures and Sources of Financing (BESF) Off-Budget Accounts FY 2021-2023.

24.3 The difference between the final budget and the actual amount is shown as follows:

Items	Amount (in ₱)	Remarks
Personnel Services	8,259,911.81	The unobligated allotment amounts to ₱6,174,277.09 which was reverted to the GF and the ₱2,085,634.72 were unpaid obligations.
Maintenance and Other Operating Expenses	93,065,654.86	The total unobligated allotment in GF amounts to ₱2,720,180.79 due to savings in procurement, savings due to the implementation of cost-economy measures, and utilization of FY2022 Continuing Appropriations. Total unpaid obligations were ₱4,271,605.42. The remaining amount of ₱86,073,868.65 account for the PDMF unpaid Budget Utilization for the year.
Capital Outlay	2,242,874.40	Due and Demandable Unpaid obligations amounted to ₱1,979,165.00 while the Not Yet Due and Demandable unpaid obligations amounted to ₱237,280.00. The remaining unobligated allotment of ₱26,429.40 were savings in procurement.

## 25. Statement of Changes in Net Assets/Equity

The beginning balance of Net Assets/Equity was restated due to the prior period adjustments, resulting in to increase in the *Accumulated Surplus/Deficit*.

The changes to expenses and income align with the prior period adjustments outlined in Note No. 4. The Regular Agency Fund shows a surplus of ₱878,118.87 for the period. On the other hand, Fund 06207541 shows a deficit of ₱28,335,863.67, while Fund 07308603 has an additional deficit of ₱31,094.49. The details of the adjustment to ASD under Others are the following:

Particulars	Amount in (₱)
Adjustment of <i>Due to Officers and Employees</i> for the Payment of Last Salary, Allowances and Terminal Leave Benefits as Attorney III for the period December 1-18, 2022	(31,209.20)
Reclassification of PPE to <i>Semi-Expendable Property</i> relative to the increase in the capitalization threshold from ₱15,000.00 to ₱50,000.00 - Furniture and Fixtures (taken up as lot)	1,533,714.14
Reclassification of PPE to <i>Semi-Expendable Property</i> relative to the increase in the capitalization threshold from ₱15,000.00 to ₱50,000.00: Acer Laptop for midrange users per recommendation stated in AOM 2023-04 (2022) dated March 7, 2022	204,200.64
Adjustment of <i>Due to Officers and Employees</i> for the Payment of Last salary, allowances, terminal leave benefits and other personnel benefits due to separation effective January 3, 2023 - Maria Myren S. Solis-Garcia	(387.29)
Closing of <i>Accumulated Surplus/(Deficit)</i> balance of Fund 07308603 to <i>Trust Liabilities</i> for CY 2022	(5,292,797.51)
Closing of <i>Accumulated Surplus/(Deficit)</i> balance of Fund 07308603 to <i>Trust Liabilities</i> for CY 2023	(131,094.49)
<b>Total</b>	<b>(3,717,573.71)</b>

## 26. Statement of Cash Flows

The Other Adjustments under Cash Outflows from Operating Activities in the amount of ₱136,922.20 represents the adjustments made to *Cash in Bank-Foreign Currency, Savings Account* as a result of the translation of foreign currency monetary items using the closing rate as of December 31, 2023 at ₱55.480 per \$1.00.

## **PART II**

# **OBSERVATIONS AND RECOMMENDATIONS**

## OBSERVATIONS AND RECOMMENDATIONS

### Financial Audit

#### Accounting Errors

1. Various accounting errors in the keeping of accounts resulted in the misstatement of affected accounts reported in the FSs.

The International Public Sector Accounting Standard (IPSAS) 1 provides that the financial statements (FSs) shall present fairly the financial position, financial performance, and cash flows of an entity. Fair presentation requires the faithful presentation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue, and expenses set out in the IPSASs. The application of IPSASs, with additional disclosure, when necessary, is presumed to result in FSs that achieve a fair presentation.

Section 112, Chapter 2, Title III of Presidential Decree (PD) No. 1445, requires each government agency to record its financial transactions and operations conformably with generally accepted accounting principles and in accordance with pertinent laws and regulations.

Review and verification of the accounts and transactions of the Public-Private Partnership Center of the Philippines (PPPCP) disclosed accounting errors that had affected the accuracy of the balances of some of the accounts reported at year-end, as summarized in *Table 1*.

**Table 1 - Summary of Accounting Errors**

Nature of Errors	Accounts Affected	Amount		Criteria
		(Overstatement)	Understatement	
		(in ₱)		
a. Misclassification of accounts	<i>Office Supplies Expenses</i>	(322,750.00)		Volume III, Government Accounting Manual (GAM) for National Government Agencies (NGAs) or the Revised Chart of Account (RCA) (Updated 2019)
	<i>Accountable Form Expenses</i>	1,300.00		
	<i>Other Supplies and Material Expenses</i>	321,450.00		
b. Erroneous recognition of liquidated damages	<i>Office Supplies Inventory</i>		393.59	
	<i>Miscellaneous Income</i>		393.59	
c. Overpayment of RATA	<i>Representation Expenses</i>	(5,000.00)		Department of Budget and Management (DBM) National Budget Circular (NBC) No. 548, s. 2013; Section 36 (f), Chapter 2, Volume I, GAM for NGAs
	<i>Transportation Expenses</i>	(5,000.00)		
	<i>Cash - Modified Disbursement System (MDS), Regular</i>	10,000.00		
<b>Total</b>			<b>666,287.18</b>	

The erroneous recognition of transactions understated the *Office Supplies Inventory*, *Miscellaneous Income*, *Accountable Form Expenses*, and *Other Supplies*

and *Materials Expenses* while overstated the *Office Supplies Expenses*, *Representation Expenses* and *Transportation Expenses* which affects the fair presentation of the FSS.

We recommended and Management agreed to require the Officer-in-Charge-Chief Administrative Officer (OIC-CAO), Finance Division (FD) to effect the necessary adjustments on the affected accounts.

*Overpayment of RATA*

Section 36 (f), Chapter 2, Volume I of GAM for NGAs provides the submission of proper evidence to establish validity of the claim and require that the Head of the Requesting Unit shall certify on the necessity and legality of charges to allotments under his/her supervision as well as the validity, propriety, and legality of supporting documents. All payments of government obligations and payables shall be covered by Disbursement Voucher (DV)/Payrolls together with the original copy of supporting documents which will serve as basis in the evaluation of authenticity and authority to claim.

Moreover, Sequence 5, Section 12, Chapter 6 of the same manual provides that the FD and its designated staff should retrieve the Index of Payment (IoP) to determine if claim is in order and determine if the prior payment is the same with the file receive. This is to avoid duplicate processing of payment with the same claim.

Upon conducting a post-audit of the payments of *Representation Allowance* and *Transportation Allowance* (RATA), an overpayment of ₱10,000.00 was computed from one OIC after comparing her allowable claim under the DBM NBC No. 548 and the GAA to the actual claims received, details are as follows in *Table 2*:

**Table 2 - Overpayment of RATA**

Designation	Period of RATA Claim	Maximum Amount or RATA under NBC and GAA	Actual paid RATA	Total Overpayment of RATA	Remarks
		in (₱)			
OIC-Planning Officer (PO) V, Project Formulation Division (PFD), Policy Formulation, Project Evaluation and Monitoring Service (PFPEMS)	January 26 to August 7, 2023	65,000.00	75,000.00	10,000.00	Double Claim for July 2023 RATA
<b>Total</b>		<b>65,000.00</b>	<b>75,000.00</b>	<b>10,000.00</b>	

Per inquiry with the OIC-CAO, FD, it was explained that the RATA of the OIC-PO V, PFD, PFPEMS for the month of July 2023 was paid twice. The first payment was on August 11, 2023 with JEV No. 2023-08-001090 supported with original documents and the second payment was on August 23, 2023 with JEV No. 2023-08-818. The supporting documents of the second payment of RATA were all in photocopy and both claims were stamped "PAID" by the FD. This resulted in an overpayment of RATA amounting to ₱10,000.00 for the month of July 2023.



The Agency maintained an IoP through eNGAS, however, the double disbursement was not included on the generated Schedule of IoP due to the system glitch in the eNGAS which was already raised to COA-Government Accountancy Sector, Accounting Systems Development and Other Services Office (GAS, ASDOSO) on May 17, 2022. Currently, the said issue has not yet been resolved.

The failure of the FD to scrutinize claims and control payments in accordance with existing rules and regulations questions the austerity and prudence in the disposition of Agency's funds. Due to the overpayment, the *Representation Allowance* and *Transportation Allowance* were both overstated by ₱5,000.00 and understated the *Cash-Modified Disbursement System, Regular* by ₱10,000.00.

We recommended and Management agreed to require: (a) the concerned official to refund the overpayment of RATA for CY 2023 amounting to ₱10,000.00; and (b) the OIC-CAO, FD, moving forward, to conduct a meticulous validation on the payments of RATA and that supporting documents are all original copies and IoP is checked.

#### *Accounting Deficiencies*

2. The balance of *Due from National Government Agencies – Procurement Service (PS)* amounting to ₱3.732 million was unreliable due to unreconciled balance with PS record of ₱434,411.68 or a difference of ₱3.298 million.

Section 2 of the Executive Order (EO) No. 91, s. 2019 and Section 28, Chapter 4, Book VI of EO No. 292, the PS calls on all its client-agencies and posted Advisory 2023-024 on their website published on December 1, 2023 to coordinate with their Comptroller Division (CD) for the immediate reconciliation of Inter-Agency Transfer Fund (IATF) balances not later than December 15, 2023, otherwise failure to comply with the reconciliation may result in the reversion of IATF to the National Treasury as mandated by the relevant EOs.

The Audit Team sent a Receivables Confirmation Letter Request (RCLR) No. 2024-01 dated February 6, 2024 to the OIC-Chief Accountant of the PS to confirm the balances of the PPPCP as of December 31, 2023 of ₱3.732 million. Confirmation reply from PS dated February 13, 2024 declared that the balance on their subsidiary ledger was only ₱434,411.65. Details are as follows in *Table 3*:

**Table 3 - Comparative Summary of Due from NGAs – PS**

Particulars	Per PPPCP Books			Per PS Statement of Accounts (SOA)			Variance
	Balance	Reconciled Amount	Unreconciled Amount	Balance	Reconciled Amount	Unreconciled Amount	
Beginning Balance, January 1, 2023	1,056,662.99	0.00	0.00	1,160,372.48	0.00	0.00	(103,709.49)
Advances to PS	4,364,645.75	3,496,458.15	868,187.60	4,217,111.08	3,496,458.15	720,652.93	147,534.67
Deliveries/Utilizations	1,689,250.09	1,194,244.71	495,005.38	4,943,071.88	1,194,244.71	3,748,827.17	(3,253,821.79)
Ending balance, December 31, 2023	3,732,058.65			434,411.68			3,297,646.97

The ₱3.496 million and ₱1.194 million advances and deliveries, respectively, were posted and appeared both in the books and in the PS SOA while the unreconciled balances of advances and deliveries/utilizations amounting to ₱0.868 million and ₱0.495 million, respectively, were posted in their books but not reflected in the PS SOA. Likewise, the unreconciled balances of advances and deliveries/utilizations amounting to ₱0.721 million and ₱3.749 million, respectively, were posted on PS SOA but not reflected in PPPCP books.

Management explained that the unreconciled ending balances between PPPCP and PS resulting in a ₱3.298 million difference were due to timing difference in the recognition of delivery and non-notification of PS to PPPCP on the automatic remittances of unutilized advances to National Treasury. The Management did not comply with the PS's advisory for reconciliation due to lack of manpower in the FD. This discrepancy affects the reliability and the faithful representation of the accounts in the FSs which are essential qualitative characteristic of financial reporting.

**We recommended and Management agreed to direct the OIC-CAO, FD and Supply Officer (SO) to: (a) analyze the unreconciled balances in prior and current years and effect the necessary adjustments; and (b) henceforth, regularly coordinate with the CD, PS.**

## **Compliance Issues**

### *Non-compliance with inventory procedures*

3. **The non-compliance with the inventory procedures on receipt, inspection, acceptance and recording of deliveries cast doubt on the accuracy and correctness of balances of *Office Supplies Inventory* and *Office Supplies Expenses* of ₱0.725 million and ₱0.861 million, respectively as of December 31, 2023. Further, it shows breakdown and weaknesses in internal control in safeguarding the agency's inventory asset.**

#### *i. Procedures in the receipt, inspection, acceptance and recording of deliveries*

Section 15, Chapter 8, Volume I of the GAM for NGAs provides the procedures in the receipt, inspection, acceptance, and recording of deliveries of inventory items.

The Audit Team conducted a test of controls of the said procedures and noted the following conditions:

Condition	Risk/Effect
Anyone can receive deliveries of supplies and materials when the Supply Officer (SO) is on leave, on official business, or present but outside the office premises.	Deliveries may not conform with the specifications indicated in the purchase order; Delivery Receipt may not be properly accomplished, filed or may be misplaced; and Deliveries may be lost.
Only one copy of the Inspection and Acceptance Report (IAR) is being prepared instead of four copies. Copies (original copy) attached to the disbursement vouchers, (copy 2) for the Inspector, (copy 3) for the Accounting Unit were all photocopies including delivery receipts and purchase orders.	Property Inspector may not be timely informed of the deliveries for inspection.  Susceptible of duplicate claims.
IAR is being prepared after the inspection instead of preparing it before the inspection and for submission to the Inspector.	Deliveries may not conform with the specifications indicated in the purchase order.
The SO is maintaining a supplies inventory system instead of stock cards (SCs).	Records of all receipts of supplies and the balance in quantity may not be properly monitored.

The non-compliance with the receipt, inspection, acceptance and recording of deliveries provided under Section 15, Chapter 8, Volume I of the GAM for NGAs, resulted in the above existing conditions which shows breakdown and weaknesses in the internal control in safeguarding the agency's inventory asset.

*ii. Procedures in the requisition and issuance of inventory*

Section 16, Chapter 8, Volume I of the GAM for NGAs provides the procedures for the requisition and issuance of inventory items. Moreover, Appendix 63, Volume II of the GAM for NGAs prescribes the instructions on how to accomplish the Requisition and Issue Slip (RIS) which shall be used by the Requisitioning Division/Office to request supplies/goods/equipment/ property carried in stock and by the Supply and/or Property Division/Unit to issue the items requested.

Further, Appendix 64 of the same Manual prescribes the instructions on how to accomplish the Report of Supplies and Materials Issued (RSMI) by filling out the left part of the form by the SO which includes the unit and quantity of the inventory issued while the right part must be filled out by the Accounting Division which includes the costing of the said inventory items issued.

The Audit Team similarly conducted test of controls of the said procedures and noted the following conditions:

Condition	Risk/Effect
Unauthorized person has access to the supply room when the SO is on leave, on official business or present but outside the office premises	Susceptible to misappropriation
Improper accomplishment of RIS: (a) not duly approved by the head/authorized official of the requesting personnel; (b)	The risk of unauthorized issuance of inventory items

Condition	Risk/Effect
incomplete details of RIS; and (c) no signature of the recipient of the issued inventory items	
Only one copy of RSMI is being prepared instead of two copies. Photocopies were submitted to Finance Division (FD)	Susceptible to duplicate entries
RSMI submitted to FD were not supported by RIS	The risk that entries in the RSMI cannot be verified
Improper accomplishment of RSMI: (a) all portions were accomplished by the SO; and (b) FD prepared another RSMI without reconciliation with SO	The risk of incorrect RSMI balances
Accounting Staff signed the RSMI without checking the report with RIS and draft JEVs with amount to zero or one	The risk of incurring unreliable amount
JEVs submitted to the Audit Team were not supported by RSMI and RIS	The accuracy and reliability of entries cannot be verified
SCs were not maintained	Records of issuance of supplies and the balance in quantity may not be properly monitored
Non-reconciliation of Supplies Ledger Cards (SLCs) with SCs	The risk of incurring unreliable balance of inventory items

The non-compliance with the procedures of Sections 15 and 16, Chapter 8, Volume I of the GAM for NGAs resulted in unreliable amounts on the IAR, RIS, and RSMI which affect the reliability of the balances of *Office Supplies Inventory* and *Office Supplies Expenses*. Moreover, the access of unauthorized person in the supply room may pose a risk of misappropriation.

We recommended and Management agreed to adhere strictly to the respective provisions of GAM by instructing the:

- a) SO to: (i) prepare SCs for all inventory items; (ii) ensure that RIS is properly accomplished and duly approved; (iii) accomplish the portion "To be filled up by the Supply and/or Property Division/Unit" of the RSMI, Appendix 64; and (iv) submit the RSMI together with RIS as supporting documents to the FD, all in original copy;
- b) FD/Accounting Staff to: (i) accomplish the portion "To be filled up by the Accounting Division/Unit" of the RSMI, Appendix 64; (ii) receive the RSMI with RIS as supporting documents, all in original copy, and verify the completeness of the information; (iii) prepare the JEV based on the verified RSMI; and (iv) submit the JEV together with RSMI and RIS to COA, all in original copy; and
- c) SO and FD/Accounting Staff to: (i) conduct periodic reconciliation of their SCs and SLCs and ensure that all inventory items in the SCs are reflected in the SLCs and vice versa; (ii) use a uniform unit of measurement when updating the SLCs and SCs; and (iii) ensure all received items upon delivery are simultaneously recognized and updated in the book, SLCs and SCs.

**Moreover, we recommend that Management direct the SO not to provide access to unauthorized person in the supply room.**

*Lack of updated policy on shuttle services*

- 4. The usage of nine out of 15 motor vehicles as shuttle services for 25 percent or 32 out of 132 total employees, wherein some are only scheduled to work onsite once or twice a week, lacks updated policy which may pose risk of abuse on such usage.**

COA Circular No. 77-61 dated September 26, 1977, prescribing the use of the Manual on Audit for Fuel Consumption of Government Motor Vehicles provides that all government motor vehicles shall be used exclusively and strictly for official business. Government motor vehicles shall not be used for fetching officials and employees from home to office or vice-versa, unless specifically authorized by the Office of the President. Further, no official who has been granted transportation allowance by any government office, shall be allowed to use government motor transportation.

On March 16, 2020, the President, through Proclamation No. 929, declared a State of Calamity throughout the Philippines due to COVID-19 pandemic. Consequently, the PPPCP issued Special Order Nos. 036 and 037, s. 2020, authorizing the dispatch of motor vehicles to be used as shuttle services for employees who will be reporting onsite during the Enhanced Community Quarantine (ECQ) period.

On July 21, 2023, the President issued Proclamation No. 297 lifting the State of Public Health Emergency throughout the Philippines due to COVID-19.

Currently, out of the total 15 motor vehicles, nine are alternatively used as shuttles, four were assigned to Officials, one is being used for transactions in the bank, and one is under major repair since January 2023 due to an accident.

The said vehicles were alternatively used as shuttle service to 32 out of the total 132 PPPCP employees, scheduled to report onsite from September to December 2023 once or twice a week, in six pick-up/drop-off points at: Fairview, Commonwealth, Monumento, Manila, Makati, and PITX areas.

The Management, in its reply to Audit Query No. 2024-01, justified that to ensure the health and safety of PPPCP employees, shuttle service is being provided even after the lifting of the declaration of the state of calamity as there are still COVID cases among employees and their family member. Further, the provision of shuttle services is one of the employees' non-monetary benefits provided in the collective negotiation agreement (CNA) between the Management and the employees.

Review of the said CNA revealed that the PPPCP shall only provide service vehicles to employees for activities such as but not limited to official meetings, conferences, seminars, and trainings on matters concerning the welfare of employees. The CNA likewise provide transport support during emergency situation wherein the employees' health and life is at stake, medical/health-related visits, during wake, and other activities that may be allowed by the Management.

Since the declaration of a state calamity due to COVID-19 pandemic was already lifted, the provision of shuttle services to employees encapsulated to the relevant and specific order (SO) during the pandemic must be harmonized consistent with Presidential Proclamation No. 297. The presidential promulgation enshrined that *"All agencies are enjoined to ensure that their policies, rules and regulations shall take into consideration the lifting of the State of Public Health Emergency and to amend existing or promulgate new issuances, as may be appropriate"*.

The lack of updated policy on the usage of motor vehicles as shuttle services pose risk of abuse on such usage.

**We recommended and Management agreed to revisit and reconcile for amendments and update its relevant Special Order with regards to the shuttle services in consideration with existing status of the motor vehicles, passenger/employee entitlements and office reporting schedules to be consistent with COA Circular No. 77-61 thus, harmonize with Presidential Proclamation No. 297.**

#### *Overtime Services Rendered*

- 5. Improper procedures of rendition of overtime services, earning of COCs and availment of CTO and unreliable data from HRIS resulted in the non-determination of the validity, propriety, accuracy of COCs and CTOs earned, as well as usage of the same by Agency personnel.**

#### *Improper Procedures of OT Services*

##### *i. No Justification Submitted in the Approval of the Overtime Service*

Section 9.a.1 of the Office Circular (OC) No. 16 s. 2016 provides that a formal request for Overtime (OT) services shall be prepared and submitted by the concerned Director to the Executive Director (ED), through the Deputy Executive Director (DED), for his/her approval. The request shall specify the following:

- a. The period when OT work will be rendered, i.e., dates and the hours required for OT services;
- b. The names of the personnel who will render OT work;
- c. The work to be accomplished during the said period; and

d. Justification for rendering OT.

Section 9.a.2 of the same OC provides that upon approval of the request, the employee shall accomplish Request/Authority to Render OT Service form at least one day before the start of his/her OT work for submission to the Human Resources Division (HRD).

Further, sections 6.1 and 6.2 of the Civil Service Commission (CSC) and DBM Joint Circular (JC) No. 2. s. 2004 provides for the following procedures to be observed in the rendition of overtime services and availment of Compensatory Time Off (CTO):

- 6.1 The Head of the Office/Authorized official issues an Office Order authorizing the rendition of overtime services and indicating the tasks to be completed and the expected time of completion.
- 6.2 The employee renders overtime services as stipulated in the Office Order  
xxx

The procedures of the agency under Section 9.a.1 of the OC No. 16 s. 2016 may be considered as an equivalent to the office order required to be issued by the head of the agency for authorization of OT rendition under the CSC and DBM JC.

OC No. 002 s. 2021 provides the delegation of approving OT, Compensatory Overtime Credit (COC) and CTO to the following:

Type of Document	Employee	Recommending Authority	Approving Authority
OT Services and COC	Rank and File (below DC)	Division Chief (DC)	Service Director (SD)
	Executive Assistant (EA) DC	None SD	Concerned DED Supervising DED
Availment of CTO	Rank and File (below DC)	DC	SD
	EA DC	None SD	Concerned DED Supervising DED

Walk-through of the procedures on filing an OT through the Human Resource Information System (HRIS) revealed that all Requests/Authority to Render OT Services Form (RAROTSF) in CY 2023 were not supported with approved formal request for OT services which contain the justification as required under Section 9.a.1 of OC No. 16 s. 2016.

The Management explained that due to the delegation of approving OT, personnel file their respective RAROTSFs directly to the HRIS for approval by the approving authority. Hence, formal request is not required anymore. However, all approved RAROTSF in CY 2023 likewise do not contained justifications therein.

Hence, the process of filing and approving OT in the HRIS is not aligned with all the necessary procedures provided in the OC No. 16 s. 2016 as well as the provisions of the CSC-DBM JC No. 2 s. 2004.

The required justifications are necessary to determine the agency's priority activities that may warrant rendition of OT services and to check whether the OT services to be rendered are extremely necessary such that a particular work or activity cannot be completed within regular work hours and the non-completion of the same may: (a) cause financial loss to the government or its instrumentalities; (b) embarrass the government due to its inability to meet its commitments; or (c) negate the purpose for which the work or activity was conceived. The non-compliance of providing said justifications in the formal requests for OT services, cast doubt on the validity of the approved authority and the rendering of OT of concerned PPPCP personnel.

**We recommended and Management agreed to:**

- a) Revisit the OC No. 16 s. 2016 and OC No. 002 s. 2021 and make necessary amendments to the procedures in accordance with CSC and DBM JCs which should be embedded in the HRIS;**
- b) Require all concerned employees who rendered OT services in CY 2023 to provide justifications subject to the approval of SD/DED, otherwise forfeit all earned COCs thereof;**
- c) Direct the concerned approving authority to determine if justifications given were extremely necessary and included in the enumerated priority activities that may warrant rendition of OT Services, otherwise earned COCs shall likewise be forfeited; and**
- d) Moving forward, strictly implement and adhere the procedures under the CSC and DBM JC No. 2 s. 2004.**

*ii. OT services rendered unsupported with Accomplishment Reports (ARs)*

Section 9.a.4 of the OC No. 16 s. 2016 states that three days after the rendition of the OT work, the concerned Director shall prepare accomplishment report of the personnel who rendered OT work, for submission to and acceptance by the ED through the respective DEDs.

Further, Section 9.a.5 states that the Office of the ED shall forward the accepted accomplishment report to the concerned Service copy furnish the Administrative Service.

Upon verification, no ARs were prepared and submitted by concerned Director to the ED through DEDs and thereby ED has no accepted AR forwarded to concerned Service copy furnished the Administrative Service. The only accomplishment reports provided were prepared by the personnel incorporated in the approved RAROTSF submitted to the HRD.



Management commented that due to the delegation provided in the OC No. 002 s. 2021 and migration of the procedures to HRIS, they were no longer providing the accomplishment reports required under Section 9.a.4 to promote paperless operation since it can be viewed in the said HRIS. However, the HRIS end-users informed during discussion that the HRIS cannot extract or generate/provide such accomplishment report. As a result, the HRIS is automatically compute earned COCs after the lapsed of the time approved as OT even if no accomplishments were submitted.

The common practice of the Management includes that the submitted RAROTSF attached to the DTR contained accomplishment reports. After approval of the RAROTSF thru HRIS, the file is downloaded. Thereafter, the personnel will input his/her accomplishments on the bottom part of the RAROTSF, subject for approval/signature by the same approving authority and submission to HRD.

Upon collating all the OTs rendered during the year through HRIS revealed the following:

- a. 124 approved RAROTSF of 31 employees were not submitted to the HRD, hence no accomplishment reports attached in their respective DTRs yet earned COCs in the HRIS; and
- b. Some submitted RAROTSF to the HRD were signed by the approving authority despite lack of accomplishment reports.

The HRIS end-user confirmed that these approved OTs in the HRIS were indeed without RAROTSF and/or accomplishment reports submitted to the HRD. Further, during the initial implementation of using HRIS in requesting OT services, the HRD did not anticipated the volume of requests from the employees and realized such only after submission of DTRs.

Also, it was disclosed that the HRIS was designed to automatically compute earned COC after the lapsed of the time approved as OT. The HRD has no control to accept and tag the correct calculated earnings of COC once the OT services rendered where validated and supported with complete pertinent documents. Thus, due to lack of control in the system and absence of proper monitoring of accomplishments from DC, SD and HRD, the lone HRD staff had difficulty in tracking the unsubmitted accomplishment reports.

Management clarified that despite continuous follow-up of the HRD staff on the filing and submission of the RAROTSF as soon as OT is rendered, the employees concerned failed to comply within reasonable time due to busy schedules, unexpected meetings or other related services of their corresponding department.

To reiterate, the accomplishment report is one of the requirements under the mentioned OC and JC to which the heads of the agency or its designated officials are the responsible for the proper implementation. Hence, in delegating the approval of

OT services to SD and DED, internal control on monitoring of accomplishments of OT services by the head of the agency was compromised.

These deficiencies in the approval of OT services shows weak internal control of the management particularly to the concerned approving authorities and the HRD. Hence, the non-compliance of submission of RAROTSF to HRD that contained ARs within reasonable time cast doubt whether OTs were actually rendered.

**We recommended and Management agreed to:**

- a) **Revisit OC No. 16 s. 2016 specifically Sections 9.a.4 and 9.a.5 and the delegation under OC No. 002 s. 2021 to incorporate monitoring mechanism of ARs;**
- b) **Require the HRD to: (i) instruct all employees concerned to submit approved RAROTSF and/or ARs in CY 2023, otherwise forfeit all earned COCs thereof; (ii) subsequently, remind all employees that OT services without approved request forms and/or ARs submitted to HRD will not be credited as COC; and (iii) coordinate with the developer of the HRIS to enable generation of summary of monthly ARs and request control to accept and tag the correct calculated earnings of COC once the OT services rendered where validated and supported with complete pertinent documents.**

#### *Unreliable Data from HRIS*

##### *i. Overcomputation of COCs*

Section 5.4 of the CSC and DBM JC No. 2 s. 2004 provides the computation of COC wherein:

5.4.1 For overtime services rendered on weekdays or scheduled work days:

$$\text{COC} = \text{number of hours of overtime services} \times 1.0$$

5.4.2 For overtime services rendered on weekends, holidays, or scheduled days off:

$$\text{COC} = \text{number of hours of overtime services} \times 1.5$$

Section 6 of the same JC dictates that the Human Resource Management Office shall prepare a summary of overtime services rendered in a month and computes the equivalent COCs for the purpose of the issuance of COC Certificate by the Head that specify the number of COCs earned which employees can use in availing CTO.

On March 2023, PPPCP fully migrated to HRIS, where earned COCs can be automatically computed by the system. However, audit of the earned COCs in the HRIS, on a sampling basis, revealed that the computed COCs by the system were over/beyond the actual number of hours rendered as OT. Also, the Management did not issue Certificates of COCs for the OT services rendered by the employees but employees was able to avail CTO using their earned COCs without certificates.

Upon verification with the end-user of the HRIS, this inaccuracy in the computation of COC was already raised to the DC of the HRD. The latter explained that it was due to system glitches and additional budget was necessary for the enhancement of the system.

It should be noted that the HRIS is only a tool for fast and easy preparation of various reports and the HRD still has the responsibility in monitoring if the COC earned were correctly computed based on the prescribed computation under the CSC and DBM JC. Also, the use of HRIS cannot deviate from the issuance of COC Certificate which is the basis in availing CTO.

The fact that the HRD was already aware of the glitches in the system, yet continue to use the same violates the adoption of austerity measure under Administrative Order No. 103 resulting to unreliability of earned COCs on the OT services rendered.

The automatic earning of COC without proper validation shows weak internal control of the management especially to the concerned approving authorities and the HRD.

*ii. Unutilized and expired COCs were carried over*

Amended CSC and DBM JC No. 2-A s. 2005 provides that the COCs should be used as time-off within the years these are earned until the immediately succeeding year. Thereafter, any unutilized COCs are deemed forfeited.

Further, clarification with a CSC Officer provides that the COC expiration should be based on the date it was earned. i.e. March 5, 2023 will expire on March 5, 2024.

Examination of the HRIS revealed that there were expired COCs that were still carried over for the current year 2024 even though these should be deemed forfeited. Details are as follows:

Earning Date	Expiration Date	Unutilized and Expired COCs (Days:Hrs:Mins)
01/01/22	01/01/23	0:07:35
01/01/22	01/01/23	0:02:47
01/01/22	01/01/23	0:02:06
09/14/22	09/14/23	0:05:39
11/11/22	11/11/23	2:00:12

Earning Date	Expiration Date	Unutilized and Expired COCs (Days:Hrs:Mins)
11/21/22	11/21/23	3:07:35
01/01/22	01/01/23	0:04:10
09/15/22	09/15/23	0:07:39
01/01/22	01/01/23	0:01:38
01/01/22	01/01/23	0:03:33
10/05/22	10/05/23	6:01:28

However, Management's interpretation of the amended CSC and DBM JC No. 2-A s. 2005 is that the expiration of COC was until the end of the immediate succeeding year, i.e. March 5, 2022 will expire on December 31, 2023. Hence, this is the procedure designed and adopted in the HRIS, causing the forwarded balances still unexpired up to date.

We reiterate that the CSC clarified this matter and its interpretation should prevail among others.

### *iii. Improper Availment of CTO*

Section 5.9.1 of the CSC and DBM JC No. 2 s. 2004 stated that the CTO may be availed of in blocks of four or eight hours. Agencies adopting alternative work schedules should make parallel adjustments in the availment blocks, tantamount to either a half or full day leave from work.

Examination of the system showed that 10 employees availed CTO which were not in blocks of four or eight.

Moreover, it was discovered that one employee overutilized his earned COCs and availed CTO resulting in a negative balance without corresponding deduction on his leave credit.

The Management admitted that this was another system glitch and agreed that it should be deducted to the available leave credits of the employee.

**We recommended and Management agreed to require the HRD to:**

- a) **Stop using the HRIS for OT-related features for the meantime until all glitches discovered were fixed and the system is aligned to the amended procedures of OCs and JCs;**
- b) **Conduct an examination/test to the HRIS, through the assistance of the Management Information Systems Division (MISD), to ensure reliability of data provided by the system;**
- c) **Coordinate with the developer to correct the identified and other glitches discovered after examination;**

- d) Check if all COCs in the HRIS are accurately computed, otherwise reflect the correct COCs earned in the HRIS;
- e) Forfeit the unutilized and expired COCs reflected in the HRIS and moving forward, monitor the proper forwarded balances and the expiration of all COCs;
- f) Prepare and submit a summary of OT services rendered in a month based on the submitted accomplishment reports of the employees to the head of the Agency or designated officials, for the latter to stamp a certification which serves as COC Certificate reflecting the earned COCs and their accumulated balances;
- g) Ensure that all CTOs availed by employees are supported by COC Certificates;
- h) Deduct the availed CTO in blocks of four (4) or eight (8) from the available COCs and the over utilization of COC to the available leave credits of the concerned employees;
- i) Strictly adhere and comply with the duties and responsibilities of the Head of the Agency, employees and the HRD under the CSC and DBM JC No. 2 s. 2004;
- j) Provide the Audit Team full view-only access to all attendance related features of the HRIS for validation purposes; and
- k) Moving forward, to ensure the OT hours rendered are computed with correct equivalent COCs, unutilized and expired COCs are forfeited, and proper availment of CTOs in the HRIS.

*Approval of Personnel's OT during WFH/WAFP Arrangement*

Item No. IV.3.d. of the PPPCP OC No. 007 s. 2023 dictates that employees under WFH and WAFP arrangements are not entitled to COC or Overtime Pay. In line with this, employees are required to render at least eight working hours per day under WFH/WAFP. Employees services rendered beyond eight hours per day under WFH/WAFP or combination of WFH/WAFP and onsite will not be credited as overtime. COC or Overtime Pay may be allowed only for employees reporting onsite.

Upon verification with the CSC, if the work arrangement of an employee is flexible work arrangement (FWA), only those times that the employee physically reported for work where the employee rendered overtime services shall be compensable.

Enforced with Section 6.i. of the OC No. 16 s. 2016 states that no OT authority shall be approved for employee who is attending meetings of Seminars/Workshops beyond regular working hours or when an employee is on official travel.

Since the PPPCP is implementing a FWA scheme, the OT rendered onsite should only be approved. However, upon examination of the employees' DTRs, there are some personnel under the Project Development Service (PDS) who rendered overtime to attend meetings beyond regular working hours in a WFH arrangement and were approved and earned COCs.

The Management discussed that they were aware that the OT services rendered on WFH arrangement should not be approved considering the CSC opinion and the Item No. IV.3.d. of the PPPCP OC No. 007 s. 2023. However, due to this extreme case where the unscheduled meeting was set by the external entities, they have considered to approve it with proper documentation.

However, no provision was cited in the CSC Opinion or in PPPCP's own OC for exception in extreme cases. The Management's approval on this matter is a clear violation of the CSC Opinion and its OC. The OT services rendered even approved by the designated official should not prevail over the interpretation of the CSC.

**We recommended and Management agreed to direct the HRD to forfeit the COCs earned for the OT services rendered by the employees under WFH/WAFP arrangement.**

#### **Compliance with Other Mandatory Accounts/Areas**

##### **6. COVID-19 Pandemic Response and Recovery Interventions**

For CY 2023, the PPPCP had not received funds specifically for Coronavirus Disease 2019 (COVID-19) response and/or recovery but had utilized its budget for related expenses. The COVID-19-related expenses charged to Maintenance and Other Operating Expenses (MOOE), particularly *Office Supplies Expenses* of ₱22,392.00 pertain to various procurements of compressor nebulizer, surgical mask, various medicines, and interfolded tissue which were done in accordance with the CSC MC. No. 18, s. 2020, supported with all the necessary documents, and properly recognized under the appropriate accounts.

##### **7. Gender and Development (GAD)**

Verification of the PPPCP's GAD Plan and Budget (GPB) revealed that ₱22.207 million or 10.20 percent of the total appropriation of ₱217.651 million was allocated for GAD PAs. The GPB included 22 PAs that were identified in the PPPCP

GAD Agenda for CY 2023 which address gender-related issues and concerns of the agency.

The PPPCP had implemented 21 GAD PAPs identified in its GPB in compliance with the provisions of PCW-NEDA-DBM JC No. 2012-01. One partially implemented PAP in CY 2022 was completed while the one unimplemented PAP was the GAD Committee Mid-Year Assessment and Planning, which was not conducted due to limited time, resulting in the compression of the agenda into only critical items.

Among the significant activities accomplished are presented in *Table 5*.

**Table 5 - GAD Accomplishments for CY 2023**

Activities	Accomplishments	Budget	Expenditures	Difference
		(in ₱)		
1. Conduct review of PPP legal documents, including contracts submitted by implementing agencies or consultants to ensure gender-fair language	37 Project Documents reviewed out of the 35 Project Documents committed	1,356,312.05	1,468,304.64	111,992.59
2. Capacitate implementing agencies, career executive officers, and middle managers on GAD analysis as component of PPP project study/proposal	30 Programmed Capacity Building Activities which includes Introductory courses and Project-focused courses on PPP conducted as of December 31, 2023 and composed of 53 percent female	1,089,303.75	1,136,167.53	46,863.78
3. Development/Enhancement of system collaboration tool on GAD-related data, improve PPPCP website (GAD section) and conduct of GAD collaboration system tool testing/review and uploading/ updating of contents	GAD collaboration system tool enhanced and additional security of the platform by end of 2023. Also, enhanced the PERFORM system for inputs of Service/Division targets and accomplishments; Conducted GAD collaboration system tool testing; Updated GAD section/page in all collaboration tool in PPPCP website; and Reviewed documents uploaded in the Knowledge Hub and Intranet	12,362,300.53	11,832,910.99	(529,389.54)

Activities	Accomplishments	Budget	Expenditures (in ₱)	Difference
4. Enhancement of the existing database of awarded PPP projects, monitoring report template and forms, and project site visits reports to include GAD-related information, such as the Harmonized Gender and Development Guidelines assessment and score, sex aggregated data, GAD-specific issues/concerns, and GAD-responsive facilities	50 percent of PMD reports contain GAD-related information, gender-specific concerns, or gender safeguards	806,911.25	1,051,836.44	244,925.19
5. Conduct of review on the inclusion of GAD component in project documents/ proposals	16 reports released with findings on the GAD component	1,904,261.72	2,706,700.11	802,438.39
6. Presentation of GAD data collated from different service/s on knowledge products	Featured a GAD Corner in the following knowledge products which showcases different GAD related activities and initiatives of the Center: (1) PPP Talk 2022 1 <sup>st</sup> sem; (2) 2022 PPPC Annual Report; and (3) PPP Talk 2023 Special Edition	639,000.00	964,085.00	325,085.00
7. Conduct of PPP Center-Wide Year-End Assessment Activity which includes the reporting of CY 2023 GAD Accomplishments	Conducted PPP Center-Wide Year-End Assessment Activity and CY 2023 GAD Accomplishment reported	309,080.00	1,063,977.83	754,897.83
8. Maintenance on GAD Responsive Facilities and Equipment (Male/Female/PWD Comfort Room, Wellness Breast Feeding Station)	100 percent operational/ cleaned and maintained GAD Responsive facilities and equipment	1,371,093.28	1,176,487.88	(194,605.40)



Activities	Accomplishments	Budget	Expenditures (in ₱)	Difference
9. Availment of Solo Parent Leave, Magna Carta for Women Leave, Paternity Leave and Maternity Leave	100 percent of Solo Parent, Maternity, Paternity, and Magna Carta for Women Leave applications of female PPPC employees processed <ul style="list-style-type: none"> <li>• Solo Parent-3</li> <li>• Maternity-1</li> <li>• Paternity-1</li> <li>• Magna Carta-1</li> </ul>	717,000.00	184,351.89	(532,648.11)
10. Conduct legal review and assessment of the proposed internal issuances of the PPPC, including the review on the use of gender-fair language	45 Internal Issuances reviewed of the 10 issuances committed	387,517.73	1,785,775.91	1,398,258.18
<b>Total</b>		<b>20,942,780.31</b>	<b>23,370,598.22</b>	<b>2,427,817.91</b>

As shown in the table, the PPPCP spent a total of ₱23.371 million or 111.59 percent of its GAD budget of ₱20.943 million for 10 significant GAD-related projects mainstreamed in the Agency's regular activities for CY 2023. The significant increase of the actual expenditures from the budgeted amount is due to increase in the salaries of concerned staff and as a result of the continuous upkeep and preventive maintenance of PPPCP facilities and equipment to support gender needs. For the 11 other remaining GAD PAPs, the PPPCP spent a total of ₱1.242 million or 126.01 percent of its GAD budget of ₱0.985 million.

The PPPCP spent a total of ₱24.612 million or 110.83 percent of its GAD budget of ₱22.207 million for GAD-related projects mainstreamed in the Agency's regular activities for CY 2023 include of one (1) PAP for CY 2022. The expenditures incurred by the PPPCP were supported by complete documents and were properly recognized in the books under the appropriate accounts.

#### 8. Senior Citizens (SCs) and Person with Disabilities (PWDs)

The PPPCP has sustained its program for SCs and PWDs through existing OC No. 06 s. 2015, which aims to, among others, recognize their privileges for self and social enhancement services, as stipulated in Section 5(d) of RA No. 9994, the "Expanded Senior Citizens Act of 2010". The program includes activities such as livelihood training program for additional skills and to create potential sources of income, blood glucose monitoring, online orientation on HMO, zumba session, GSIS

NCR pre-retirement webinar, kick-off activities for mental health program, counseling services, and health information and education posting through email.

For CY 2023, the PPPCP implemented programs and activities intended to address the concerns and needs of SCs and PWDs at a total cost of ₱6,164.73 in compliance with Section 36 of RA No. 11936, GP of the GAA for FY 2023, and were supported by complete documents as prescribed under COA Circular No. 2012-001, and were properly recognized under the appropriate accounts.

## 9. Compliance with Tax Laws, GSIS and Pag-IBIG Premium Contributions and Loan Amortizations, and PhilHealth Premium Contributions

The PPPCP complied with the requirements on the withholding and remittance of taxes to the Bureau of Internal Revenue (BIR), deduction and remittance of the Government Service Insurance Service (GSIS) and Home Development Mutual Fund (Pag-IBIG) premium contributions and loan amortizations, and Philippine Health Insurance Corporation (PhilHealth) premium contributions, pursuant to the regulations issued by the BIR, GSIS, Pag-IBIG, and PhilHealth, respectively. The status of withholdings/collections and remittances as at year-end are shown in *Table 6*.

**Table 6 - Summary of Withholding and Remittances of Mandatory Deductions**

Account	Beginning Balance	Total Withholding	Total Remittances	Ending Balance
(in ₱)				
<i>Due to BIR</i>	4,095,910.67	34,034,177.35	22,955,873.94	15,174,214.08
<i>Due to GSIS</i>	639,779.97	13,893,204.02	12,757,107.63	1,775,876.36
<i>Due to Pag-IBIG</i>	44,422.62	1,487,121.41	1,391,428.86	140,115.17
<i>Due to PhilHealth</i>	3,756.27	1,629,418.50	1,502,832.76	130,342.01
<b>Total</b>	<b>4,783,869.53</b>	<b>51,043,921.28</b>	<b>38,607,243.19</b>	<b>17,220,547.62</b>

The balances represent taxes withheld and mandatory deductions for the month of December 2023. Remittance to the BIR of ₱15.174 million was made on January 10, 2024. The contributions and loan payments for the month of December 2023 were remitted to GSIS, Pag-IBIG and PhilHealth on January 9, 2024 amounting to ₱1.109 million, ₱118,216.84, and ₱130,342.01, respectively. The remaining balances composed of ₱0.667 million and ₱21,898.33, respectively, refer to the reconciling items which are subject to adjustments after coordination with the concerned agencies.

## 10. GSIS Property Insurance Law

In compliance with Section 5, RA No. 656 insurable assets and properties of the PPPCP from January to December 2023, of ₱87.733 million were insured with the GIF of the GSIS, with premium payments of ₱0.563 million. The Property Inventory Form (PIF) for CY 2022 was submitted on April 24, 2023, in compliance with COA Circular No. 2018-002 dated May 18, 2018.

NCR pre-retirement webinar, kick-off activities for mental health program, counseling services, and health information and education posting through email.

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## 11. Hiring of Casual, Job Order, Contractual Personnel and Consultants

The hiring of six COS personnel by the PPPCP for CY 2023 was in accordance with the limitations set under Sections 6.2.1 and 7 of the COA-DBM JC No. 2, s. 2020 and were supported by complete documents as prescribed under COA Circular No. 2012-001. Moreover, the salary rates provided to the COS, as supported by the copies of contracts with the mandated minimum wage for the National Capital Region as well as the 20 percent premium, were compliant with Item 9.0 of COA-DBM JC No. 2. S. 2020.

## 12. Climate Change Expenditure Tagging (CCET) Funds

The PPPCP submitted its annual climate change plan for 2023-2025. The CCET Funds for CY 2023 of the Agency were utilized as follows in *Table 7*.

**Table 7 - Summary of Utilization of CCET Funds**

<b>Purpose</b>	<b>Amount in (₱)</b>
Training Program for Government Instrumentalities (LGUs, NGAs, and other PPP Stakeholder)	111,000.00
Assistance during the project development stage	102,000.00
Management and administration of the PDMF	57,000.00
PPPCP Energy Management Program	250,000.00
<b>Total</b>	<b>520,000.00</b>

The PPPCP mainstream climate adaption and mitigation initiatives in its annual PAPs as required in COA Circular No. 2023-001 dated April 18, 2023, and the above expenditures incurred by the PPPCP were supported by complete documents and in accordance with Section 41 of the GP of RA No. 11936, or the GAA for FY 2023, and the DBM-Climate Change Commission (CCC) Joint Memorandum Circular No. 2015-01.

## 13. National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) Funds

For CY 2023, the Agency had not received NTF-ELCAC Funds for implementation.

## 14. Procurement of Common-Use Supplies, Materials and Equipment with the Procurement Service

For CY 2023, PPPCP procured various office supplies totaling ₱76,045.60, computer software totaling ₱2.789 million, and airfare tickets for official travel under the Government Fares Agreement totaling ₱1.487 million, in compliance with Section

53(e) of RA No. 9184. The procurements of said supplies, computer software, and airfare tickets were supported with all the necessary documents, and properly recognized under the appropriate accounts.

### 15. Status of Suspensions, Disallowances, and Charges

For CY 2023, no Notice of Suspension (NS), Disallowance (ND), and Charge (NC) was issued. On the other hand, the status of NSs, NDs, and NCs is presented in *Table 8*.

**Table 8 - Status of Suspensions, Disallowances, and Charges**

Particulars	Balance, January 1, 2023	Issued from January 1 to December 31, 2023 (in ₱)		Balance, December 31, 2023
		NS/ND/NC	NSSDC	
		NS	0.00	
ND	7,001,822.58	0.00	172,653.00	6,829,169.58
NC	0.00	0.00	0.00	0.00
<b>Total</b>	<b>7,001,822.58</b>	<b>0.00</b>	<b>172,653.00</b>	<b>6,829,169.58</b>

The beginning balance of NDs totaling ₱7.002 million pertains to 85 NDs, wherein three collections totaling ₱172,653.00 were partially settled during the year. The corresponding Notices of Settlement of Suspension/Disallowance/Charge (NSSDC) were issued for the said settlements.

The unsettled balance of NDs amounting to ₱6.829 million as at year-end includes the Cost Economy Measure Allowance (CEMA) in CY 2011 under ND No. 2012-001(2011) dated May 31, 2012, in the amount of ₱3.388 million which was affirmed with finality per COA Decision No. 2022-292 dated January 24, 2022 received by Management on January 27, 2023. The Notice of the Finality of Decision (NFD) is pending issuance by the Commission Secretary.

**PART III**

**STATUS OF IMPLEMENTATION  
OF PRIOR YEAR'S AUDIT  
RECOMMENDATIONS**

## STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

We followed up and validated the actions taken by the **Public-Private Partnership Center of the Philippines (PPPCCP)** in the implementation of prior year's audit recommendations as contained in the audit report in Calendar Year (CY) 2022 and noted the following:

Status of Implementation	No. of Recommendations
Implemented	10
Not Implemented	0
<b>Total</b>	<b>10</b>

The results of our validation on the implementation of the audit recommendations are presented below:

Observations and Recommendations	Ref.	Management Action	Status of Implementation	Results of Auditor's Validation
<p>1. Various accounting errors in the keeping of accounts resulted in the misstatement of affected accounts reported in the financial statements (FSs).</p> <p><b>Management agreed to:</b></p> <p>a) <b>Direct the Officer-in-Charge (OIC) - Chief Administrative Officer (CAO), Finance Division (FD) to effect the necessary adjustments to correct the reported balances of the affected accounts in the FSs; and</b></p>	<p>CY 2022 AAR Pages 39-40</p>	<p>The FD has already recognized the adjustment to the balances of the affected accounts through Journal Entry Voucher (JEV) Nos. 2023-03-000220 to 2023-03-000224 and JEV No. 2023-02-000174.</p>	<p><i>Implemented</i></p>	<p>Validated the adjusting entries made under JEV Nos. 2023-02-000174 dated February 28, 2023 and 2023-03-000220 to 2023-03-000224 dated March 7, 2023 to correct the balances of the affected accounts.</p>

Observations and Recommendations	Ref.	Management Action	Status of Implementation	Results of Auditor's Validation
<p>b) Observe the proper/correct recognition of accounts and transactions in accordance with the Government Accounting Manual (GAM) for National Government Audit Sector (NGAs), and other applicable rules and regulations.</p>		<p>FD commits to comply with GAM for NGAS and other applicable rules and regulations in recognition of accounts and transactions.</p>	<p><i>Implemented</i></p>	<p>The FD observed the proper recognition of accounts and transactions relative to Receivables and PPE in accordance with the GAM for NGAs.</p>
<p>2. A number of accounts were with long outstanding and unreconciled balances, thus, existence and accuracy of account balances could not be determined.</p> <p>a. Long outstanding receivable ₱19,542.18</p> <p>Management agreed to demand from the employee the full payment of ₱19,542.18 to settle accountability for the lost laptop.</p>	<p>CY 2022 Pages 40-44</p>	<p>The FD issued an Order of Payment No. 2023-01 dated February 21, 2023 to the Accountable Officer (AO) in the amount of ₱19,542.18 demanding the full settlement of his accountability. The AO settled his accountability and paid the said amount under Official Receipt (OR) No. 6599892 dated March 10, 2023.</p>	<p><i>Implemented</i></p>	<p>Validated the collection under OR No. 6599892 dated March 10, 2023 amounting to ₱19,542.18 representing the full settlement of the AO for the lost laptop. The collection was recorded under JEV No. 2023-03-000283 dated March 23, 2023.</p>



Observations and Recommendations	Ref.	Management Action	Status of Implementation	Results of Auditor's Validation
<p><i>b. Unreconciled balances of Information and Communications Technology Equipment ₱0.923 million</i></p> <p><b>Management agreed to:</b></p> <p><b>a) Require the General Services Division (GSD) and FD to reconcile the inventory reports with the accounting records; and</b></p> <p><b>b) Require the GSD to strictly conform with the guidelines and procedures in the conduct of physical count of PPE prescribed under COA Circular No. 2020-006 dated January 31, 2020, and COA Circular No. 2022-004 dated May 31, 2022.</b></p>		<p>The GSD and FD have reconciled the inventory reports and submitted a revised Report on the Physical Count of Property, Plant and Equipment (RPCPPE) reflecting the correct details and amounts.</p> <p>GSD complied and conducted the physical count of PPE for CY 2023 as prescribed by COA rules and regulations.</p>	<p><i>Implemented</i></p> <p><i>Implemented</i></p>	<p>Validated the revised RPCPPE submitted by the GSD on March 27, 2023 reflecting the correct details and amounts. RPCPPE and PPELC were reconciled.</p> <p>Validated the RPCPPE as of December 31, 2023 submitted by the GSD on February 27, 2024 in conformity with the guidelines and procedures in the conduct of physical count of PPE prescribed under COA Circular No. 2020-006 dated January 31, 2020, and COA Circular No. 2022-04 dated May 31, 2022.</p>

Observations and Recommendations	Ref.	Management Action	Status of Implementation	Results of Auditor's Validation
<p>3. The payments of monetary incentives for PRAISE of ₱172,000.00 were not supported with the computations of monetary savings generated out of superior accomplishments and other personal efforts, thus the grant of which was without complete basis/documentation.</p> <p><b>Management agreed to:</b></p> <p>a) <b>Submit supporting computations that monetary savings were generated out of superior accomplishments and other personal efforts of the awardees; and</b></p>	<p>CY 2022 Pages 44-46</p>	<p>The Management submitted the required supporting computations that monetary savings were generated out of superior accomplishments and other personal efforts of the awardees through PPPCP letter dated February 27, 2023. The total generated savings amounting to ₱11.825 million is attributed to the employees' suggestions, inventions, superior accomplishments, and other personal efforts, and also to their initiative, creativity, sense of leadership and commitment.</p>	<p><i>Implemented</i></p>	<p>Validated the supporting computations that monetary savings were generated out of superior accomplishments and other personal efforts of the awardees, submitted by HRD on February 27, 2023 and the revised computations submitted on March 13, 2023.</p>

Observations and Recommendations	Ref.	Management Action	Status of Implementation	Results of Auditor's Validation
<p>b) Amend the PPPCP PRAISE/ PPP Center Awards and Incentive System (PAIS) to include provisions (i) requiring that monetary awards shall be granted only when the suggestions, inventions, superior accomplishments, and other personal efforts resulted in monetary savings and (ii) submission of supporting computations of the said monetary savings before granting the awards.</p>		<p>The management has already included in the amended PAIS Policy the provision requiring the computation of monetary savings generated by the suggestions, inventions, superior accomplishments and other personal efforts of PAIS Award nominee.</p>	<p><i>Implemented</i></p>	<p>Validated the Amended PAIS policy and conformed with the policies prescribed in Item Nos. 6 and 7 of the CSC MC No. 01, s. 2001 that (ii) at least 5 percent of the HRD Funds shall be allocated for the PRAISE and incorporated in the approved Agency's Annual Work and Financial Plan and Budget. The Revised Policy Guidelines on the PPP Center Awards and Incentive System (PAIS) were transmitted to the CSC on May 31, 2023.</p>
<p>4. Delayed utilization and liquidation of cash advances of ₱64,330.00 for special purpose and local travels granted to officials and employees resulted in the delay in the implementation of government programs/ activities and precluded the timely recognition of</p>	<p>CY 2022 Pages 46-48</p>			

Observations and Recommendations	Ref.	Management Action	Status of Implementation	Results of Auditor's Validation
<p>transactions in the books.</p> <p>Management agreed to:</p> <p>a) The OIC-CAO FD to strictly monitor the unliquidated cash advances to ensure immediate utilization and liquidation as soon as the purpose for which it was granted had been completed;</p> <p>b) The OIC-CAO, FD in case of failure of the AO to liquidate a cash advance within the prescribed period, to cause the withholding of salary; and</p> <p>c) All officers and employees concerned to ensure strict compliance with prescribed period for the liquidation of cash advances.</p>		<p>FD created a monitoring report where the deadline for liquidation is reflected and constantly reminds AOs to liquidate on or before the deadline to avoid delays.</p> <p>FD monitored all AO's cash advances in CY 2023 which were liquidated within the prescribed period provided in their Travel Order or Special Order.</p> <p>The deadline for liquidation is reflected/emphasized in the Travel Order or Special Order issued to the AOs who were granted cash advances.</p>	<p><i>Implemented</i></p> <p><i>Implemented</i></p> <p><i>Implemented</i></p>	<p>Validated the monitoring report prepared by FD on the grant and liquidation of cash advances.</p> <p>Validated the cash advances in CY 2023 which were liquidated within the prescribed period.</p> <p>Validated Travel Orders and/or Special Orders issued to the AOs where the prescribed period to liquidate the cash advances was reflected/emphasized.</p>

## PART IV

### APPENDICES

<b>Appendices</b>	<b>Particulars</b>	<b>Pages</b>
A	Detailed Statement of Financial Position	1-3
B	Detailed Statement of Financial Performance	1-4
C	Detailed Statement of Cash Flows	1-2

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**ALL FUNDS**  
**AS AT DECEMBER 31, 2023**  
**(In Philippine Peso)**

	<u>2023</u>	<u>2022</u> (As Restated)
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>	<u>1,593,487,225.94</u>	<u>1,507,958,106.83</u>
Cash on Hand	58,705.25	24,700.00
Petty Cash	58,705.25	24,700.00
Cash in Bank - Local Currency	<u>1,566,118,543.40</u>	<u>1,480,314,814.65</u>
Cash in Bank - Local Currency, Current Account	1,566,118,543.40	1,480,314,814.65
Cash in Bank - Foreign Currency	<u>27,309,977.29</u>	<u>27,618,592.18</u>
Cash in Bank - Foreign Currency, Savings Account	27,309,977.29	27,618,592.18
	<u>872,036,809.47</u>	<u>972,964,525.37</u>
<b>Receivables</b>	<u>713,245,330.25</u>	<u>814,104,963.23</u>
Inter-Agency Receivables	636,397,076.35	759,234,799.82
Due From National Government Agencies		
Due From Government-Owned or Controlled Corporations	57,375,660.87	54,870,163.41
Due from Local Government Units	19,472,593.03	0.00
Other Receivables	<u>158,791,479.22</u>	<u>158,859,562.14</u>
Receivables - Disallowances / Charges	3,525,120.24	3,525,120.24
Due from Officers and Employees	0.00	62,745.94
Other Receivables	155,266,358.98	155,271,695.96
Allowance for Impairment - Other Receivables	0.00	0.00
Net Value - Other Receivables	<u>158,791,479.22</u>	<u>158,859,562.14</u>
	<u>732,444.18</u>	<u>948,589.28</u>
<b>Inventories</b>	<u>725,444.18</u>	<u>768,499.82</u>
Inventory Held for Consumption	725,444.18	768,499.82
Office Supplies Inventory	7,000.00	159,609.46
Semi-Expendable Machinery and Equipment	7,000.00	7,000.00
Semi-Expendable Office Equipment		
Semi-Expendable Information and Communications Technology Equipment	0.00	152,609.46
Semi-Expendable Furniture, Fixtures and Books	0.00	20,480.00
Semi-Expendable Furniture and Fixtures	0.00	20,480.00
	<u>11,439,010.40</u>	<u>10,660,419.00</u>
<b>Other Current Assets</b>	<u>31,455.45</u>	<u>0.00</u>
Advances	17,995.45	0.00
Advances to Special Disbursing Officers	13,460.00	0.00
Advances to Officers and Employees	<u>4,539,409.15</u>	<u>3,792,273.20</u>
Prepayments	138,189.12	90,003.83
Prepaid Insurance		

	<u>2023</u>	<u>2022</u> (As Restated)
Prepaid Subscription	4,295,687.85	3,604,456.87
Other Prepayments	105,532.18	97,812.50
Deposits	6,868,145.80	6,868,145.80
Guaranty Deposits	6,868,145.80	6,868,145.80
<b>Total Current Assets</b>	<u>2,477,695,489.99</u>	<u>2,492,531,640.48</u>
<b>Non - Current Assets</b>		
<b>Property, Plant and Equipment</b>	<u>26,961,302.69</u>	<u>26,090,723.51</u>
Machinery and Equipment	<u>19,881,582.36</u>	<u>22,266,310.78</u>
Office Equipment	8,594,953.01	6,615,788.01
<i>Accumulated Depreciation - Office Equipment</i>	<u>(4,929,648.86)</u>	<u>(4,397,946.16)</u>
<i>Net Value</i>	3,665,304.15	2,217,841.85
Information and Communications Technology Equipment	57,547,787.37	54,902,867.89
<i>Accumulated Depreciation - Information and Communications Technology Equipment</i>	<u>(41,426,526.00)</u>	<u>(35,030,297.28)</u>
<i>Net Value</i>	16,121,261.37	19,872,570.61
Firefighting Equipment and Accessories	1,617,548.23	1,617,548.23
<i>Accumulated Depreciation - Firefighting Equipment and Accessories</i>	<u>(1,522,531.39)</u>	<u>(1,441,649.91)</u>
<i>Net Value</i>	95,016.84	175,898.32
Transportation Equipment	<u>4,609,791.62</u>	<u>1,217,192.88</u>
Motor Vehicles	16,072,600.00	11,869,000.00
<i>Accumulated Depreciation - Motor Vehicles</i>	<u>(11,462,808.38)</u>	<u>(10,651,807.12)</u>
<i>Net Value</i>	4,609,791.62	1,217,192.88
Furniture, Fixtures and Books	13,492.34	1,555,175.80
Furniture and Fixtures	83,888.00	4,422,815.04
<i>Accumulated Depreciation - Furniture and Fixtures</i>	<u>(70,395.66)</u>	<u>(2,867,639.24)</u>
<i>Net Value</i>	13,492.34	1,555,175.80
Leased Assets Improvements	<u>2,456,436.37</u>	<u>1,052,044.05</u>
Leased Asset Improvements, Buildings and Other Structures	22,577,013.71	21,040,880.96
<i>Accumulated Depreciation - Leased Asset Improvements, Buildings and Other Structures</i>	<u>(20,120,577.34)</u>	<u>(19,988,836.91)</u>
<i>Net Value</i>	2,456,436.37	1,052,044.05
	<u>9,672,227.43</u>	<u>9,831,143.79</u>
<b>Intangible Assets</b>	<u>28,958,268.59</u>	<u>28,731,801.23</u>
Computer Software	<u>(21,227,947.88)</u>	<u>(20,287,805.76)</u>
<i>Accumulated Amortization - Computer Software</i>	7,730,320.71	8,443,995.47
<i>Net Value</i>	1,941,906.72	1,387,148.32
Development in Progress - Computer Software	<u>36,633,530.12</u>	<u>35,921,867.30</u>
<b>Total Non - Current Assets</b>	<u>2,514,329,020.11</u>	<u>2,528,453,507.78</u>
<b>Total Assets</b>		

	<u>2023</u>	<u>2022</u> (As Restated)
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>	<u>6,672,377.08</u>	<u>3,065,825.91</u>
Payables	<u>6,672,377.08</u>	<u>3,065,825.91</u>
Accounts Payable	5,627,872.15	2,181,967.26
Due to Officers and Employees	1,044,504.93	883,858.65
<b>Inter-Agency Payables</b>	<u>17,220,547.62</u>	<u>4,783,869.53</u>
Due to BIR	15,174,214.08	4,095,910.67
Due to GSIS	1,775,876.36	639,779.97
Due to Pag-IBIG	140,115.17	44,422.62
Due to PhilHealth	130,342.01	3,756.27
<b>Trust Liabilities</b>	<u>28,786,758.40</u>	<u>34,117,367.69</u>
Trust Liabilities	27,309,977.29	32,911,389.69
Trust Liabilities - Disallowances/Charges	1,476,781.11	1,205,978.00
<b>Deferred Credits</b>	<u>0.00</u>	<u>62,745.94</u>
Other Deferred Credits	0.00	62,745.94
<b>Other Payables</b>	<u>383,695.75</u>	<u>33,695.75</u>
Other Payables	383,695.75	33,695.75
<b>Total Current Liabilities</b>	<u>53,063,378.85</u>	<u>42,063,504.82</u>
<b>Total Liabilities</b>	<u>53,063,378.85</u>	<u>42,063,504.82</u>
<b>Total Assets less Total Liabilities</b>	<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>
<b>Net Assets/Equity</b>	<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>
Equity	<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>
Accumulated Surplus (Deficit)	2,461,265,641.26	2,486,390,002.96
<b>Total Net Assets/Equity</b>	<u>2,461,265,641.26</u>	<u>2,486,390,002.96</u>



**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Philippine Peso)**

	<u>2023</u>	<u>2022</u> (As Restated)
<b>Revenue</b>		
<b>Service and Business Income</b>		
Service Income		59,815,059.18
Other Service Income	20,670,625.20	
Business Income		504,520.75
Interest Income	1,009,773.82	
Other Business Income	135,000.00	100,000.00
Total Service and Business Income	<u>21,815,399.02</u>	<u>60,419,579.93</u>
<b>Non-Operating Income</b>		
Proceeds from Insurance/Indemnities	4,847.99	0.00
Miscellaneous Income	112,679.45	30,000.00
Total Non-Operating Income	<u>117,527.44</u>	<u>30,000.00</u>
<b>Total Revenue</b>	<u>21,932,926.46</u>	<u>60,449,579.93</u>
<b>Less: Current Operating Expenses</b>		
<b>Personnel Services</b>		
<b>Salaries and Wages</b>	86,988,125.48	82,533,777.87
Salaries and Wages - Regular	86,988,125.48	82,533,777.87
Total Salaries and Wages		
<b>Other Compensation</b>	2,844,818.19	2,747,271.89
Personnel Economic Relief Allowance (PERA)	2,249,125.00	2,244,875.00
Representation Allowance (RA)	1,792,875.00	1,914,375.00
Transportation Allowance (TA)	666,000.00	630,000.00
Clothing/Uniform Allowance	263,000.00	271,326.34
Honoraria	5,738.06	0.00
Hazard Pay	0.00	71,638.76
Overtime and Night Pay	7,174,622.50	6,970,716.90
Year-End Bonus	593,500.00	586,500.00
Cash Gift	6,766,628.00	6,710,160.00
Mid-Year Bonus	3,366,000.00	2,550,000.00
Collective Negotiation Agreement-Civilian	602,500.00	558,000.00
Productivity Enhancement Incentive-Civilian	4,795,817.67	3,662,429.73
Performance Based Bonus-Civilian	31,120,624.42	28,917,293.62
Total Other Compensation		
<b>Personnel Benefit Contributions</b>	10,406,142.52	9,867,403.23
Retirement and Life Insurance Premiums		

	<u>2023</u>	<u>2022</u> (As Restated)
Pag-IBIG Contributions	143,600.00	138,800.00
PhilHealth Contributions	1,528,807.07	1,429,292.80
Employees Compensation Insurance Premiums	143,500.00	137,800.00
Total Personnel Benefit Contributions	<u>12,222,049.59</u>	<u>11,573,296.03</u>
<b>Other Personnel Benefits</b>		
Terminal Leave Benefits	3,540,165.62	5,944,216.54
Other Personnel Benefits	3,094,378.52	3,677,627.32
Total Other Personnel Benefits	<u>6,634,544.14</u>	<u>9,621,843.86</u>
<b>Total Personnel Services</b>	<u>136,965,343.63</u>	<u>132,646,211.38</u>
<b>Maintenance and Other Operating Expenses</b>		
<b>Traveling Expenses</b>		
Traveling Expenses - Local	2,869,494.59	2,291,040.36
Traveling Expenses - Foreign	957,329.06	827,973.18
Total Traveling Expenses	<u>3,826,823.65</u>	<u>3,119,013.54</u>
<b>Training and Scholarship Expenses</b>		
Training Expenses	1,480,755.44	754,568.00
Total Training and Scholarship Expenses	<u>1,480,755.44</u>	<u>754,568.00</u>
<b>Supplies and Materials Expenses</b>		
Office Supplies Expenses	1,014,288.20	774,875.10
Fuel, Oil and Lubricants Expenses	1,529,824.38	1,786,855.82
Semi-Expendable Machinery and Equipment Expenses	826,127.10	1,925,499.52
Semi-Expendable Furniture, Fixtures and Books Expenses	620,480.00	216,079.00
Total Supplies and Materials Expenses	<u>3,990,719.68</u>	<u>4,703,309.44</u>
<b>Utility Expenses</b>		
Water Expenses	62,872.39	342,089.91
Electricity Expenses	3,676,300.75	1,873,704.56
Total Utility Expenses	<u>3,739,173.14</u>	<u>2,215,794.47</u>
<b>Communication Expenses</b>		
Postage and Courier Expenses	104,589.32	57,352.00
Telephone Expenses	1,338,216.26	1,464,144.78
Internet Subscription Expenses	2,023,408.18	1,294,799.45
Total Communication Expenses	<u>3,466,213.76</u>	<u>2,816,296.23</u>
<b>Awards/Rewards, Prizes and Indemnities</b>		
Awards/Rewards Expenses	186,000.00	202,000.00
Total Awards/Rewards and Prizes	<u>186,000.00</u>	<u>202,000.00</u>
<b>Confidential, Intelligence and Extraordinary Expenses</b>		
Extraordinary and Miscellaneous Expenses	1,125,550.44	1,003,357.76
Total Confidential, Intelligence and Extraordinary Expenses	<u>1,125,550.44</u>	<u>1,003,357.76</u>

	<u>2023</u>	<u>2022</u> (As Restated)
<b>Professional Services</b>		
Legal Services	10,323.00	5,150.00
Consultancy Services	83,248,631.36	83,087,107.82
Other Professional Services	1,712,269.41	442,344.37
<b>Total Professional Services</b>	<u>84,971,223.77</u>	<u>83,534,602.19</u>
<b>General Services</b>		
Janitorial Services	1,337,836.12	1,219,539.85
Security Services	1,355,339.48	1,190,707.84
Other General Services	4,250,275.34	4,263,270.53
<b>Total General Services</b>	<u>6,943,450.94</u>	<u>6,673,518.22</u>
<b>Repairs and Maintenance</b>		
Repairs and Maintenance - Buildings and Other Structures	0.00	81,095.00
Repairs and Maintenance - Machinery and Equipment	2,150,132.00	1,872,974.00
Repairs and Maintenance - Transportation Equipment	673,890.98	1,645,357.36
Repairs and Maintenance - Leased Assets Improvements	295,970.07	0.00
<b>Total Repairs and Maintenance</b>	<u>3,119,993.05</u>	<u>3,599,426.36</u>
<b>Taxes, Insurance Premiums and Other Fees</b>		
Taxes, Duties and Licenses	232,311.45	130,171.13
Fidelity Bond Premiums	195,909.07	206,500.00
Insurance Expenses	587,867.28	584,496.93
<b>Total Taxes, Duties and Licenses</b>	<u>1,016,087.80</u>	<u>921,168.06</u>
<b>Other Maintenance and Operating Expenses</b>		
Advertising, Promotional and Marketing Expenses	0.00	91,476.00
Printing and Publication Expenses	495,410.35	715,605.00
Representation Expenses	3,430,546.34	3,095,818.60
Transportation and Delivery Expenses	0.00	471,907.00
Rent /Lease Expenses	43,091,579.49	36,828,671.82
Subscription Expenses	6,739,874.24	7,264,112.42
Other Maintenance and Operating Expenses	0.00	92,318.00
<b>Total Other Maintenance and Operating Expenses</b>	<u>53,757,410.42</u>	<u>48,559,908.84</u>
<b>Total Maintenance and Other Operating Expenses</b>	<u>167,623,402.09</u>	<u>158,102,963.11</u>
<b>Non-Cash Expenses</b>		
Depreciation		
Depreciation - Machinery and Equipment	7,218,532.26	7,824,104.39
Depreciation - Transportation Equipment	811,001.26	609,357.12
Depreciation - Furniture, Fixtures, and Books	7,969.32	7,971.78
Depreciation - Leased Assets Improvements	131,740.43	0.00
<b>Total Depreciation</b>	<u>8,169,243.27</u>	<u>8,441,433.29</u>

	<u>2023</u>	<u>2022</u> (As Restated)
Amortization		
Amortization - Intangible Assets	940,142.12	1,259,769.33
Total Amortization	<u>940,142.12</u>	<u>1,259,769.33</u>
Impairment Loss		
Impairment Loss - Property, Plant and Equipment	0.00	263,865.14
Total Impairment Loss	<u>0.00</u>	<u>263,865.14</u>
<b>Total Non-Cash Expenses</b>	<u>9,109,385.39</u>	<u>9,965,067.76</u>
<b>Current Operating Expenses</b>	<u>313,698,131.11</u>	<u>300,714,242.25</u>
<b>Surplus/(Deficit) from Current Operations</b>	<u>(291,765,204.65)</u>	<u>(240,264,662.32)</u>
<b>Assistance / Subsidy from NGAs, LGUs, GOCCs</b>		
Subsidy from National Government	231,435,979.73	207,962,788.21
Less: Assistance/Subsidy to NGAs, LGUs, GOCCs	0.00	0.00
<b>Net Assistance / Subsidy</b>	<u>231,435,979.73</u>	<u>207,962,788.21</u>
<b>Gains</b>		
Gain on Foreign Exchange (FOREX)	39,629,854.08	6,937,083.96
Gain on Sale of Unserviceable Property	0.00	5,000.00
Total Gains	<u>39,629,854.08</u>	<u>6,942,083.96</u>
<b>Losses</b>		
Loss on Foreign Exchange (FOREX)	(6,889,468.45)	(7,876,101.72)
Loss on Sale of Property, Plant and Equipment	0.00	(67,160.48)
Loss of Assets	0.00	(43,203.76)
Total Losses	<u>(6,889,468.45)</u>	<u>(7,986,465.96)</u>
<b>Surplus/(Deficit) for the period</b>	<u>(27,588,839.29)</u>	<u>(33,346,256.11)</u>

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**DETAILED STATEMENT OF CASH FLOWS**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Philippine Peso)**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
<b>Cash Inflows</b>		
Receipt of Notice of Cash Allocation (NCA)	231,438,256.41	227,888,332.77
Receipt of Notice of Cash Allocation	213,458,617.00	209,727,087.00
Constructive Receipt of NCA for TRA	17,979,639.41	18,161,245.77
Collection of Income/Revenues	776,827.91	509,258.34
Collection of service and business income	641,827.91	404,258.34
Collection of other income	135,000.00	105,000.00
Collection of Receivables	157,324,626.85	389,327,250.04
Collection of receivables from audit disallowances	172,653.00	0.00
Collection of other receivables	157,151,973.85	389,327,250.04
Receipt of Intra-Agency Fund Transfers	0.00	2,419,241.41
Receipt of funds for other intra-agency transactions	224,317.85	140,466.04
Other Receipts	61,901.00	
Refund of overpayment of Maintenance and Other Operating Expenses	151,520.68	110,466.04
Receipt of refund of cash advances	10,896.17	30,000.00
Other miscellaneous receipts	0.00	0.00
Adjustments	0.00	0.00
Other adjustments - inflow	389,764,029.02	620,284,548.60
<b>Total Cash Inflows</b>		
	1,264,282.06	512,602.82
<b>Cash Outflows</b>		
Remittance to National Treasury	476,039.48	0.00
Remittance of current year's income/revenue	322,259.55	0.00
Remittance of prior year's income/revenue	465,983.03	512,602.82
Remittance of refunds, overpayments and disallowances and other receipts	228,695,517.73	215,395,950.34
Payment of operating expenses	96,620,658.55	92,192,273.10
Payment of personnel services	129,731,557.43	122,122,921.86
Payment of maintenance and other operating expenses	2,343,301.75	1,080,755.38
Payment of expenses pertaining to/incurred in the prior years	1,458,040.44	1,035,244.04
Purchase of Inventories	1,458,040.44	1,035,244.04
Purchase of inventories for consumption	1,101,673.14	1,562,001.34
Grant of Cash Advances	1,046,813.14	847,180.26
Advances for special purpose/time-bound undertakings	54,860.00	714,821.08
Advances to officers and employees	7,731,401.15	2,970,984.31
Prepayments	7,731,401.15	2,970,984.31
Other Prepayments	3,401,060.82	8,733,600.75
Payment of Accounts Payable	3,401,060.82	8,733,600.75
Payment of Accounts Payable	47,958,346.84	58,083,237.33
Remittance of Personnel Benefit Contributions and Mandatory Deductions	17,979,639.41	20,580,487.18
Remittance of taxes withheld covered by TRA	4,691,419.35	11,135,904.72
Remittance of taxes withheld not covered by TRA	25,287,288.08	26,366,845.43
Remittance of GSIS/Pag-IBIG/PhilHealth	4,364,645.75	3,223,320.41
Release of Inter-Agency Fund Transfers	4,364,645.75	3,223,320.41
Advances to Procurement Service	91,294.75	25,300.00
Other Disbursements	91,294.75	25,300.00
Other Disbursements	2,276.68	19,925,544.56
Reversal of unutilized NCA	136,922.20	7,917,431.35
Adjustments	136,922.20	7,917,431.35
Other adjustments - Outflow		

	<u>2023</u>	<u>2022</u>
Total Cash Outflows	<u>296,205,461.56</u>	<u>319,385,217.25</u>
Net Cash Provided by (Used in) Operating Activities	<u>93,558,567.46</u>	<u>300,899,331.35</u>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	<u>5,159,822.06</u>	<u>1,594,698.55</u>
Purchase of machinery and equipment	0.00	1,443,308.30
Purchase of transportation equipment	3,978,407.15	0.00
Payment for leased assets improvements	661,328.91	0.00
Construction in progress	520,086.00	151,390.25
Purchase of Intangible Assets	<u>2,869,626.29</u>	<u>0.00</u>
Purchase of computer software	2,869,626.29	0.00
Total Cash Outflows	<u>8,029,448.35</u>	<u>1,594,698.55</u>
Net Cash Provided by (Used in) Investing Activities	<u>(8,029,448.35)</u>	<u>(1,594,698.55)</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>85,529,119.11</u>	<u>299,304,632.80</u>
Cash and Cash Equivalents, January 1	<u>1,507,958,106.83</u>	<u>1,208,653,474.03</u>
Cash and Cash Equivalents, December 31	<u>1,593,487,225.94</u>	<u>1,507,958,106.83</u>