

Philippine Carabao Center

Science City of Muñoz, Nueva Ecija

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION

Audit Observations and Recommendations

For the Calendar Year 2022

As of June 30, 2023

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
No. 1	<i>The reported balance of the Receivables account with a carrying amount of ₱109,667,376.99 was not fairly presented in the year-end financial statements due to (a) unrecognized receivables totaling ₱27,733,576.70 by the Philippine Carabao Center (PCC) National Headquarters and Gene Pool (NHGP) and Regional Centers at Mariano Marcos State University (MMSU), Central Mindanao University (CMU) and</i>	We recommended and the OIC - Executive Director agreed to instruct the: (a) PCC at NHGP, MMSU, CMU and UPLB to prepare the necessary reports to enable the Accounting Unit to comply with the accrual basis of accounting on the recognition of financial transactions in the books of accounts; and draw the	The Accounting Section in coordination with Internal Audit Section and Business Development and Commercialization Unit of PCC NHGP will prepare policies concerning Receivables account. Likewise, assessment for Allowance for Impairment Loss will be considered. Some identified	Accountants and Bookkeepers of PCC NHGP, MMSU, CMU, UPLB, VSU, CSU and MLPC, and Property and Accountable Officers of PCC UPLB,	June 2023	Dec. 2023	a) Partially Implemented	Documentation for the identified receivables will be made before it will be recognized in the book.	PCC at UPLB was already recorded the Receivable account in the amount of ₱87,750.00 under under JEV-2023-03-000289

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	<p>University of the Philippines- Los Baños (UPLB); (b) non-derecognition of receivables totaling ₱964,602.00 representing cost of buffaloes transferred by the PCC at Mindanao Livestock Production Center (MLPC) to various Local Government Units (LGUs) and farmer-beneficiaries; (c) doubtful collectability of receivables totaling ₱2,747,919.68 by the Regional Centers at Cagayan State University (CSU) and MLPC; and (d) inadequate documentation to support receivables totaling ₱1,610,198.00 by the PCC at Visayas State University (VSU), inconsistent with pertinent provisions of the Government Accounting Manual (GAM) for National Government</p>	<p>necessary adjusting entries in the books of accounts for proper recognition of receivables totaling ₱27,733,576.70;</p> <p>(b) PCC at MLPC Accounting Unit to make the necessary adjusting entries for the buffaloes transferred totaling ₱964,602.00; and Program Coordinators to expedite the gathering of pertinent data supporting the various transfers of buffaloes and submit documents to the Accounting Office to effect necessary</p>	<p>audit recommendation regarding Receivable account will be reviewed and necessary adjusting entries will be recorded in the books.</p>	<p>MLPC and CSU</p>			<p>b) Partially Implemented</p>		

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	<i>Agencies (NGAs), Volume I and the Diary Buffalo Dispersal Agreement.</i>	<p>adjustments in the books of accounts;</p> <p>(c) Center Director of (i) PCC at CSU to initiate efforts in requesting for authority from the COA to write-off dormant receivables that are deemed uncollectible after all remedies have been exhausted; and (ii) PCC at MLPC to intensify collection efforts and send demand letters to debtors on a regular basis.</p> <p>(d) Administrative and Financial Management Division to formulate an accounting policy for the provision of</p>					<p>c.i) On-going</p> <p>c.ii) Partially Implemented</p> <p>d) On-going</p>		

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		<p>Allowance for Impairment for Receivables.</p> <p>(e) Center Director of PCC at VSU to require the Accounting Unit to submit to the COA Office the copies of signed journal entry vouchers (JEVs) with complete supporting documents.</p>					e) On-going		
No. 2	<p>Deficiencies were noted on the accounting and management of Biological Assets of the PCC Regional Centers such as (a) unrecognized buffaloes totaling ₱874,000.00 by the PCC at NHGP and Central Luzon State University (CLSU); (b) non-revaluation of</p>	<p>We recommended and the OIC-Executive Director agreed to undertake the following courses of action:</p> <p>(a) instruct the Accounting and Property Sections of PCC at NHGP and CLSU to (i)</p>	<p>The concerned personnel were instructed to coordinate the preparation and regular submission and update of Quarterly Report of Biological Assets. A system of monitoring for the movement of</p>	<p>Accountants and Bookkeepers of PCC NHGP, CLSU, CMU, UPLB, and VSU, and Property</p>	June 2023	Dec. 2023	a.i) Partially Implemented		

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	<p>animals resulting to understatement of Assets and Accumulated Surplus/(Deficit) accounts by ₱659,812.50 of the PCC at CLSU; (c) non-derecognition of sold and slaughtered animals totaling ₱983,250.00 by the PCC at CLSU and Central Mindanao University (CMU); (d) existence of dead and culled buffaloes totaling ₱581,750.00 in the Report on the Physical Count of Biological Assets of the PCC at VSU; (e) unaccounted animals totaling ₱2,317,500.00 by the PCC at NHGP and CLSU; and (f) non-preparation of Quarterly Report on Biological Assets (QRBA) and non-maintenance of Biological Assets Property Card (BAPC) by the PCC at NHGP, CMU and UPLB,</p>	<p>recognize in their respective records the book value of animals to its appropriate Biological Assets sub-account; (ii) investigate the status of unaccounted or non-existing animals; (iii) secure documents to support the disposition of animals for preparation of corresponding Property Transfer Reports (PTRs); and (iv) consistently apply the valuation policy established on Biological Assets;</p> <p>(b) advise the Accounting</p>	<p>animals in the farm will be implemented and this should be supported with corresponding Property Transfer Reports. Semi-annual inventory of animals will be done to prevent the recurrence of the audit findings. Adjusting entries will be made after gathering of supporting documents needed.</p>	<p>and Accountable Officers of PCC NHGP, CLSU, CMU, UPLB, and VSU</p>			<p>a.ii) Partially Implemented</p> <p>a.iii) Partially Implemented</p> <p>a.iv) Partially Implemented</p> <p>b) Partially Implemented</p>		

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	<i>inconsistent with the pertinent provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I.</i>	<p>Section of PCC at CLSU and CMU to derecognize from their respective records the value of sold and slaughtered animals upon securing the necessary supporting documents;</p> <p>(c) Property and Supply Office of the PCC at VSU to (i) conduct an inventory together with In-charge of the loan and dispersal programs to come up with an accurate inventory report; and (ii) derecognize dead and culled buffaloes in the Report on the Physical Count of</p>					<p>c.i) On-going</p> <p>c.ii) On-going</p>		

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		<p>Biological Assets; and</p> <p>(d) advise the Property Unit/Farm Supervisors of PCC at NHGP, CMU and UPLB to regularly update the Biological Assets Property Card (BAPC) and prepare and submit the required Quarterly Report of Biological Assets (QRBA).</p>					d) Partially Implemented		
No. 3	<p><i>Deficiencies were noted on the accounting and management of Property, Plant and Equipment (PPE) accounts of the PCC Regional Centers at NHGP, CMU, MLPC, UPLB, VSU and WVSU with carrying amount totaling ₱724,458,830.03</i></p>	<p>We recommended and the OIC-Executive Director agreed to undertake the following courses of action:</p> <p>(a) Advise the (i) Property Unit of PCC-NHGP to validate the status</p>	<p>The concerned personnel were instructed to institute measures on how to address the audit recommendations regarding PPE. The inventory team will validate the status or whereabouts of non-</p>	<p>Accounting and Property Units of PCC NHGP, CMU, LCSF, MLPC, VSU,</p>	<p>June 2023</p>	<p>Dec. 2023</p>	<p>a.i) Partially Implemented</p>		

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	<p>as of December 31, 2022; viz: (a) unreconciled variance of ₱13,970,621.18 between the General Ledger (GL) controlling account balance and the Report on the Physical Count of PPE (RPCPPE); (b) unaccounted PPE items totaling ₱5,199,865.46; (c) errors in providing depreciation totaling ₱811,983.96; (d) non-reclassification of semi-expendable properties totaling ₱572,935; (e) non-disposal of unserviceable properties valued at ₱3,144,981.24; and (f) absence of Property Stickers or non-adoption of uniform property identification system, which is not in accordance with Chapter 10 of the Government Accounting Manual (GAM) for National</p>	<p>or whereabouts of non-existing/missing PPEs of the Center; and (ii) Accounting and Property Units of the PCC at NHGP and CMU to conduct regular reconciliation of the balances of PPE per GL controlling accounts with their respective physical inventory records;</p> <p>(b) Direct the Accounting Unit of the PCC at MLPC to (i) revisit the Schedule of PPEs to ensure the accuracy of recognized costs and depreciation for each PPE item; and (ii) draw the necessary</p>	<p>existing/missing PPEs of the Center. Also, proper scheduling of physical count and reconciliation of PPE accounts will be made to give time to Accounting Unit to take up necessary adjustments in the books at year-end.</p>	<p>WVSU and UPLB</p>			<p>a.ii) Partially Implemented</p> <p>b.i) Partially Implemented</p> <p>b.ii) Partially Implemented</p>		

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	<i>Government Agencies (NGAs), Volume I and COA Circular No. 2020-006 dated January 31, 2020.</i>	<p>adjusting entries in the books of accounts;</p> <p>(c) Require the Accounting Unit of PCC at LCSF to prepare the necessary adjusting entries to reclassify semi-expendable property amounting to ₱572,935.00 acquired prior to CY 2022 and previously recorded as PPE;</p> <p>(d) Instruct the Property Unit and Disposal Committee of the PCC at NHGP, UPLB and WVSU to (i) expedite the request for the timely disposal of</p>					<p>c) Partially Implemented</p> <p>d.i) Partially Implemented</p>		

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		<p>unserviceable PPE items to prevent further loss and deterioration of the same; and (ii) prepare the Inventory and Inspection Report of Unserviceable Property (IIRUP) for the said unserviceable properties carried in the PPE accounts and submit the same together with necessary supporting documents for review and verification of the Audit Team; and</p> <p>(e) Advise the Property Section of PCC at NHGP and VSU to attach Property Stickers</p>					<p>d.ii) Partially Implemented</p> <p>e) Partially Implemented</p>		

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		or update the Inventory Tag or Property Numbers based on the prescribed format under Section 5 of COA Circular No. 2020-006 dated January 31, 2020.							
No. 4	<i>Deficiencies in inventory management were observed during the review of control records and validation of the Report on the Physical Count of Inventories (RPCI) of the PCC Regional Centers at VSU, MMSU, UPLB and CMU as of December 31, 2022; viz: (a) unreconciled variance of ₱4,522,859.67 noted between the Accounting records and the RPCI; (b) non-observance of the Perpetual Inventory Method in the recognition</i>	We recommended and the OIC-Executive Director agreed to direct the Center Directors concerned to undertake the following courses of action: (a) Direct the Accounting and Property Units of the PCC at VSU to (i) reconcile the balances of their respective records on a periodic basis; and (ii) Accounting Unit to take up the necessary adjustments in the	The Inventory Committee of PCC at VSU will properly plan the execution of and completion of physical inventory taking of supplies and materials thru coordination of designated officer/s and staff/s from each division/unit. Likewise, proper scheduling for reconciliation of accounts will be made to give time to Accounting Unit to take up necessary	Accounting and Property Units of PCC NHGP, CMU, MMSU, and UPLB	June 2023	Dec. 2023	a.i) On-going a.ii) On-going		

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	<p><i>of some inventories totaling ₱144,669.56; (c) unsupported issuance of semi-expendable items totaling ₱3,875,998.00; and (d) non-submission of the Report on the Physical Count of Inventories (RPCI), inconsistent with the related provisions under the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volumes I and II and the cardinal principles of internal control.</i></p>	<p>books as noted from the reconciliation performed; and</p> <p>(b) Advise the Accounting Unit of PCC at CMU and MMSU to (i) see to it that purchases and issuances of inventories shall be accounted under the Perpetual Inventory Method; and (ii) prepare the appropriate adjusting entries to reflect the unrecognized purchased/issued inventories; and</p> <p>(c) Require the Property Officer of the PCC at UPLB to prepare the Report of Semi-Expendable</p>	<p>adjustments in the books at year-end. Also, Perpetual Inventory Method will be observed in PCC at CMU and MMSU.</p>						
							<p>b.i) On-going</p> <p>b.ii) On-going</p> <p>c) Partially Implemented</p>		

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		<p>Property Issued (RSPI) based on the Inventory Custodian Slips (ICSs) issued in CY 2022 to end-users amounting to ₱3,875,998.00, copy furnished the Bookkeeper to support the journal entry vouchers (JEVs) for semi-expendable properties issued, and submit the same to the Audit Team for verification; and</p> <p>(d) Instruct the Property Unit and Inventory Committee of the PCC at CMU to (i) prepare and maintain inventory control records in accordance with</p>					d.i) Partially Implemented		

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		the GAM for NGAs; and (ii) conduct the physical count of inventories semi-annually, and submit the RPCI to the COA Office for reference and verification.					d.ii) On-going		
No. 5	<i>The reported balances of the Cash and Cash Equivalents accounts of the PCC at MMSU, UPLB, VSU and WVSU were not fairly presented in the year-end financial statements due to (a) accumulation of unrecognized reconciling items in the Bank Reconciliation Statements (BRS) totaling ₱905,476.36; (b) unadjusted stale checks totaling ₱140,064.53 (c) erroneous recording of</i>	We recommended and the OIC-Executive Director agreed to instruct the Center Director of: (a) The PCC at VSU and WVSU to direct the Bookkeeper/Accountant to: (i) record/adjust immediately the reconciling items found valid to ensure correctness of the Cash in Bank, LCCA; (ii)	The concerned personnel were instructed to observe prudence in preparation of bank reconciliation statements. Also, they should investigate the reconciling items and look for adequate documentation to adjust the balance of Cash in Bank and other affected accounts in the books so that the necessary	Accounting Units of PCC VSU, WVSU, MMSU, and UPLB	June 2023	Dec. 2023	a.i) Partially Implemented a.ii) On-going		

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	<p><i>unremitted collections totaling ₱429,838.54; and (d) non-preparation of Bank Reconciliation Statements (BRS), inconsistent with the pertinent provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I.</i></p>	<p>investigate the unsupported/undocumented reconciling items to determine their validity so that the necessary adjustments/corrections could be made; and (iii) henceforth, resolve the reconciling items and immediately draw the necessary adjusting entries to correct the Cash in Bank balances;</p> <p>(b) The PCC at MMSU to advise the Bookkeeper to (i) draw necessary adjusting entries to take up the cancellation of the subject stale checks totaling ₱140,064.53 in</p>	<p>adjustments could be made.</p>				<p>a.iii) On-going</p> <p>b.i) On-going</p>		

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		<p>order to restore such to the Cash and cash equivalents; and (ii) inform the payee(s) to encash their checks one month prior to checks becoming stale;</p> <p>(c) The PCC at UPLB to advise the Bookkeeper/Accountant to take up the necessary journal entry to record the Due to Central Office for ₱429,838.54, and adjust Miscellaneous Income and Accumulated Surplus/(Deficit) by ₱215,832.50 and ₱214,006.04; and</p>					<p>b.ii) Partially Implemented</p> <p>c) Fully Implemented</p>		

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		(d) The PCC at VSU to require the Accountant/Bookkeeper to (i) secure the Bank Snapshot for the month of August 2022 from the Land Bank of the Philippines and (ii) prepare and submit to the COA Office the Bank Reconciliation Statement for the months of August to December 2022.					d.i) Fully Implemented d.ii) On-going		
No. 6	<i>Capitalizable expenditure for Computer Software - Human Resource Information System of the PCC-NHGP totaling ₱447,500.00 was expensed resulting to the understatement of Intangible Assets and overstatement of</i>	We recommended and the OIC-Executive Director agreed to instruct the Accounting Unit of PCC-NHGP to (a) recognize financial transactions based on its substance rather than its form; and (b) draw the following adjusting entry; viz:	The Accounting Section reviewed the related concern on Computer Software account. Recognition of financial transactions based on its substance rather than its form will be implemented.	Accounting Section of PCC NHGP	June, 2023	June, 2023	a) Fully Implemented b) Fully Implemented		Audit recommendations on the accounting entry of Computer Software account was already adjusted as per JEV-

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	<i>Maintenance and Other Operating Expenses (MOOE) accounts by the same amount as at December 31, 2022, inconsistent with Sections 4 and 5, Chapter 12 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I.</i>							2023-06-002297 dated June 1, 2023.	
No. 7	<i>The amount of ₱1,405,508.66 for the implementation of the Intensified Community-Based Dairy Enterprise Development of the PCC at MLPC was obligated without existence of a valid claim, contrary to Section 11, Chapter 3, of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I and the National Budget Circular</i>	We recommended and the OIC-Executive Director agreed to instruct the Center Director of the PCC at MLPC to direct the Budget Officer to (i) make the necessary adjustment for the recorded obligations without valid claimant and/or not supported with documents; and (ii) revert to the unappropriated surplus of the general fund any unexpended balance of appropriations.	PCC at MLPC will review the related concern on recorded obligations. Adjustment will be made upon checking of the cited documents.	Budget Officer of PCC at MLPC	June, 2023	June, 2023	i) Partially Implemented ii) Partially Implemented		

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	<i>(NBC) No. 587 dated January 3, 2022.</i>								
No. 8	<i>Disbursement Vouchers of inventory items procured under alternative modes of procurement amounting ₱1,084,041.00 were not supported with complete documentation in compliance with COA Circular No. 2012-001 dated June 14, 2012, thus casting doubt on the validity and propriety of their transactions.</i>	We recommended and the OIC-Executive Director and Center Director of PCC at VSU agreed to (i) ensure that all transactions are supported with the necessary supporting documents in accordance with COA Circular No. 2012-001; and (ii) secure from the VSU BAC the abovementioned lacking documents and thereafter submit such to COA Office for review.	The PCC at VSU was instructed to ensure that all transactions are supported with the necessary supporting documents in accordance with COA Circular No. 2012-001 and now with the revised guidelines under COA Circular No. 2023-004.	PCC at VSU	June 2023	Dec. 2023	i) On-going ii) On-going		
No. 9	<i>The computation of allowances and honoraria paid to various Science and Technology (S&T) personnel of the PCC at LCSF and Don Mariano Marcos Memorial State University (DMMMSU) for the CYs 2021 to 2022 was not in accordance</i>	We recommended and the OIC-Executive Director and Center Directors concerned agreed to instruct the Accounting Unit of (a) PCC at LCSF to (i) request and follow-up with the PCC-NHGP the basis for their computation of hazard allowance so that	The PCC at LCSF and PCC at DMMMSU will initiate measures to review and prepare required supporting documents regarding payment of honorarium in accordance with	PCC at LCSF and DMMMSU	June 2023	Dec. 2023	a.i) On-going	The PCC at LCSF conducted thorough review of the computation made in payment of honorarium. Also, additional Any excess of the re-computation made will be refunded immediately.	

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	<i>with certain relevant provisions of the Department of Budget and Management (DBM)-Department of Science and Technology (DOST) Joint Circular (JC) No. 1 dated June 25, 2013 and DBM Circular No. 2007-2 dated October 1, 2007, thus, affecting the validity of said payments</i>	this can be evaluated by the Audit Team if in accordance with DBM-DOST Joint Circular No. 1 s. 2013, otherwise the excess payment of the total amount of ₱206,922.65 shall be disallowed in audit; and (ii) strictly follow the instructions under Section 9.2 of DBM-DOST Joint Circular No. 1 dated June 25, 2013 in the preparation of the payroll for Hazard Allowance; and (b) PCC at DMMMMSU to (i) strictly comply with the guidelines on the payment of honoraria as prescribed under DBM Circular No. 2007-2; (ii) recompute the allowed honorarium of each qualified personnel based on the estimated man-hours using the given computation under Sec. 4.4 of DBM Circular No. 2007-2; and (iii) cause the	DBM Circular No. 2007-2 and DBM-DOST Joint Circular no. 1 dated June 25, 2013. The center director instructed the concerned personnel to review the computation made and prepare supporting documents and the immediate refund of the said honorarium.				documents to support the claim will be submitted to COA.		
							a.ii) On-going		
							b.i) On-going		
							b.ii) On-going		
							b.iii) On-going		

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		immediate refund of honoraria paid to the PCC personnel.							
No. 10	<i>Procurement of items for the carabao health maintenance and supplemental feeds program totaling ₱639,450.00 were split into several requisitions contrary to Section 54.1 of the Implementing Rules and Regulations of Republic Act No. 9184 hence, opportunities for better and more advantageous offers for government procurement contracts were not maximized.</i>	We recommended and the OIC-Executive Director agreed to instruct the Center Director of PCC at LCSF to (a) direct the Requisitioning Units/End-Users to properly plan the timing and extent of their procurement needs so that all requests for items that are similar, having the same purpose and needed at the same time can be consolidated and avoid the splitting of requisitions in compliance with RA 9184 and its IRR to ensure that procurement is effected in a manner that is most advantageous to the government.	PCC at LCSF will carefully review the consolidated procurement items to avoid the splitting of requisitions in compliance with RA 9184 and its IRR. The center director will ensure that the procurement process and other financial activities are always advantageous to the government.	PCC at LCSF	June 2023	Dec. 2023	a) On-going	The end-users will conduct proper planning of their needed supplies for the ensuing years. It will be prepared using PPMP and consolidated into Annual Procurement Plan (APP). APP will be the basis in conducting procurement process and they will ensure that it will be made in accordance with RA 9184 and its IRR.	

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No. 11	<i>The CY 2022 GAD Plan and Budget (GPB) of PCC totaling ₱59,997,000.00 or 8.15% of the CY 2022 agency's total budget appropriation of ₱736,433,000.00 was submitted but not endorsed by the Philippine Commission on Women (PCW) owing to the failure of the GAD Focal Point System (GFPS) to timely review and submit the revised GPB as required by the PCW, inconsistent with pertinent provisions of the PCW-NEDA-DBM Joint Circular No. 2012-01. Nevertheless, the use of gender mainstreaming tools such as the Harmonized Gender and Development Guidelines (HGDG) checklist was not yet implemented inasmuch as the GAD Focal Point System (GFPS) members</i>	We recommended and the OIC-Executive Director agreed to instruct the GAD Focal Point System (GFPS) members to (a) enjoin vigilance in the conduct of timely review and submission of revised GAD Plan and Budget (GPB) as requested by the PCW; (ii) ensure compliance with the conditions set forth under Section 8.6 of the PCW-NEDA-DBM Joint Circular No. 2012-01 for the endorsement of GPB in the ensuing year(s); (iii) monitor implementation of the GAD programs, activities and projects in accordance with the PCW-endorsed or revised GPB; (iv) enhance their level of training on the use of the Harmonized Gender and Development Guidelines (HGDG) tool; and (v) assess other major GAD-	GAD Focal Point System (GFPS) will prioritize the review and submission process to meet the stipulated deadlines for the endorsement of the GPB in the ensuing years. By closely monitoring the implementation process, we will identify any challenges or gaps that may arise and take appropriate measures to address them promptly. GFPS members will work diligently to ensure that our GAD programs are in full compliance with the PCW guidelines and regulations.	GFPS members	June 2023	Dec. 2023	a.i) On-going a.ii) On-going a.iii) On-going a.iv) Partially Implemented a.v) Partially Implemented		

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	<i>are still on the familiarization phase of the tool, thus, responsiveness to gender issues and concerns with the implementation of GAD-related programs, activities and projects (PAPs) was not fully ascertained.</i>	related PAPs of the Agency using the HGDG tool in obtaining more comprehensive inputs or bases for GAD planning and reporting.							
No. 12	<i>The completed project under the Carabao-based Business Improvement Network (CBIN), "Construction of Proposed Dairy Processing Plant Outlet Phases 1 and 2" of PCC at DMMMSU, with an aggregate contract cost of ₱2,259,765.33, has several deficiencies; viz: (a) non-formulation of Memorandum of Agreement between the PCC and the cooperative for the operation and management of the</i>	We recommended and the PCC at DMMMSU Center Director agreed to undertake the following courses of action: a) Secure first the approved modification/reprogramming of funds before incurring obligation or entering into a contract especially if it is under Capital Outlay allotment; b) Immediately submit the MOA or Contract of Lease between the PCC at	The PCC at DMMMSU Center Director will thoroughly review and prepare and submit the required documents to COA. All cited audit recommendations will be implemented until end of this year.	PCC at DMMMSU	June 2023	Dec. 2023	a.) Fully Implemented b) Partially Implemented	The revised MOA was already made and waiting for signature of the Governor of La Union.	

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	<p><i>processing plant outlet; (b) inadequate detailed engineering and inspection; and (c) uncorrected defects by the contractor resulting to the underutilization of the Product Outlet, all of which were inconsistent with pertinent provisions of the Revised IRR of R.A. No. 9184.</i></p>	<p>DMMMSU and the concerned cooperative;</p> <p>c) Henceforth, a memorandum of agreement (MOA) should first be executed prior to implementation of a program or project;</p> <p>d) Strictly undertake detailed engineering prior to preparation of POW in compliance with Section 17.6 of the 2016 Revised IRR of RA No. 9184;</p> <p>e) Instruct the BAC Secretariat to ensure that the prospective bidder has inspected the site upon bid submission in compliance with Instructions to Bidders in the Philippine Bidding Documents for Infrastructure Projects; and</p> <p>f) Submit the Certificate of Inspection signed by PCC-</p>					<p>c) Partially Implemented</p> <p>d) Fully Implemented</p> <p>e) Fully Implemented</p> <p>f) On-going</p>		

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		NHGP and DMMMSU engineers.							
No. 13	<p><i>School-Based Milk Feeding Program (SBMFP) funded by the Department of Education (DepEd) – Schools Division Office (SDO) and implemented by the PCC at DMMMSU disclosed deficiencies; viz: (a) inadequate deliveries of milk vis-à-vis agreed schedules; and (b) insufficient supply of milk based on milk feeding days, thereby affecting the attainment of optimum benefits which could be derived by the beneficiaries.</i></p> <p><i>The number of delivered milk as contained in the agreed schedule was insufficient to allow the continuous supply of milk to the intended</i></p>	<p>We recommended and the PCC at DMMMSU Center Director agreed to undertake the following courses of action:</p> <p>a) Strictly adhere with the Operational Guidelines provided under DepEd Order No. 31, s. 2021 especially on the required supply and delivery of pasteurized milk packed in a 200ml pouch;</p> <p>b) Ensure that the deliveries are sufficient to cover the required number of milk for the daily nutritional needs of the intended beneficiaries;</p> <p>c) Ensure that the Contract of Agreement executed with the Cooperative/s is consistent with the</p>	<p>The PCC at DMMMSU Center Director will strictly adhere with the Operational Guidelines provided under DepEd Order No. 31, s. 2021. All audit recommendations will use as a guide in the succeeding Milk Feeding activities of the center.</p>	PCC at DMMMSU	June 2023	Dec. 2023	<p>a.) Fully Implemented</p> <p>b) Fully Implemented</p> <p>c) Fully Implemented</p>		

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	<p><i>beneficiaries for their nutritional needs hence, affecting the propriety of the transaction, and ultimately impeding their milk-drinking habit, thereby causing delay in their physical growth and development.</i></p> <p><i>The collected milk from dairy cooperatives and associations equivalent to 63,354 liters of raw milk in December 2021 and January to July 2022 is substantially insufficient to meet the required number of milk feeding days of the beneficiaries, hence, affecting the propriety of delivered milk.</i></p>	<p>provisions under DO No. 31, s. 2021, supplemented by DO no. 10, s. 2022.</p>							

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No. 14	<i>Control weaknesses were noted on the implementation of the Calf Sharing Scheme under the Center's Dairy Buffalo Dispersal Program during calendar years (CYs) 2018 to 2022 due to inadequate assessment and valuation of the calves sold to farmers; and other concerns noted during field validation, all of which were inconsistent with relevant provisions of Chapter 11 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) Volume I, PCC Program Management Committee (PMC) Resolution No. 01 series 2018, and the Dispersal Contract.</i>	We recommended and the OIC-Executive Director agreed to instruct the (a) NIZ Coordinator to conduct regular and timely visits, monitoring, and updating of the information in the Program database through (i) enhancement of the Ear Tagging System to easily identify the ownership status of the calves and avoid duplication or skipping of series numbers; and (ii) ensuring that all information on the Individual Animal Records (IARs) maintained by the farmers/associations are made up-to-date for cross-referencing; and (b) Appraisal and Disposal Committee to perform its independent functions on the objective assessment and valuation of animals through preparation of	The NIZ Coordinator will continuously conduct regular and timely visits, monitoring, and updating of the information in the Program database. Likewise, the team will ensure that all information on the Individual Animal Records (IARs) maintained by the farmers/associations are updated.	PCC at NHGP – NIZ Unit	June 2023	Dec. 2023	a.) Fully Implemented a.i) On-going a.ii) Partially Implemented b.) Partially Implemented	Checklists of the animals and farmers was produced and distributed to NIZ Technicians for monitoring; this will be done in quarterly basis so that each animal and farmer will be monitored at least four times a year. On-going improvement of the animal and farmer database is currently on its final stage; compared to the previous database all the animals and farmers in NIZ was in a single spreadsheet, for ease of monitoring, updating and analysis of data, database was created for each	

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		Approved Agency Estimate (AAE) or coordination with farmers who opted to submit formal offer to sell prior to date of sale/culling of animals						<p>cooperative/ association or herd and will be distributed to the assigned technician covering the said cooperative/ association or herd.</p> <p>For the identification of the animals and ease of traceability, a three-letter unique Herd Code was used for each cooperative/ association and qualified herd.</p> <p>The use of Calving Report Form was also strictly implemented. Calving database was also created for the monitoring of calving activity; the said</p>	

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								<p>database also automatically computes the date of evaluation of the calf which aids in the timely valuation of the 50:50 co-owned calves.</p> <p>Updating of Individual Animal Health Record will also be implemented; Dairy Record Book will also be distributed to the farmer beneficiaries for better recording; and</p> <p>For the valuation of 50:50 co-owned calves, the NDBH Unit will regularly coordinate with the Appraisal and Disposal</p>	

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No. 15	<i>The PCC has consistently complied with the withholding and remittance of taxes from its employees, contractors/suppliers, and other third parties for CY 2022 in compliance with the National Internal Revenue Code (NIRC) of the Philippines.</i>	We recommended and Management agreed to ensure continuous compliance with the provisions of the BIR regulations governing the proper withholding of taxes and the timely remittances thereof.	The PCC will continue to consistently comply with the withholding and remittance of taxes from its employees, contractors/suppliers, and other third parties in compliance with the National Internal Revenue Code (NIRC) of the Philippines.	Accounting Section	June 2032	Dec. 2023	Fully Implemented		Committee of the Agency. Also, the Guidelines for Valuation, Acquisition and Sale/Disposal of Imported and Island Born Breeding and Non-Breeding Stocks of Water Buffaloes will be strictly followed.

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No. 16	<i>The PCC has substantially complied with Section 14 of the Revised Implementing Rules and Regulations (RIRR) of Republic Act (R.A.) No. 8291, otherwise known as the Government Service Insurance System (GSIS) Act of 1997, in the proper withholding and remittance of premiums/contributions, including government share and loan repayments due to the GSIS in CY 2022.</i>	We recommended and Management agreed to instruct the Accounting Unit to continue complying with the GSIS regulations on the withholding and remittance of employees' and government shares to the GSIS to assure all its members of the social security benefits due them.	The PCC will continue to consistently comply with the withholding and remittance of premiums/contributions, including government share and loan repayments due to the GSIS.	Accounting Section	June 2032	Dec. 2023	Fully Implemented		
No. 17	<i>The PCC was substantially compliant with Republic Act (R.A) No. 9679 otherwise known as the Pag-IBIG Fund Law, in the remittance to the Home Development Mutual Fund (HDMF) of the withheld premiums/contributions from compensation of agency personnel.</i>	We recommended and Management agreed to instruct the Accounting Unit to continue complying with the Pag-IBIG Fund Law on the withholding and remittance of employees' and government share to the HDMF to assure all its members of the benefits due them.	The PCC will continue to consistently comply with the withholding and remittance of employees' and government share and loan repayments due to Pag-IBIG.	Accounting Section	June 2032	Dec. 2023	Fully Implemented		

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No. 18	<i>Deductions for monthly premium contributions of the officers and employees were substantially remitted by the PCC to the PhilHealth in compliance with the Revised Implementing Rules and Regulations (RIRR) of Republic Act (R.A.) No. 10606 or the National Health Insurance Act of 2013.</i>	We recommended and the OIC-Executive Director agreed to instruct the Accounting Unit to continue complying with the Revised Implementing Rules and Regulations (RIRR) of Republic Act (R.A.) No. 10606 or the National Health Insurance Act of 2013 on the withholding and remittance of employees' and government share to the monthly premium contributions to PhilHealth to assure all its members of the health insurance benefits due them.	The PCC will continue to consistently comply with the withholding and remittance of employees' and government share due to PhilHealth.	Accounting Section	June 2032	Dec. 2023	Fully Implemented		
No. 19	<i>The PCC-NHGP and seven Regional Centers reported no unsettled balances of audit suspensions, disallowances and charges as of December 31, 2022. However, the Regional Center at CMU,</i>	The respective Audit Teams recommended that Management (a) enforce the immediate settlement of the audit suspensions to avoid the same from maturing into disallowances; and (b) require persons liable to	The concerned PC centers were instructed to strictly monitor and immediately settle the audit suspensions and disallowances.	PCC at CMU, LCSF and MLPC	June 2023	Dec. 2023	a) Partially Implemented b) Partially Implemented		

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	<i>LCSF and MLPC had outstanding suspensions totaling ₱33,334,806.95 and audit disallowances of ₱220,496.65 as reflected in the submitted Management Letters (MLs).</i>	settle the audit disallowances in the manner prescribed under the RRSA.							

Prepared by:



CHERRY PEARL C. RIVERA
Accountant III

Date: July 25, 2023

Approved by:



CARO B. SALCES*
OIC - Executive Director

Date: July 25, 2023