

ACTION PLAN MONITORING TOOL

Sector: National Government Sector
 Team: Team 3 Group C
 Agency: Procurement Service
 Audit: CY 2018
 AAR Date: June 4, 2019

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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	RESULTS OF COA VALIDATION					
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CY 2018 CAAR															
Page 36	1. Various accounting errors/omissions affected the fair presentation of the reported balances of the accounts in the FSs.	Management to direct the Chief Accountant to effect the necessary adjustments to correct the reported balances of the affected accounts in the FSs.	To recognize and record in the books all unrecorded deposits as of December 31, 2018.	Comptroller Division (CD)	July 01, 2019	Dec. 31, 2019	Implemented		The Chief Accountant effected the necessary adjustments to correct the reported balances of the affected accounts in the FSs.	11/22/2019	Implemented	July 01, 2019	Dec. 31, 2019	Various JEVs were issued to effect the adjustments.	
	Audit finding on unrecorded bank credits/deposits is also included in CYs 2016 and 2017 CAARs	We also recommended that Management: a) Direct the Accounting Division to account for bank credits not recorded in the books by identifying the depositors through cross-checking with the APRs received covering such period where the bank credits were made;		Comptroller Division (CD)	July 01, 2019	Dec. 31, 2019	Not implemented		Out of 161M balance as of 12/31/2018, 78M or 48% was already recorded / adjusted in the books.	11/22/2019	Not Implemented	July 01, 2019	Dec. 31, 2019	Management (1) partially adjusted 65% of all bank credits identified per Bank Reconciliation Statement (BRS); (2) had a meeting with the LBP; (3) issued OR for LDDAP/ADA provided by the bank and agency-clients starting September 1, 2018;	
		b) Request the LBP to render daily collections received by them bearing the date of actual remittance or deposit and indicating from which government agency/entity the deposit/remittance was received;		Comptroller Division (CD)	July 01, 2019	Dec. 31, 2019	Not implemented		b. c. On-going balance reconciliation with client agencies. Continuous issuance of Official Receipt for agencies who present documents supporting each Unrecorded deposit.	11/22/2019	Not Implemented	July 01, 2019	Dec. 31, 2019	Treasury Division(TD) to monitor all bank transaction through WeAccess system and immediately coordinate with the bank for unaccounted debit/credit memos found in the current bank statements	
		c) Instruct client agencies to stop paying through LBP without securing first validated APR;		Comptroller Division (CD)	July 01, 2019	Dec. 31, 2019	Not implemented		PS bank account previously posted in PS-PhilGEPS website was removed in compliance to PS-COA recommendation.	11/22/2019	Not Implemented	July 01, 2019	Dec. 31, 2019		
														Partial Compliance of Official Receipt issuance	

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		d) Enjoin the client agencies (depositors listed by the bank) to submit APRs corresponding to the funds transferred in CY 2018, otherwise return/deposit the same, together with those transferred from CYs 2004 up to 2017, to the BTr to avoid the accumulation of idle deposits in the PS bank accounts;		Comptroller Division (CD)	July 01, 2019	Dec. 31, 2019	Not implemented		Ongoing issuance of Official Receipts for identified depositor. Attachment of APR, APP-CSE, Agency code & other agency identification.	11/22/2019	Not Implemented	July 01, 2019	Dec. 31, 2019	for those identified depositor
		e) Assign personnel to track down daily deposits particularly those directly deposited to the PS bank accounts by client agencies; and		Comptroller Division (CD)	July 01, 2019	Dec. 31, 2019	Implemented		e. Cashier personnel are the one assigned to track down the daily deposits. Additional manpower to address this situation/problem.	11/22/2019	Implemented	July 01, 2019	Dec. 31, 2019	The Staff in the Treasury Division is in charge on tracking down daily deposits particularly those directly deposited to the PS bank accounts by client agencies
		f) Establish a mechanism to ensure reconciliation of the APRs, payments made and payments receipted.		Comptroller Division (CD)/ Treasury Division (TD)	Jul. 01, 2019	Dec. 31, 2019	Implemented		f. CD assigned personnel to track/monitor collections and deliveries to agencies. Further, the Comptroller coordinated with MSD to advise/instruct client agencies to refrain from paying through LBP without presenting a validated and signed APR and APP.	11/22/2019	Implemented	Jul. 01, 2019	Dec. 31, 2019	Management thru its CD coordinated with Marketing and Sales Division to advise/instruct client agencies to refrain from paying through LBP without presenting a validated and signed APR and APP.
Pages 41-45	2. The accuracy and completeness of the reported asset accounts could not be ascertained due to various accounting deficiencies.	Management to: a) Direct the Accountant/personnel in charge to: (i) Analyze all unadjusted reconciling items and prepare the necessary adjusting entries for the verified reconciling items/erroneous recordings; and (ii)Henceforth, ensure that all transactions are analyzed and recognized in the books as it occurs/discovered to avoid errors;	Conduct of Physical Count of PPE and reconciliation of balance with Comptroller.	Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Not implemented		a. Out of 123.075M balance as of 12/31/2018, 55M or 45% was already recorded / adjusted in the books.	11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Ongoing reconciliation of accounts

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	a. Discrepancy between the balance per books and per bank - ₱ 123.07 million b. Net discrepancy of PPE balances between books and RPCPPE - ₱57.744 million c. Unresolved variance between SL and GL - ₱168.68 million d. Difference between PS and client agencies accounts - ₱1.871 billion	b) Require that Accounting and Property Unit to regularly reconcile their records and prepare the required reports, and require all depots to submit their RPCPPE;		General Service Division (GSD)	Sept. 01, 2019	Sept. 30, 2019	Not implemented	Awaiting approval of Guidelines for Physical Count of PPE and reconstitution of PPE Inventory Team	b. Conduct of Physical Count of PPE. Submit for approval of guidelines on Physical Count of PPE.	11/22/2019	Not Implemented	Sept. 01, 2019	Sept. 30, 2019	The reports is yet to be finalized as of this writing.
	e. Net discrepancy between recorded balance of Advances for Operating Expenses (Depots Working Fund) and per Depots bank accounts - ₱7.364 million	c) Require the Accounting Unit to: (i) Prepare/maintain SL for each Agency/Client and thereafter conduct reconciliation of the accounting records (SL) with the FACT System, Party Ledger on a regular basis; and		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Not implemented		Management assigned personnel to constantly communicating with client agencies in reconciling the inter agency transferred fund balance. For agency random sample summary of payments and deliveries.	11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	The Accounting Division had maintained partial compliance of those accounts per agency for those value above ₱1 Million
		d) Designate/assign personnel to conduct the regular reconciliation of the accounts of the agencies, prepare the report of utilization of fund per agency;		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Implemented		Management designated/assigned personnel to conduct the regular reconciliation of the accounts of the agencies, prepare the report of utilization of fund per agency;	11/22/2019	Implemented	Jan. 01, 2019	Dec. 31, 2019	Additional manpower in the accounting division to track particularly those had an unutilized balance per agency.
		e) Require the Accounting Unit to coordinate with the PS-Depots for the reconciliation of their records relative to the Working/Revolving Fund; and		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Implemented		4 Regional Depots has remitted back to PS their respective unutilized income share balance with a total amount of Php 4.45M. The same total amount was added to Accumulated Surplus account.	11/22/2019	Implemented	Jan. 01, 2019	Dec. 31, 2019	The management had reconciled the records in relation to its working/revolving fund.
		f) Direct the Depots and sub-depots to return/deposit, the undisbursed balance of the amount received as profit share, to the PS-Main bank account and maintain the bank account for working fund transaction only.		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Implemented		Comptroller Division will coordinate with the remaining regional depots that have not yet remit back their unutilized income share balance.	11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Not all Regional depots have remitted their unutilized income.

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Page 46	3. Balances of IATF for the procurement of CSE and NCSE totaling P15.705 billion remained idle for 2 to more than 4 years were not returned / refunded to the respective client-agencies for eventual remittance to the Bureau of the Treasury, thus, depriving the government of the use of funds in the implementation of its projects/programs.	Management agreed to refund/return all unused advances from agencies in compliance with Section 6.7 of COA Circular No. 94-013.		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Not implemented		Comptroller Division has processed refund to agencies as follows; a) Php 198,709,704.31 – amount of checks issued to various agencies that already cleared the bank. See Annex D. b) 71,239,364.43 – checks pending release to or pick-up by various agencies. c) Php 737,273,681.00 – 2 checks for signature of ED for refund to PNP and BOC. Pending further instructions. See Annex D. d) Php 296,925,118.51 – amount to be remitted to National Treasury by September 30, 2019. See Annex E. e) 1,320,059,781.53 – Total projected refund (a + b + c + d). Comptroller Division is in constant communication with client agencies in reconciling the IATF balance to come up with total amount to be refunded per agency. See Annex O.	11/23/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Partial Compliance- A total of 1.3 Billion was returned and refunded to agencies per various JEVS.
	This finding is also included in CYs2014 and 2017 CAARs													
				Treasury Division (TD)	Jul. 01, 2019	Dec. 31, 2019	Not implemented	Client Agencies is still asking for reconsideration of their proposed APP plan.	Ongoing issuance of checks to be refunded and communication to Client Agencies.					
Page 47	4. Several contracts with an aggregate amount of P684.42 million were not terminated in due time resulting in the	Management to: a) Enforce collection of liquidated damages from defaulting suppliers;		Comptroller Division (CD)	Jul. 01, 2019	Dec. 31, 2019	Not implemented		a. Forfeiture of Performance Security and collection of LD c/o Legal Division.	11/22/2019	Not Implemented	Jul. 01, 2019	Dec. 31, 2019	Forwarded to Legal Division

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	accumulation of uncollected liquidated damages of ₱ 7 million and non-forfeiture of ₱ 208.3 million performance security, depriving the government of the compensation it suffered from the suppliers' default.	b) Initiate performance bond forfeiture proceedings against delinquent suppliers;		Legal Division (LD)	Jul. 01, 2019	Dec. 31, 2019	Implemented	b. The Legal Division, in coordination with the Blacklisting and Termination Review Committee (BTRC), has actively reviewed submissions from Procurement Divisions recommending the sanctioning of non-performing and erring suppliers. The BTRC, Legal Division, and the Comptroller have actively sought the forfeiture of bid and performance securities by virtue of the Resolutions of the BTRC, acting on the recommendation of the PDs (performance-based) and the BACs (bid based).	11/22/2019	Implemented	Jul. 01, 2019	Dec. 31, 2019	The management instructed the BTRC to monitor the initiation of performance bond forfeiture proceedings.	
		c) File appropriate sanction to personnel involved in the non-forfeiture of performance bonds by delinquent suppliers and non-imposition of liquidated damages on delayed and defaulted contracts; and		Legal Division (LD)	Jul. 01, 2019	Dec. 31, 2019	Not Implemented	c) As relayed in the first submission, it was found that the issue on non-forfeiture stemmed from the lack of a contract management unit due to the restructuring of the organization. In this regard, PS has: 1) Included the establishment of a Contract Management Division in its Organizational Restructuring; and 2) Established the Contract Management Unit	11/22/2019	Not Implemented	Jul. 01, 2019	Dec. 31, 2019	Lack of coordination and no delineation of responsibilities from every personnel involved. Implementation of restructured organization is not yet finalized.	
		d) Establish a monitoring and feedback mechanism in the contract implementation to ensure that appropriate and immediate actions are made to protect and safeguard government resources.		Comptroller Division (CD)	Jul. 01, 2019	Dec. 31, 2019	Implemented	d. Comptroller Division to monitor validity of Performance Security; and to turn-over the monitoring to PMPM upon official designation of PMPM.	11/22/2019	Implemented	Jul. 01, 2019	Dec. 31, 2019	The management had already established a monitoring and feedback mechanism in its contract implementation.	
Page 49	5. The PS-DBM did not institutionalize good practice in procurement to meet global standards in government efficiency as practised in many developing countries when the re-bidding of several of its projects with an aggregate amount of ₱11.038 billion were	Management to create a committee, division, or section in the agency to monitor all procurement activities, ensure that appropriate actions are undertaken for each agency risk identified, and report to the HoPE the status of all procurement activities for appropriate decisions and actions.		Legal Division (LD)	Jul. 01, 2019	Dec. 31, 2019	Implemented	LD: The Management Task Force, ERP Task Force, Procurement Monitoring Task Force, and the Contract Management Unit have been established to ensure the streamlining of processes, and monitoring of procurement projects from its active procurement stage to its implementation.	11/22/2019	Implemented	Jul. 01, 2019	Dec. 31, 2019	The management issued various Office Orders for the establishment of Task Force with the responsibility to monitor	

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	not conducted in due time, contrary to the declared policy of efficiency in the procurement process espoused under RA No. 9184.			Procurement Division (PD)	Sep. 2019	Dec. 2019 onwards	Implemented		In the context of PD/PG, we are upholding the Rules as long as the EUA will be able to comply the requirements of the BAC.			Sep. 2019	Dec. 2019 onwards	the Procurement.
Page 51	6. The PS Management has been lax in imposition of sanctions to suppliers/vendors who repeatedly delivered non-complying and low quality supplies and materials as observed in 51 cases or 1,318,939 items rejected since January 2017 to August 2018, contributing to stock-outs to the detriment of client agencies.	Management to: a) Comply strictly with the provision under Item 34.3.b.iii.c, Rule X – Post Qualification of the 2016 Revised IRR of RA No. 9184, disqualifying suppliers with unsatisfactory performance; b) Cause the blacklisting of suppliers who repeatedly delivered substandard/low quality or non-complying goods and services; and. c) Formulate a policy on determining unsatisfactory performance of contractors/suppliers obligations as per contract terms and conditions at the time of inspection.		Procurement Division (PD)	Jan. 2019	Dec. 2019 onwards	Implemented		Several blacklisting orders have been proposed for the non-compliant of suppliers to perform the provisions of the contract. These were handled by the Blacklisting Committee for approval/disapproval of the HoPE upon recommendation.	11/22/2019	Implemented	Jan. 2019	Dec. 2019 onwards	The management strictly implemented the recommendation.
							Implemented			11/22/2019	Implemented			The management take action on the blacklisted supplier.
							Implemented			11/22/2019	Implemented			The management strictly monitored the performance of the contractor/supplier in accordance with terms and conditions.
Page 53	7. Non-cancellation of LC totaling P 170 million, despite termination and completed contracts, resulted in opportunity losses to the government of approximately P 1.3 million in the form of interests.	Management agreed to require: a) Finance and Treasury Divisions to cancel the LC covering terminated and completed contracts totaling P170.656 million and remit the same to the BTr for the account of the source agencies concerned; b) Accounting Division to: (i) Review the LC accounts and coordinate with the Procurement Division to ensure that all LC are liquidated or adjusted depending on the status of the contracts to avoid accumulation of dormant balances of LC; and, (ii) Maintain SL for each LC to monitor the transactions thereof.		Treasury Division (TD)	Jul. 01, 2019	Dec. 31, 2019	Implemented		Already issued letter of cancellation for LC's which are completed or terminated.	11/22/2019	Implemented	Jul. 01, 2019	Dec. 31, 2019	Management already closed/ refunded LC to the different bank
				Comptroller Division (CD)	Jan. 01, 2019	Sep. 30, 2019	Implemented		There is still one (1) LC to be completed. Coordinate with Comptroller and PD's concerned about this matter.	11/22/2019	Implemented	Jan. 01, 2019	Sep. 30, 2019	Validated the status account of LC accounts to accounting division were liquidations and adjustment were already effected.
									CD: Php 165.5M or 97% was already processed and funds were already transferred to PS bank account. See Annex F. Balance is expected to be cancelled on or before 9/30/2019. See Annex M.					

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Page 55	8. The PS has not remitted to the BTr the excess amounts collected from sale of bid documents and other related fees totaling ₱19.843 million, contrary to Section 6 of the GAA for FY2018 and DBM BC No. 2004-5A.	Management agreed to remit to the National Treasury the excess amount of collections from the sale of bid documents and other related fees totaling ₱19.843 million.		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Implemented		Management already remitted Php 19.4M or 99% to BTr thru check no. 600183 dated January 3, 2019. Balance is reserved for payment of Honoraria and/or Overtime to PDs.	11/22/2019	Implemented	Jan. 01, 2019	Dec. 31, 2019	Validated the remittance made to BTr. Where the excess was allotted for payment of honoraria and overtime of BAC and members of BAC Secretariat.
				Treasury Division (TD)	Jul. 01, 2019	Dec. 31, 2019	Implemented		Reconciliation already for excess amounts collected from sale of Bid Docs.		Implemented	Jul. 01, 2019	Dec. 31, 2019	Verified the reconciliation based on the BRS and vouchers submitted.
Page 56	9. The payment of honoraria to BAC members and its support group, whose regular positions/functions are in the Procurement Division of the PS, is not in accordance with DBM BC No. 2004-5A dated October 7, 2005.	We recommended that Management stop the payment of honoraria to BAC members and its support group who are occupying regular positions and functions in the Procurement Division and, instead, claim overtime pay on procurement activities rendered in excess of official working hours.		Legal Division (LD)	Jul. 01, 2019	Dec. 31, 2019	Implemented		On 07 August 2019, a position paper was submitted to the Internal Audit Division on the payment of honoraria, for consideration. Payment of Honoraria was already stopped. However, a justification shall be provided as position paper on this matter. On 09 August 2019, the Internal Audit Division transmitted the position paper submitted by Legal Division to PS-COA and was received on the same day.	11/22/2019	Implemented	Jul. 01, 2019	Dec. 31, 2019	The management already stopped paying honoraria for those members who are occupying regular positions and functions in the Procurement Division.
Page 57	10. Non-recoupment of advances to Procurement and Accounting contractors/suppliers totaling ₱25.659 million from terminated/uncompleted/long-overdue and delayed projects is inconsistent with Annex E of the 2016 revised IRR of RA No. 9184 and resulted in losses to the government.	Management agreed to require the Procurement and Accounting Divisions to: a) Enforce the collection of outstanding and long overdue Advances to Contractors totaling ₱25.659 million from concerned contractors; b) Offset the balance of the advances against the retention fees/unclaimed contract costs; and		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Not implemented		Php 2,258,017.41 was already recovered / adjusted as of September 2019.	11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Partial Compliance of LD totalling 2.2 Million.
				Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Not implemented			11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Ongoing review of documents

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		c) Create a Project Management Office to monitor all projects and make necessary actions to ensure that projects are implemented in accordance with timelines and compliant with established rules and regulations.		Legal Division (LD)	Jan. 01, 2019	Dec. 31, 2019	Partially implemented		1) Included the establishment of a Contract Management Division in its Organizational Restructuring; and 2) Established the Contract Management Unit.	11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Reviewed the Contract Management Division Organization Restructuring
Page 59	11. Weak implementation of internal control and safeguarding measures in the handling of stocks resulted in a net variance of P1.618 million between the FACT System Report and the actual count of inventories in PS Depot - Region I.	Management agreed to require PS Depots to: a) Strictly comply with established inventory systems to safeguard government resources and conduct regular monitoring of personnel in charge of inventory/warehousing; b) Disseminate of policies on the handling/management of merchandise inventory and install CCTV/staff lockers/separate stock rooms for valuable items; and c) Investigate and institute appropriate actions against erring official/s and employee/s for the loss of inventories per physical inventory report, if warranted.	Requested the assistance of NBI RO I for the investigation of the incident	Depot Operations Division (DOD)	May 01, 2019	Dec. 31, 2019	Partially implemented	Waiting for the submission of NBI RO I for the complete/full report with recommendation	a. and b. Procured CCTV Cameras; Scheduled for installation.	11/22/2019	Not Implemented	May 01, 2019	Dec. 31, 2019	Verified the procurement of CCTV cameras based on the vouchers submitted
				Depot Operations Division (DOD)	May 01, 2019	Dec. 31, 2019	Not implemented		Procured staff lockers and forwarded to the depot last May 2019	11/22/2019	Not Implemented	May 01, 2019	Dec. 31, 2019	Varified the procurement of staff locker based on the vouchers submitted
				Comptroller Division (CD)	Sep. 01, 2019	Sep. 30, 2019	Implemented		c) Follow up final Report from NBI RO I Management imposed Disciplinary Action Committee (DAC) to file administrative/criminal charges against staff involved.	11/22/2019	Implemented	Sep. 01, 2019	Sep. 30, 2019	Confirmation was made to accounting division the status of NBI report together with the disciplinary actions made by management against official/employees relative to the loss of inventory in the Regl. Depot I.
Page 60	12. Non-moving common use supplies stocks of P3.735 million and damaged/obsolete/expired inventory items of P0.642	Management agreed to exert effort to coordinate with PS-Main on return or transfer of the non-moving common used supplies to other depots where it can be sold or properly disposed of with due regard to economy and items.	DOD have communicate with other depots and offered the items.	Depot Operations Division (DOD)	Sep. 01, 2019	Oct. 31, 2019	Not implemented		As per communication with other depots, they have no requests from agencies.	11/22/2019	Not Implemented	Sep. 01, 2019	Oct. 31, 2019	Management is still on working out for those items for disposal once Depot Manual is fully in effect.

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	million remained in the warehouse at PS-Zamboanga City Depot and at Davao City waiting for transfer to other depots or to PS-Main Office for proper disposition. The delays in transfer may result to risk of loss of inventory.	efficiency, and for PS-Main to transfer inventory stocks to Depots in accordance with the Depots' requirements/requests.	Recommend disposal of these items in the depots. Policy/guidelines for disposal were crafted to be included in the Depot Manual				Not implemented	Updated the policy/Guidelines in the Depot Manual.		Not Implemented				
Page 61	13. Non-maintenance of PPELC and PC, and non-preparation of IIRUP, as required under Sections 42 and 40.d Chapter 10, Volume I of the GAM.	Management agreed to require the Accountant and the Property Officer to maintain the prescribed PPELC and PC, respectively, for each class of PPE.	Maintenance of Property Card for GSD	General Service Division (GSD)	Aug. 01, 2019	Aug. 31, 2019	Implemented		GSD submitted IIRUP to COA dated 19 Aug 2019. Await COA report.	11/22/2019	Implemented	Aug. 01, 2019	Aug. 31, 2019	Already submitted to COA
	<i>This finding is also included in CY 2016 CAAR</i>		Submission of IIRUP	Comptroller Division (CD)	Sep. 01, 2019	Dec. 31, 2019	Implemented		CD: 1) Comptroller Division will maintain PPELC and Proposed Physical count of PPE is for approval. 2) A new section head in Comptroller Division will be assigned to be in-charge of PPE. Target date: 9/30/2019		Implemented	Sep. 01, 2019	Dec. 31, 2019	
Page 62	14. Non-preparation of IIRUP and non-disposal of unserviceable motor vehicles are contrary to Section 42(h), Chapter 10 of the GAM, Volume I and Section 79 of PD 1445, respectively, thereby exposing said properties to further deterioration.	To avoid further deterioration, Management require the Disposal Management Committee to: a) Conduct inspection of unserviceable and disposable items and equipment;	Submission of IIRUP	General Service Division (GSD)	Aug. 01, 2019	Aug. 31, 2019	Implemented		Submit IIRUP to COA dated 19 Aug 2019. Await COA report.	11/22/2019	Implemented	Aug. 01, 2019	Aug. 31, 2019	Already submitted IIRUP pending actual disposal. COA-TSO made already inspected the unserviceable vehicle and forwarded a draft copy of their inspection and for approval of COA.
	<i>Audit finding on non-disposal of unserviceable motor vehicles is also included in CY 2017 CAAR</i>	b) Prepare the IIRUP and submit the same to the Audit Team and Accounting Unit; and,					Implemented			11/22/2019	Implemented			
		c) Cause the appraisal and immediate disposal of all unserviceable properties.					Implemented			11/22/2019	Implemented			

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Pages 63-66	15. Internal control weakness over cash accountabilities were observed, thus exposing government resources to risk of possible loss or misappropriation.	Management to issue appropriate office orders for the designation of all Collecting Officers, signed by the head of the agency/office where the designated Cashier/Collecting Officer is employed, to ensure liability and accountability over government funds.	Requested HRDD for the issuance of Office Order for designated Collecting Officers of the Depot together with the processing of Fidelity Bond.	Human Resource Development Division (HRDD)	Aug. 01, 2019	Aug. 31, 2019	Implemented		Office Orders designating the concerned personnel as Cash Collecting Officers for PS main and depots were already issued. See Annex K.	11/22/2019	Implemented	Aug. 01, 2019	Aug. 31, 2019	Already issued Office Order No. 119 dated July 11, 2019
	a) Personnel functioning as Collecting Officers not properly authorized or designated by Management.	Management agreed to comply strictly with the bonding requirements of Accountable Officers to ensure that government funds are safeguarded from possible loss.		Depot Operations Division (DOD)			Implemented		Management bonded their collecting Officers	11/22/2019	Implemented	July 2019'	December 2019'	Accountable officers are already bonded which were verified during the conduction of cash examination
	b) Collecting Officers not bonded	Management agreed to: a) Instruct the Accounting Unit and the Depot Operations Group to require all COs to render reports upon ceasing to be COs; and		Depot Operations Division (DOD)			Implemented		For submission of Bond Application	11/22/2019	Implemented	July 2019'	December 2019'	The COs already rendered reports upon ceasing its function as CO.
	<i>This finding is also included in CY 2016 CAAR</i>	b) File the appropriate legal action against the separated/resigned employees and erring COs, if warranted, including withholding the release of benefits due to them until settlement/clearance is issued on their outstanding accountabilities.		Legal Division (LD)	Aug. 01, 2019	Aug. 31, 2019	Implemented		Koronadal: Bonded DBM Designees still acting as accountable Officers. Currently hiring PS Cashier and Supply Officer is for hiring)	11/22/2019	Implemented	Aug. 01, 2019	Aug. 31, 2019	Forwarded to Legal Division
	c) Collecting Officers (CO) / Cashiers separated from the service or ceased to act in his/her official capacity did not settle their accountabilities.	Management agreed to require: a) All COs/Cashiers of Depots to submit CRReg (Appendix 27) and its supporting documents on fifth day of the following month, to enable the PS Accounting Unit to recognize in the books of accounts the corresponding collections/deposit on the date/month it occurred and		Cash Division (CD)			Implemented		Reiteration of submission of pertinent documents (including CRRs). To be discussed during the training of depot personnel on Oct. 2019	11/22/2019	Implemented	July 2019'	December 2019'	COs has already submitted its required reports
	d) Non submission by PS Depots of Cash Receipts Register (CRReg) together with the ORs/DS/other supporting documents to the PS Accounting Unit on the required due date.	b) Accounting Unit to review/verify as well as reconcile the reports submitted by COs to ensure that correct amounts are recorded in the books.		Comptroller Division (CD)			Implemented		Comptroller Division to reiterate policy on the timely submission of reports.	11/22/2019	Implemented	July 2019'	December 2019'	Accounting Unit complied with the recommendation.

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Page 66	16.Non-establishment of a GFPS structure that would address GAD issues and concerns to have an effective mobilization of gender-responsive planning and programming, as well as, formulation of GPB, resulted in non-preparation and submission of GPB to the DBM and PCW for review and endorsement.	Management agreed to: a) Institutionalize a GFPS in conformity with PCW Memorandum Circular 2011-01, who shall lead in mainstreaming gender related activities in the agency's programs/activities/projects, as well as coordinate the preparation of the agency's GPB and the GAD AR;		Human Resource and Development Division (HRDD)	May 03, 2019'	Oct. 31, 2019'	Not Implemented		A reply letter was sent-out to PS COA on 15 May 2019 pertaining to the actions to be made by the HRDD. As indicated in the reply letter, the GFPS was reconstituted on 13 June 2019. The members will be registered to the GMMS of the PCW not later than 2nd week of September 2019.	11/22/2019	Not Implemented	May 03, 2019'	Oct. 31, 2019'	For implementation in 2020
	Audit finding on non-submission of GPB to DBM and PCW is also included in CY 2017 CAAR	b) Require its members to attend required trainings on gender capacity, such as the application of gender analysis tool in formulating GPB and AR; and					Not Implemented			11/22/2019	Not Implemented			For implementation in 2020
			c) Monitor closely the submission of GPB until it is approved by the PCW and secure a copy of PCW-endorsed GPB to ensure that GPBs are in accordance with the 12 areas of concern already identified by that Office.					Not Implemented			11/22/2019	Not Implemented		
Page 68	17. Tax Laws and Regulations, GSIS Premiums and Loan Amortizations, and Pag-IBIG and PhilHealth Premium Contributions	Management agreed to instruct Accounting Division to: a) Adhere strictly with the rules and regulations of the BIR, GSIS, PhilHealth and HDMF on the deadlines in remittance of collections and employer share, among others; b) Conduct reconciliation of GL and SL balances to correct the amount recorded in the books and make necessary adjustments thereafter; and c) Deduct from the payrolls and remit total amounts due including penalty/charges as billed by the GSIS and Pag-IBIG Fund for delinquent accounts.		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Not implemented		a. Please see attached latest returns to BIR / GSIS / Philhealth / HDMF.	11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Ongoing
				Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Not implemented		b. Comptroller staff is conducting reconciliation of balances.	11/22/2019	Not Implemented	Jan. 01, 2019	Dec. 31, 2019	Ongoing
					Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Implemented		c. Comptroller staff to implement payroll deduction(s) upon completion of reconciliation of balances.	11/22/2019	Implemented	Jan. 01, 2019	Dec. 31, 2019

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				Treasury Division (TD)	Jul. 01, 2019	Dec. 31, 2019	Implemented		Remitted on or before the deadlines. Concern division (HRRD) should provide complete information of the personnel they hired.		Implemented	Jul. 01, 2019	Dec. 31, 2019	Verified to the payrolls submitted
Page 69	18. The PS-Main failed to insure its PPE amounting to ₱ 199.1 million with the GIF of the GSIS, thus exposing the PS to non-indemnification risk in case of damage or destruction due to fire, earthquake, or any	Management agreed to require the General and Administrative Division to secure insurance for all the agency's PPE from the GSIS to ensure indemnification of the equivalent value thereof in case of loss or damage and, thereafter, ensure prompt renewal of the insurance for continuity of coverage.	To insure all PPE's of the Agency	General Service Division (GSD)	Nov. 01, 2019	Nov. 30, 2019	implemented	Awaiting result of Physical Count of PPE.	After the conduct of Physical Count of PPE, in coordination with Comptroller Division, submit the report to secure insurance of PPE.	11/22/2019	Implemented	Nov. 01, 2019	Nov. 30, 2019	Conducted Physical count for CY 2019 for approval of the director.
				Comptroller Division (CD)	Nov. 01, 2019	Nov. 30, 2019	Not Implemented		Comptroller Division to file insurance within 15 days upon receipt of GSD's report.		Not Implemented	Nov. 01, 2019	Nov. 30, 2019	No payment was made yet for insurance of PPE
Page 70	19. The PS did not formulate plans, programs, and projects intended to address the concerns of senior citizens and persons with disability.	Management agreed to allocate funds and formulate plans, programs, and projects intended to address the concerns of senior citizens and persons with disability in compliance with the provisions of Section 31 of the GAA of CY 2018 and Section 10 of RA No. 9994.	Creation of a Committee / Team (like GAD)	General Service Division (GSD)	Oct. 01, 2019	Oct. 31, 2019	implemented	Committee / team not yet formed	Formulation of Plans, programs and projects for Senior Citizen's and PWD's for inclusion in the 2020 budget. Draft an Office Order of committee team subject for approval. See Annex P.	11/22/2019	Implemented	Oct. 01, 2019	Oct. 31, 2019	Management prepared plans, programs and activities for senior citizens and person with disability for the upcoming CY 2020 budget
Previous Years														
2017 CAAR Page 58	20.The PS' PPE are not fully safeguarded due to: (i) Non-conduct of physical count; (ii) Non-disposal of 14 unserviceable vehicles limiting the space at PS Main; and (iii) The P349.262.16 properties at Region V issued without ICS and PAR.	Management to: Direct the Region V Depot Management to ensure that all semi-expendable properties and PPE are issued with ICS and PAR, respectively.	Conduct of Physical Count of PPE and reconciliation of balance with Comptroller	General Service Division (GSD)	Sep. 01, 2019	Sep. 30, 2019	Implemented	Awaiting approval of guidelines for Physical Count of PPE and reconstitution of PPE Inventory Team	Conduct of Physical Count of PPE. Guidelines in the process in Disposal of PPEs have been included in the Depot Manual. To be included in the Training of Depot Personnel on Oct. 2019.	11/22/2019	Implemented	Sep. 01, 2019	Sep. 30, 2019	Conducted Physical count for CY 2019 for approval of the director.

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2017 CAAR Page 63	21. The PS-DBM distributed in CYs 2013-2017 a total of ₱61.322 million as profit share to different depot from the income that accrued to the Revolving Fund, from which ₱19.919 million were utilized without authority from the GPPB and without consideration of the restrictions in the use of 'Revolving Fund'. Moreover, the Guidelines on: (i) Income Sharing; (ii) Depot Giveaways; (iii) Loss of Assets; and (iv) Allowances, provided for under the Manual, are inconsistent with the existing laws, rules and regulations.	Management to direct the Depot Coordination Office (DCO) to conduct an extensive review of the Manual and align its policies and procedures with the existing laws, rules, and regulations and submit the revised Manual to GPPB for review, deliberation and approval.	Reviewed and made updates in the Depot Manual	Depot Operations Division (DOD)	Sep. 01, 2019	Dec. 31, 2019	Implemented		On-going updates of Depot Manual in compliance to policies and procedures with existing laws, rules and regulations.	11/22/2019	Implemented	Sep. 01, 2019	Dec. 31, 2019	Attended updates of Depot Manual for finalization and approval
2017 CAAR Page 66	22. The PS-DBM procured, thru Repeat Order, 189 units of Patrol Jeep without conforming to Section 51, Rule XVI, of the IRR of RA No. 9184.	Management to: a) Direct PS officials and members of the BAC to ensure strict compliance with criteria set-forth under RA No. 9184 and its IRR in using the Repeat Order; and b) Management agreed to institute disciplinary action against the concerned members of the BAC and the agency officials who approved the transaction, if warranted.		Procurement Division (PD)	Sep. 2019	Dec. 2019	Implemented		As always, the current BACs/PDs, uphold the Rules on Repeat Order as prescribed.	11/22/2019	Implemented	Sep. 2019	Dec. 2019	Inquired to PD
									With regard to disciplinary action, it is moot and academic, since the former BAC is no longer connected to DBM-PS. What the management can do is to file administrative sanctions to those who take part in the preparation, endorsement, approval, and implementation of the contracts.	11/22/2019	Implemented	Sept. 01, 2019	Dec. 2019	Management will institute disciplinary action against the concerned members of the BAC and the agency officials who approved the transaction.

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2016 CAAR Page 38	23. The validity and existence of account Cash-Treasury/Agency Deposit Trust with reported balance of P4.762 million as of December 31, 2016, which has been dormant for more than 25 years, is doubtful.	Management require the Accountant to exhaust all possible means to look for any relevant document that could shed light on the nature of the said account		Comptroller Division (CD)	Sep. 2019	Dec. 2019	Implemented		JEV to write-off the dormant balance is attached.	11/22/2019	Implemented	Sep. 2019	Dec. 2019	Already written-off per JEV No. 19-06-595 dated June 30, 2019
2016 CAAR Page 39	24. The balance of Cash-Collecting Officers account amounting to P11.930 million as of December 31, 2016 is unreliable due to: a)Abnormal subsidiary ledger (SL) account balances totaling P0.851 million; b)Cash deposit of P0.107 million not reflected in the bank statement for December 2016; and c) Discrepancies between the Cash Receipt Register (CRReg) of Collecting Officers (COs)/Cashier and the PS-Main books of accounts.	Management require the Chief Accountant to: a) Review and analyze thoroughly the recorded transactions of various Regional Depots (RDs)/Sub-Depots (SDs) against their reports, with particular attention on those with abnormal balances, to determine the nature and cause of the abnormal balances; b) Check reported deposits against the bank statements to determine their accuracy. If warranted, restore the accountability of the Accountable Officers concerned for deposits not credited by the bank; and c) Reconcile the SL with the CRReg of the concerned COs.		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Implemented		PS already hired 7 accountants with plantilla items assigned in each Regional Depot to assist Central Office in reconstructing the SL balance per collecting officer of each depot.	11/22/2019	Implemented	Jan. 01, 2019	Dec. 31, 2019	Management hired 7 regional accountants assigned for Regional Depot to assist Central Office which were verified on the payroll submitted.
							Implemented			11/22/2019	Implemented			Attended Seminars conducted with the regional accountants
							Implemented		On-going hiring process for those Depots still without Accountants.	11/22/2019	Implemented			Attended Seminars conducted with the regional accountants
2015 CAAR Page 52	25. Inaccuracies were noted in the Cash Receipts Record (CRR) in RDs I-La Union and V-Legazpi City, which rendered the report unreliable.	Management ensure that the COs in RD I-La Union and RD V-Legazpi City, review and ensure the correctness of the cash accountability reflected in the system-generated CRR and coordinate with the PS-Main Accountant for the recognition of the cancelled collections in RD-I-La Union.		Depot Operations Division (DOD)	Sep. 01, 2019	Oct. 31, 2019	Implemented		Included in the training of Depot Personnel conducted by PS-Main	11/22/2019	Implemented	Sep. 01, 2019	Oct. 31, 2019	Attended Seminars conducted with the regional accountants
2015 CAAR Page 60	26.The RD V-Legazpi City, RD VI-Bacolod City and RD XIII-Surigao City failed to fully serve the client-agency requirements in the	Management: a) In RDs V-Legazpi City to adopt measures and procedures to properly monitor the availability of its stocks for issuance to client agencies;	Instructed PS Depot	Depot Operations Division (DOD)	Jun. 01, 2019	Oct. 31, 2019	Implemented		a and b. Requested PS Management to improve availability of stocks in the depots.	11/22/2019	Implemented	Jun. 01, 2019	Oct. 31, 2019	Management to institute new strategies in the replenishment of CSE

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	amounts of ₱ 1 million, ₱6.371 million and ₱2.333 million, respectively, as of December 31, 2015, due to non-availability of stocks which may be attributed to inadequate monitoring of stock inventory.	b) In RD VI-Bacolod City to abide by the guidelines set forth under the Regional Depot Operation's Manual on the General Operating Procedures in Ordering, Payment, Delivery and Reporting and specify the period within which the requested supplies must be paid so as not to forfeit the priority or reservation; and,	measures and procedures to properly monitor the availability of its stocks for issuance to client agencies and follow the guidelines in the Depot Operations Manual.	Depot Operations Division (DOD)	Jun. 01, 2019	Oct. 31, 2019	Implemented			11/22/2019	Implemented	Jun. 01, 2019	Oct. 31, 2019	
		c) Strictly monitor the balances due to each client agency per Agency Procurement Request (APR) for application to the agencies' succeeding purchases, if proven that the purchased supplies can no longer be supplied to avoid accumulation of balances or refund the excess deposit of the agencies.		Comptroller Division (CD)	Jan. 01, 2019	Dec. 31, 2019	Implemented	Comptroller is continuously processing all refund to agencies with complete supporting documents as requested by PS-Depots.		11/22/2019	Implemented	Jan. 01, 2019	Dec. 31, 2019	Per validation, the management is continuously refunded balances of agencies pertaining to lapsed fund and others were remitted back to BTr.
2013 CAAR Page 25	27. RDs III-Pampanga and VI-Bacolod City failed to fully provide adequate protection of their cash contrary to sound internal control over collections and Section 2 of PD No. 1445.	Management of RDs III-Pampanga and VI-Bacolod City to make representation with PS-Main for the procurement of cash vaults for use of the RDs.	Procurement of Cash Vaults	Depot Operations Division (DOD)	Sep. 01, 2019	Nov. 30, 2019	Implemented	Procured safety vault for PS Pampanga last Jan. 2015. Vault for PS Depot Bacolod for procurement		11/22/2019	Implemented	Sep. 01, 2019	Nov. 30, 2019	Pampanga Depot was provided with cash vault. Bacolod Depot rented other office with security officer due to undergoing renovations on their previous office.
				General Service Division (GSD)	Sep. 01, 2019	Dec. 31, 2019	Implemented					Sep. 01, 2019	Dec. 31, 2019	
2013 CAAR Page 29	28. Due to the failure of PS-Main and RD XII-Koronadal City to properly manage their inventory, there was an accumulation of slow moving inventory items and expired/damaged inventories which will eventually result in loss of assets and loss of income.	The RD XII-Koronadal City Management to instruct the Depot Supply Officer to monitor the expiry dates of inventory items and to immediately report and return to PS-Main the toners and inks not sold within the period of six months upon receipt.	PS Depot Koronadal were instructed to closely monitor the expiry dates of inventory items. Return Policy of items were included in the Depot Manual for	Depot Operations Division (DOD)	Sep. 01, 2019	Dec. 31, 2019	Implemented	Policy for return of items was included in the Depot Manual 2015v. Policy on the proper disposal of non-moving items is included in the revised Depot Manual. Review and revision of depot manual is on-going.		11/22/2019	Not Implemented	Sep. 01, 2019	Dec. 31, 2019	In spite of PS-Main's advice to the RD to mark down the defective computers' selling price by 40 per cent, those were still not sold, thus, reported as defective.

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2013 CAAR Page 34	29. In RD X-Cagayan de Oro City, undelivered common-use supplies and equipment due to unavailability of stocks accumulated P 1 million, defeating the PS mission and vision of providing timely delivery and responsive services to its client-agencies, thereby increasing the outstanding advances received from client-agencies without the corresponding deliveries.	Management of RD X-Cagayan de Oro City to update regularly the website to show stocks that are currently available and inform other client government agencies about the website.	Instructed PS Depot Operations Division (DOD) Cagayan De Oro to adopt measures and procedures to properly monitor the availability of its stocks for issuance to client agencies.	Depot Operations Division (DOD)	Sep. 01, 2019	Dec. 2019'	Implemented		Management to improve availability of stocks in the depots.	11/22/2019	Implemented	Sep. 01, 2019	Dec. 2019'	Management will institute new strategies to improvement replenishment of CSE
2012 CAAR Page 43	30. Prior years' interest income on bank deposits amounting to P 236.5 million which was used for PhilGEPS expenses from CY 2000-2007 without securing authority from the Permanent Committee or other authority, has remained unremitted to the National Treasury.	The Accountant should make the necessary adjusting entries to reclassify the Organization Costs-GEPS to the proper PPE accounts and recognize the corresponding depreciation.		Comptroller Division (CD)	Sep. 01, 2019	Dec. 2019'	Implemented		As of December 31, 2018 FS/Trial Balance, balance of Organization Costs-GEPS is already zero.	11/22/2019	Implemented	Sep. 01, 2019	Dec. 2019'	The balance of PPE Account already do not include Organization Cost from PhilGEPS
2012 CAAR Page 52	31. RD III-Pampanga lacked adequate measures to safeguard Cash while RD VII-Cebu City and RD XIII-Butuan City both lacked sufficient storage space, thus, some stocks were placed outside the depot.	Management of RD VII-Cebu and RD XIII-Butuan City to engage the services of DPWH to prepare a design for a more spacious storage area and submit the same to PS-Main for evaluation, approval and funding. A bigger storage space would ensure that all stocks are accommodated and properly safeguarded.	Procure Safety Vault for PS Pampanga.	Depot Operations Division (DOD)	Sep. 01, 2019	Dec. 2019'	Implemented		Procured safety vault for PS Pampanga last Jan. 2015.	11/22/2019	Implemented	Sep. 01, 2019	Dec. 2019'	Validated to Accounting Records for the purchase of this equipment
			Advised PS Depot Butuan and Cebu to make recommendation in renovation of the depot.						PS Depot Butuan made renovations of warehouse which improved their storage space.					
									PS Depot Cebu have submitted recommendation for improvement of warehouse					
									Instructed PS Depot Cebu to look for other property/warehouse for rental					