PHILIPPINE COCONUT AUTHORITY
OFFICE OF THE ADMINISTRATOR
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By: Chat B. Date: 10/30

October 30, 2017

MS. ANNIE L. RECABO
State Auditor IV
OIC Supervising Auditor

COMMISSION ON AUDIT
RECEIVED
NOV 02 2017
OFFICE OF THE SUPERVISING AUDITOR
By:

Attention : MS. GAY M. MADELO
State Auditor IV
Audit Team Leader

Dear Auditor Recabo,

Transmitting herewith is the PCA Agency Action Plan and Status of Implementation – AAR for the year 2016.

We hope that you find everything in order.

ROMULO J. DELA ROSA 10/30/17
Administrator

Received: AFTS
10/30/2017

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Note: Temporary receive – No attachments.
Nov. 30, 2017 – COA Office Declared Halfday!

PHILIPPINE COCONUT AUTHORITY

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2016
As of September, 2017

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 (mm/yy) From	To			
	FINANCIAL OPERATIONS								
1	The accuracy, completeness, reliability and existence of the Property, Plant and Equipment (PPE) with a total carrying amount of P636.145 million could not be established in view of, among others: a) unaccounted discrepancies aggregating P56.261 million due to noted errors in the beginning balances of the subsidiary ledgers (SLs) carried forward since calendar year (CY) 2012, variance between general ledgers (GLs) and Report on the Physical Count of PPE (RPCPPE); b) misclassification of buildings and parcels of land totalling P102.891 million as PPE instead of Investment Property (IP), thereby overstating and understating, respectively, the said accounts; c) absence of SLs for PPE items totalling P81.092 million and d) overstatement of PPE of at least P6.734 million for items acquired in prior years with unit costs less than the capitalization threshold of P15,000 due to non-classification to Semi-expendable inventory account.	Direct the:							
		a. Accounting Division of CO and Accounting Units of the concerned ROs to:							
		a.1. Prepare and maintain complete SL for all PPE accounts under various funds;		Central Office (CO) – Accounting Division			On-going reconciliation-	-	
		a.2. Examine and reconcile the discrepancies noted: (i) between the GLs and SLs balances; and (ii) CY 2012 beginning SLs balance against recomputed beginning balances;		CO – Accounting Division			On-going reconciliation	-	
		a.3. Prepare the necessary adjusting entries to reclassify items with unit cost of P15,000 and below to semi-expendable inventories, and land and buildings or portions thereof under operating lease or intended to be leased out to IP account and corresponding accumulated depreciations of the affected accounts;		CO – Accounting Division			On-going Implementa-tion	-	2015 PPE – partially adjusted 2016 PPE all PPE below 15,000threshol d already adjusted Final Adjustment Report Reference 5071707-304
		a.4.Adopt strictly the decentralized accounting system by aptly transferring the recording of land to the books of accounts of the RO No. IV-A;		CO – Accounting Division					For coordination with Regions
				Regional Office (RO) No. IV-A – Accounting			Not Implemented	The management of Reg. IV-A did not receive	The acctgunit of R-IVA will take the

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					From	To			
								copy of this AOM. The Debit/Credit Advice from the CO was not sent to Reg IVA for transferring of recording of land.	actions in transferring the recording of land once the CO provided the Debit/Credit advice with the attached supporting documents
		a.5.Record the two transferred motor vehicles in the books of RO No. VI;	We are consolidating the transfer documents of two (2) vehicles for the recording in the Books, since we received the documents last July 2017	RO No. VI Francis Fegarido OIC Reg'l Mgr. Gregory Teñoso Accountant III Rosana Abaygar Supply Officer II	Oct 1, 2017	Dec 31, 2017	Partially Implemented		We are still consolidating the transfer documents needed for the recording in the Books of Accounts
		b. Administrative and General Services Division (AGSD), CO and Property Unit of concerned ROs to provide adequate measures in the inventory count and safeguard on PPE by:							
		b.1 Preparing, submitting and reviewing RPCPPE timely to ensure it is free from mathematical errors, and that account titles, description, and composition of PPE are compatible with the Accounting Division to facilitate reconciliation with property and accounting records; and	More careful measures are to be taken in order to avoid miscalculations in the preparation of the RPCPPE, especially in the use of formulas in MS Excel. Consult with Acctg. Div. representative for the actual physical count of PPE as regards the actual account titles, description and composition of PPE currently being used by them to ensure proper reconciliation of records.	CO Property Division	Oct. 2017	Jan. 2018* *During time of Inventory taking/ physical count of PPE and the preparation of its Report	Being done/to be done as of target timeframe		Account titles and numbering of PPE previously used by Property Div. have been adjusted accordingly to jive with those being used by the Accounting Division.
		b.2 Preparing timely Inventory and Inspection Report of Unserviceable Property (IIRUP) to facilitate disposal of unserviceable properties.	We are consolidating the transfer documents of two (2) vehicles for the recording in the Books, since we received the documents	RO No. VI Francis Fegarido OIC Reg'l Mgr. Gregory Teñoso Accountant III Rosana Abaygar	Oct 1, 2017	Dec 31, 2017	Fully Implemented		We are still consolidating the transfer documents needed for the recording in the

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			last July 2017						Books of Accounts
				RO No. VI – Property Unit					
2	Procurement of fertilizers in the total amount of P337.840 million, through the Philippine International Trading Corporation (PITC) where PCA incurred service fees (SFs) aggregating P11.202 million, yet it has not hastened the implementation of projects as intended by Section 53.6 of 2009 Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184, thus, depriving the beneficiaries of the timely benefits due them. Besides, non-recording of deliveries and distribution of fertilizers, as well as, interests income earned on fund transfers and expenses incurred on the procurement services due to non-liquidations by the PITC of the fund transfers had overstated Due from Government Owned and Controlled Corporations (GOCCs)-PITC account by P238.765 million and understated both the Inventories and Expense accounts by P136.398 million and P102.367 million, respectively. Moreover, there was discrepancy of 400 bags of agricultural grade salt fertilizers (AGSF) costing P0.115 million between total delivered of 826,136 bags at drop-off-points (DOPs) against total contracted of 826,536 bags.	Direct the:							
		a. Operations Department to hasten the distribution of the fertilizers to the intended beneficiaries and submit the following documents for audit purposes:		CO – Operations Department			Ongoing implementation		
		a.1. Reconciliation statement on the discrepancy noted between the number of bags of AGSF per contract against actual deliveries at the DOPs; and		CO – Operations Department			Ongoing Implementation		
		a.2. Status report on the procurement of MNF for Coconut Scale Insect infestation and typhoon Pablo rehabilitation projects;		CO – Operations Department			Ongoing Implementation		
		b. Accounting Division to:							
		b.1. Demand from PITC liquidation reports and supporting and proof of demand from government procurement agent for the monthly and/or full liquidation of fund transfer;		CO – Accounting Division			No liquidation from PITC	Pending Liquidation Reports from PITC-COA -	Already coordinated with PITC
		b.2. Prepare adjusting entries to record the deliveries and distribution of AGSF, as well as, the SF and interests earned on the fund transfer and the expense incurred on the procurement services; and		CO – Accounting Division			No liquidation from PITC	Pending Liquidation Reports from PITC-COA	Already coordinated with PITC
		b.3. Demand from PITC the immediate refund of unexpended balance of fund transferred for procurement of AGSF and the interest earned on the fund transfer and negotiate for the possible recovery of a portion of the paid SF in view of the delay incurred in the procurement.		CO – Accounting Division			No liquidation from PITC	Pending Liquidation Reports from PITC-COA	Already coordinated with PITC

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3	Validity, accuracy, and reliability of the liabilities of CO and RO Nos. I-IV-B aggregating P343.104 million which represented 49.40 per cent of P694.479 million Accounts Payable's (AP) year-end balance could not be ascertained due to lack of valid basis in the accrual of current and prior's expenses and absence of complete supporting documents contrary to pertinent provisions of PD No. 1177, and COA Circular No. 99-004 and PPSAS 19, thereby significantly affecting the fair presentation of AP and Accumulated Surplus accounts in the Financial Statements (FS). Further, payment in the amount of P1.450 million, which was cancelled as it was discovered that the supplier was already paid, was erroneously reverted back to Unliquidated Obligations (UO)-MOOE sub-account, thus, understating the Accumulated Surplus account by P1.450 million and overstating the UO-MOOE sub-account by the same amount.	Require the Accounting Division, CO and Accounting Unit, RO Nos. I-IV-B to prepare the necessary adjustments in the AP account and refrain from recording transactions, including claims, which are not valid and not supported with complete and proper documentation including goods/services that have not been received and accepted.		CO – Accounting Division			For Implementation		For compliance
			The Regional Office prepare the necessary adjusting entry	RO Nos. I-IV-B – Accounting Unit	May 2017		Implemented		Prepared Journal Entry Vouchers to effect adjustments in the A/P account and no more recording of transactions which are not yet received and accepted since January 2017
4	The accuracy and reliability of the year-end balance of Cash and Cash Equivalents of RO Nos. V, VI, XII, XIII and DRC amounting to P186.140 million or equivalent to 14.28 per cent of the P1.304 billion Cash and Cash Equivalents balance as at December 31, 2016 could not be ascertained due to: a) delayed and non-submission of Bank Reconciliation Statements (BRS), c) non-restoration to CIB account of stale checks, and c) non-maintenance of SLs. On the other hand, the DRC did not remit to CO its collections from income generating activities amounting to P10.353 million, contrary to PCA Board Resolution (BR) No. 026-2008.	a. Require the Accounting Unit to prepare BRS timely, prepare necessary adjustments to revert the 'stale' check to CIB and other affected accounts and maintain SLs for each collecting officer;	- Adjust/revert back to the Cash-in-Bank account the amount for the stale checks -Submit to COA the ledgers for each collecting officer at PCA RO V and Provincial Offices	RO No. V – Accountant			Fully Implemented	N/A	-Adjustment was made in Dec. 2016 for the stale checks under JV#16-12-241, same was submitted to the Auditor -Subsidiary ledgers were maintained for each collecting officer and submitted to COA
				RO No. XII – Accounting Unit			Fully Implemented		
		b. Require the concerned accountable officers to deposit all their collections intact and daily or not later than the next banking day;	To direct the Accountable Officer who is authorized in the collection and deposit to ensure at all times that	RO No. XIII – accountable officers	Feb. 20, 2017	Mar. 31, 2017	Fully Implemented		

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			all collections be deposited intact and daily or not later than the next banking day.						
		c. Require the Cashier to maintain cashbook for check disbursements to facilitate reconciliation of the accountability of the Cashier with the accounting records; and	The management will require the Cashier to maintain cashbook to record all disbursements made to ascertain existence and accuracy of financial statements and bank reconciliation statements	RO No. VI ManuelitaTuar es Cashier II	Jan. 01, 2017	Dec. 31, 2017	Partially Implemented		The cashier will update the cashbook to maintain records of all disbursements made and to facilitate reconciliation of book and bank balances
		d. Secure a post-facto approval from CO for disbursements of DRC's collections and henceforth, remit timely to CO all collections from income generating activities.		CO					
			The management requested a post-facto approval from CO	DRC			Implemented		The Management already provided COA a copy of authorization to open a Trust Fund from sale of a Makapuno Seedling signed by administrator Eduardo Escueta dated August 16, 1999
		Investigate and impose appropriate sanctions against the concerned officer and employees of DRC for utilizing the collections without authority from PCA Administrator or his duly authorized representative.		CO			For Implementati on		
				DRC			For Implementati on		Have secure copy of Authorization signed by Administrator Eduardo Escueta dated August 16, 1999
5	Accuracy, reliability, and validity of year-end balance of Due to National Government Agencies (NGAs) account amounting to P38.523 million representing fund transfers from different source agencies (SAs) for the implementation of 41 programs/projects	Require the Division Chief III, CO Accounting Division to:							
		a.1. Prepare and submit separate RD on the expenditures incurred by CO, require Accountants of concerned RO and Center to submit their respective RDs to		CO – Division Chief (DC) III, Accounting Division	July 2017	Dec 2017	Partial Imple mentation	Still compiling documents to support ROD of Central	-To submit ROD to COA for issuance of Credit Notice

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	by ROs/Centers were doubtful due to: a) late or non-submission of Report of Disbursements (RDs), b) inconsistent presentation of fund utilization/liquidation in the Statement of Cash Flows (SCF), and c) unreconciled net discrepancies of P21.301 million between the records of PCA and SAs. Delays were also incurred in the implementation of 21 programs/projects with fund balances of P17.043 million, thus might cause a credibility concern to the stakeholders of PCA.	support timely liquidations of fund transfers to SAs;						Off.	-To submit the liquidation documents to source agencies
				RO No. XIII – Accountant					
			Continue sending Audited Report of Disbursements	Zamboanga Research Center (ZRC) - Accountant			Implemented		We always send Audited Report of Disbursements for all the programs and projects handled by PCA-ZRC as soon as the Resident Auditor finish her audit.
		a.2. Conduct regular and periodic verification and analysis of fund transfers to ensure that outstanding balances are reconciled with SAs' records and utilizations are correctly and properly presented in the SCF; and		CO – DC III, Accounting Division	Jan. 2017	onwards	Implemented		
		Direct the concerned RO/Center and Office, CO to implement strictly the programs/projects in accordance with the agreed timelines to avoid delay in the implementation of the programs/projects.		CO					
			To implement strictly the programs/projects in accordance with the agreed timelines to avoid delay in the implementation of the programs/projects.	RO No. XIII	July 1, 2017	Dec. 31, 2017	Partially Implemented	1.Failure of the bidding process; 2.lack of supporting documents to start the procurement process for Agrohub; 3.Delay in the downloading of funds from CO	
				ZRC			Implemented		

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6	Outstanding balances of fund transfers and other receivables accumulating to P11.921 million and P1.396 million, respectively, have been dormant/non-moving for over 1 to 31 years. Also, said dormant fund transfers with unutilized balances aggregating P1.237 million have not been refunded/returned to the concerned SAs, contrary to COA Circular Nos. 97-001 and 94-013.	Direct the:							
		Division Chief III, CO Accounting Division to:							
		a.1 Conduct verification, analysis, validation and reconciliation of the existence of the dormant fund transfers; and		CO – DC III,Accounting Division	July 2017	Dec 2017	Partial	Still reconciling the balances with source agencies	-To process the return of unexpended balances once reconciled -To submit liquidation documents to account for the difference between the balances
		a.2 Cause the remittance to SAs of the unexpended balances of dormant/non-moving funds for completed/abandoned programs/ projects and revert the unreturned amount of fund transfers from AP to Due to NGAs account;		CO – DC III,Accounting Division	July 2017	Dec 2017	Partial	Still reconciling the balances with source agencies	-To process the return of unexpended balances once reconciled -To submit liquidation documents to account for the difference between the balances
		Regional Manager, RO No. IV-A to:							
		b.1. Maximize efforts on the possible collections of receivables; and	The management has already instructed the Provincial Coconut Development Managers to submit the copies of demand letters as proof that they have already exerted efforts in the collection of dormat accounts. The acctg unit will determine/locate the	RO No. IV-A - Regional Manager (RM)	Jan. 2017	Dec. 2017	On-going	Since it happened 31 years ago, the current management has no knowledge and not fully aware of these aforesaid transactions. Furthermore, based on the	The province of Quezon I and Quezon II have issued 5th tracer demand letter to farmer-debtors. This is a clear proof that they have exerted efforts in the collection of dormant accounts despite the number of years that have elapsed.

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			details/records of the remaining receivables.					justification submitted by Ms. Arcadia G. de Luna, the NCIP/ENCIP documents were totally damaged and eventually disposed due to Typhoon Ondoy last September 24-28, 2009	Fortunately, the province of Quezon I was able to collect the amount of P552.40 as payment of Mr. Ramon Salamat, one of farmer-debtors. Said documents were already submitted to the office of the Auditor. Another bill was issued by the accounting unit to Mr. Pacifico Ramos to ensure the collection of his debt.
		b.2. Re-submit the request for write-off duly supported with complete documentary requirements pursuant to COA Circular No. 2016-005 dated December 19, 2016.	The management has already instructed the Provincial Coconut Development Managers to submit the copies of demand letters as proof that they have already exerted efforts in the collection of dormat accounts. The acctg unit will determine/locate the details/records of the remaining receivables.	RO No. IV-A – RM	Jan. 2017	Dec. 2017	On-going	Since it happened 31 years ago, the current management has no knowledge and not fully aware of these aforesaid transactions. Furthermore, based on the justification submitted by Ms. Arcadia G. de Luna, the NCIP/ENCIP documents were totally damaged and	The province of Quezon I and Quezon II have issued 5th tracer demand letter to farmer-debtors. This is a clear proof that they have exerted efforts in the collection of dormant accounts despite the number of years that have elapsed. Fortunately, the province of Quezon I was able to collect the amount of P552.40 as payment of Mr. Ramon Salamat, one of farmer-

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								eventually disposed due to Typhoon Ondoy last September 24-28, 2009	debtors. Said documents were already submitted to the office of the Auditor. Another bill was issued by the accounting unit to Mr. Pacifico Ramos to ensure the collection of his debt.
7	In DRC, coconut palms and other fruit bearing trees numbering 13,842 and its agricultural produce or products of undetermined fair value are not recognized in the books as either Biological Assets, PPE or Inventories contrary to PPSAS 27, 17 and 12, thereby understating the total assets of undetermined amount as at reporting date.	Require the Center Manager to determine the fair value of the biological assets including its agricultural produce or products and instruct the Accountant to recognize the same to appropriate accounts pursuant to PPSAS 27, 17 and 12.	The Management will comply under COA Circular 2015-010 per Audit Recommendation	DRC Accounting/Supply Officer	Jan. 2017	Aug 2017	On going	DRC received the guidelines form Central Office per Memo Circular no.04 dtd April 20, 2017	The Management already assigned personnel and started to account and recognize Biologcal assets per COA recommendation
	COMPLIANCE								
8	The grant of Collective Negotiation Agreement (CNA) incentives to officers and employees for Fiscal Year (FY) 2015 accumulating to P11.475 million was not fully compliant with the pertinent procedural guidelines and conditions prescribed under DBM Budget Circular (BC) No. 2015-2 dated November 23, 2015, thus considered irregular expenses.	Submit a justification as to why the payment of FY 2015 CNA incentives in the total amount of P11.475 million should not be disallowed in audit, duly supported with, but not limited to, the following:		CO					C.O. a (erroneous classification of CNA incentives) complied per JEV#503-17-04-168.
		a. Proof that efforts in renegotiation or concluding a new CNA were undertaken prior to the expiration of the current CNA pursuant to PSLMC Resolution No. 1 dated March 14, 2014;		CO					We are submitting the following documents to prove that efforts for a renegotiation of a new CNA were undertaken prior to expiration of the 2012 CNA and during the extension period: 1 Request to the PCA Administrator dated May 27, 2015 for authority

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					From	To			
									to conduct a PCAEA General Assembly; 2 Agenda for the 2nd General Assembly conducted on May 29, 2015; 3. Request to the PCA Administrator dated November 23, 2015 for an initial round table discussion for the proposed renewal, modification and/or amendment of the CNA; 4 Special Order No. 157 dated November 27, 2015; 5. Minutes of Meeting of the Employees' Organization-Management Consultative Committee dated December 9, 2015; 6 Minutes of Meeting of the Employees' Organization-Management Consultative Committee dated February 4, 2016; 7 Minutes of Meeting of the Employees' Organization-Management Consultative Committee dated march 8, 2016;

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		b. Copy of CSC Certificates of Registration of: (i) PCAEA prior to the execution of CY 2012 CNA; and (ii) CY 2012 CNA prior to the payment of FY 2012 CNA;		CO					We are submitting herewith the Certificate of Accreditation of PCAEA dated January 5, 1993.
		c. Documents showing the rates of FY 2015 CNA incentives and payment thereof sourced from the allowable MOOE allotments, as determined and approved, respectively, by the DBM; and		CO – Finance Department					The savings determined was purely corporate fund, exclusive of projects funds and not part of DBM allotment, thus we deemed it unnecessary to have it approved by the DBM;
		d. FURs for CYs 2014-2015 and every year thereafter.		CO – Finance Department				For Implementation	
		Direct the Accountants of RO No. IX and ZRC and Division Chief III of CO Accounting Division to:							
		a. Effect the necessary adjustments for the overstatement of Other Bonuses and Allowances-CNA and AP-UO-PS accounts, as well as, the net understatement of Due from RO account in the books; and		CO – DC III, Accounting Division			Adjusted		Reference #503-0612-618
			Make the necessary adjustments as recommended by COA-Central Office	RO No. IX – Accountant	10/16 /2017				
				ZRC – Accountant			Complied		Consulted with the PCA CO Chief Accountant
		b. Furnish the Audit Team of a copy of the duly-issued Journal Entry Vouchers on the adjustments made.		CO – Accounting Division					
			Furnish to CO Acctg the Journal Entry Vouchers on the Adjustments made	RO No. IX – Accountant	10/16 /2017				
			Inquire from the Chief Accountant of PCA-	ZRC - Accountant			Complied		As per discussions with the Chief

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			CO if said C. N.A. was adjusted per discussion with her						Accountant of PCA-CO she assured PCA-ZRC the C.N.A. will be adjusted in CO since the C. N. A. was already included in the Year End Closing of Books.
9	Procurement of food and cellular cards in the amounts of P2.623 million and P0.670 million, respectively, or total of P3.293 million for CYs 2015-2016 were awarded to favored suppliers and with conflict of interest as price quotations (PQs) were fabricated/fictitious while the suppliers have access to information or influence the decision of PCA, thus, contrary to applicable provisions of 2009 and 2016 Revised IRR of RA No. 9184. Further, food procurements were made through small value procurement (SVP), notwithstanding that the amount involved exceeded the thresholds provided under Annex "H" of 2009 Revised IRR of RA No. 9184. Hence, there is no assurance that PCA obtained the most advantageous cost for the goods procured.	Instruct GSD to :							
		a.1 Comply with Section 10 of 2016 Revised IRR of RA No. 9184 in the procurement of goods and services including meals should the total amount thereof exceeds the threshold provided in Annex "H" of the same Revised IRR of same RA;	Review of applicable provisions of RA 9184 concerning Alternative Modes of Procurement (AMP) per Purchase Request to be processed	CO – GSD			For Implementation		Strictly observe and comply with the applicable provisions on Alternative Mode of Procurement
		a.2 Stop procuring from suppliers with conflict of interest, as prohibited under Section 47.2 of 2016 Revised IRR of RA No. 9184; and ensure that actual request for PQs is made from supplier of known qualifications in accordance with the applicable provisions of 2016 Revised IRR of RA No. 9184;	Ensure that no supplier(s) will be awarded the contract with conflict of interest and the RFQs are made by supplier(s) with qualifications and capabilities in accordance with provisions of RA 9184 and its IRR	CO – GSD			Being implemented		Henceforth after the AOM, no supplier(s) were awarded the contract with conflict of interest
		a.3 Ensure proper procurement planning such that proposed and approved budgets are realistic and PRs are prepared and submitted by end-users before actual procurement; and	Ensure that details required in the PR are provided and submitted by the end user before actual use and procurement	CO – GSD			Being implemented		Diligent effort was undertaken to ensure that the details required are indicated in the PR and submitted before

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									actual use and procurement
		b. Require the Chief of Collection and Disbursements Division to issue checks strictly under the name of the creditor to whom the money is due, pursuant to Section 93 of PD No. 1445.	Comply as recommended	CO – Chief, Collection and Disbursements Division			Being implemented	N/A	The check payable to Thea's Carinderia was issued to its owner, Ms. Prima Estrella Ugalino since checks are being issued to the payee indicated in the voucher. Further, in the official receipts being issued by Thea's Carinderia, it is indicated that Ms. Ugalino is the proprietor. Upon COA's recommendation however, the GSD has since stopped engaging Thea's Carinderia's services until such time that it has opened it's own bank account and all its business documents are proper and compliant.

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		Conduct investigation and hold liable the officials and employees who participated in producing fictitious/fabricated PQs and facilitated the payment of irregular transactions for procurement of foods and cellular cards.		CO					
10	In RO Nos. VII, XI, XIII and Davao Research Center (DRC), PPE aggregating P97.906 million are not insured with Government Service Insurance System (GSIS) contrary to Section 5 of RA No. 656, the Property Insurance Law, thus exposing PCA to risk of non – indemnification in case of damage to or loss of uninsured properties due to fire, earthquake, storm or other fortuitous event.	a. Insure all properties of the concerned ROs/Center with GSIS to protect and recover the costs in case of damage to or loss of uninsured properties due to fire, earthquake, storm or other fortuitous event; and		RO No. VII	1st Qtr. 2017	3rd Qtr. 2017	Partially Implemented		Submitted partial listing of insurable properties to GSIS
				RO No. XI			Fully Implemented		
			To obtain insurance coverage for all insurable assets	RO No. XIII	Feb. 13, 2017	Dec. 31, 2017	Partially Implemented		No policy from the Central Office as to the Insurance of machinery and equipment held for beneficiaries
			The management noted the recommendation	DRC Supply Unit Accounting			On going	Physical Inventory of PPE is on going	The management will provide GSIS copy of updated PCA-DRC assets for re-computation of insurance coverage
		b.Require the Budget Division to provide budget allocations for insurance coverage of the PPE of the concerned ROs/Center.	Allocations will be provided by C.O.	CO – Budget Division					Inform the concerned RO/CO to provide expand be included on their request for Budgetary reqt. On the succeeding years
11	Accounting records and reports, i.e., FSs, Trial Balances (TrBs), General	Require the Manager of the Finance Department to:							

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	Journals (GJs), DVs, and JEVs were either submitted/provided late ranging from 68 to 247 days, or not submitted/provided at all, notwithstanding the fact that the FS were already submitted/rendered, contrary to Section 7.2 of the 2009 Rules and Regulations on Settlement of Accounts (RRSA) and Section 122 of PD No. 1445, thus precluding timely audit of the accounts and operations of PCA. Meanwhile, the GL and SL balances were not used as the bases in the preparation of TrBs and FSs, contrary to Section 114 of PD No. 1445, thereby casting doubt on the correctness, completeness, reliability, and validity of the year-end account balances.	a. Submit complete accounting records and reports within 10 days of the ensuing month, pursuant to Section 7.2 of the 2009 RRSA, as well as, e-copy of the same to facilitate timely review/audit thereof;		CO – Manager, Finance Department			Partial	Late submission of reports from ROsand lack of personnel in Acctg C.O.	
		b. Maintain printed and duly certified GJs to ensure that the same are valid and are readily available; and		CO – Manager, Finance Department			Implemented		
		c. Instruct accounting staff to promptly post journal entries to the GLs and SLs to ensure that balances of the accounts are correctly forwarded to the TrB.		CO – Manager, Finance Department			Implemented		
12	In CO and four ROs, at least 82 contracts and 923 POrs for procurement of goods and services aggregating P761.316 million were: a) either unsubmitted or submitted late which ranged from 1 to 188 days and with incomplete supporting documents; b) having invalid post qualification requirements; and c) without notices of deliveries (NoDs) and inspection and acceptance reports (IARs) contrary to COA Circular Nos. 2009-001 and 2009-002 dated February 12, 2009 and May 18, 2009, respectively, and Section 34, Rule X of the IRR of RA No. 9184, thereby precluding the Audit Team from conducting a timely and complete review to establish the propriety and validity of the covered transactions.	Require the BAC of CO and concerned ROs to:							
		a. Ensure the timely submission of contracts, POs, as well as, NoDs, and IARs and all supporting documents as required in COA Circular Nos. 2009-001 and 2009-02 dated February 12, 2009 and May 18, 2009, respectively, to give ample time to the Audit Teams in conducting review and evaluation of the procurements made by the Agency.	Systematize BAC procedures to formulate effective and efficient methods of handling and keeping documents. Proper custodianship of procurement documents and other records shall also be observed; and, ensure that all activities relative to procurements as undertaken by PCA are properly documented	CO – Bids and Awards Committee (BAC)	Jan. 2017	Dec. 2017	Currently in process since the first BAC procurement activity of the year		BAC Secretariat mem bers take measures to ensure that each has access to all documents that are currently within their possession particularly those relative to procurement that had already been completed.
			The management will oblige the provincial offices to submit schedule of deliveries of inputs including the submission of DRs within 24 hours after delivery.	RO No. IV-A – BAC	Jan. 2017	Dec. 2017	Partially Complied		The property unit is now submitting the Purchase Order regularly to the office of the Auditor. Awritten instruction was already sent to Provincial Offices for strict

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									compliance to the COA requirement on submission of schedule of deliveries including Delivery Receipts to be submitted within 24 hours after receipt of goods. A copy of communication dated February 6, 2017 was submitted to COA on March 3, 2017 as attachment of COA –AOM 2017-001 (2016). DRS are being submitted to COA thru email
				RO No. V – BAC					
			The BAC RO8 will ensure timely submission of contracts, POs, NoDs, IARs, and all supporting documents	RO No. VIII – BAC	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance
				RO No. XIII - BAC					
		b. Disqualify the award of the contract to the bidder who fails to submit any required document during post qualification and/or those who submit invalid documents, pursuant to Section 34.5 of the Revised IRR of RA No. 9184; and	The BAC RO8 will automatically disqualify the bidder who fails to submit any required documents during post-qualification and/or those who submitted invalid documents	RO No. VIII – BAC	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance

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		c. Issue the Notice of Post Qualification to the Lowest Calculated Responsive Bid/Single Calculated Responsive Bid pursuant to Section 34.4 of the Revised IRR of RA No. 9184.	The BAC RO8 will issue Notice of Post-Qualification to the lowest calculated and responsive bid/single calculated and responsive bid	RO No. VIII - BAC	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance
13	In RO Nos. VI and VIII the conduct of the pre-procurement conference by the BAC prior to the advertisement or issuance of the Invitation to Bid (ITB) for 35 contracts of YRRP and Coconut Fertilization Project totaling P227.504 million as required under Section 20 of the Revised IRR of RA No. 9184 could not be established due to the absence of the minutes of meeting, thus, there was no evidence as to what have transpired during the conference especially on significant matters that are necessary in the next phase of the procurement process. Also, in RO No. XIII, the BAC did not prepare and submit Procurement Monitoring Report (PMR) to the Government Procurement Policy Board (GPPB), as required under Section 12.2 of the IRR of same RA, thus, there was no assurance that all procurement activities have been conducted as scheduled and pursuant to the provisions of the law and its IRR.	Require the BAC and Technical Working Group (TWG) of the concerned ROs to:							
		a. Hold pre-procurement conference and prepare and submit duly approved PMR to GPPB in compliance with the provisions of Sections 12.2 and 20 of the Revised IRR of RA No. 9184; and	The mngt. advised the current BAC to observe the Revised Implementing Rules and Regulations of RA9184	RO No. VI PlevyRaco Bac Chairman Joel Solis BAC Member Emilda Padasas BAC Member Edwin Quitong BAC Member Eddie CAbabasay BAC Secretariat Rosana Abaygar BAC Secretariat			Fully Implemented		The BAC already submitted necessary requirements needed and comply with the provisions of Section 12.1 and 20 of the Revised implementing Rules Regulations (IRR) of RA 9184.
			The BAC RO8 will conduct pre-procurement conference and will prepare and submit duly approved PMR to GPPB	RO No. VIII - BAC and TWG	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance
			To submit to the GPPB in printed and electronic format within fourteen (14) calendar days after the end of each semester, and furnish the same to the audit team for verification/validation	RO No. XIII - BAC and TWG	Feb. 8, 2017	Feb. 28, 2017	Fully Implemented		

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			The mngt. advised the current BAC to observe the Revised Implementing Rules and Regulations of RA9184	RO No. VI PlevyRaco Bac Chairman Joel Solis BAC Member Emilda Padasas BAC Member Edwin Quitong BAC Member Eddie CAbabasay BAC Secretariat Rosana Abaygar BAC Secretariat			Fully Implemented		The BAC already submitted necessary requirements needed and comply with the provisions of Section 12.1 and 20 of the Revised implementing Rules Regulations (IRR) of RA 9184.
		b. Submit an explanation why there were no pre-procurement conferences conducted for 35 contracts with an aggregate cost of P227.504 million.	The Regional BAC is in fact regularly conducting pre-procurement conference as per justification on AOM No. 2017-002 dated January 27, 2017*(please see attached)*. For succeeding procurements, the BAC will ensure the conduct of pre-procurement conferences for every item to be procured.	RO No. VIII - BAC and TWG	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance
14	Payrolls used by CO for the payments of salaries, wages, and other emoluments of its officers and employees in the total amount of P55.924 million were not in the prescribed 'general payroll' form under Appendix 33, Government Accounting Manual (GAM), Volume II, thus payments were not certified as to availability of funds, completeness and propriety of supporting documents, and	Require the Division Chief III, CO Accounting Division to:							
		a.1 Use the prescribed 'general payroll' form to ensure that the payments are duly certified as to the availability of cash, propriety, and completeness of supporting documents and that the services are actually rendered, and duly approved by the Agency Head or authorized representative;		CO – DC III, Accounting Division			Implemented		

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	services rendered; not approved by Agency Head or his authorized representative, contrary to applicable provisions of PD No. 1445 and COA Circular No. 2012-001.	a.2 Maintain and update the IoPs and SLs for every payment made to each employee; and		CO – DC III, Accounting Division			2017 Implemented		
		a.3 Establish/strengthen internal control in the preparation and processing of payrolls;		CO – DC III, Accounting Division			Implemented		
		Payroll Clerk to:							
		b.1 Prepare two sets of payroll, one for the first half of the month and another one for the second half of the month and that the same are in the prescribed format; and		CO – Payroll Clerk, Accounting Division			Contractual employee–implemented Regular employees' is not yet implemented	Two sets of payroll is not yet implemented since the existing program /system is not capable for such report	
		b.2 Set a cut-off date in the preparation and processing of payroll and avoid accommodation of last-minute changes affecting the net pay of the employees concerned.		CO – Payroll Clerk, Accounting Division			Implemented		
15	Quarterly reports on the grant received from Government of Japan through the Japan Asean Integration Fund (JAIF) amounting to USD758,294 or P33.828 million and expenditures or disbursements thereon were neither submitted to the Audit Team nor posted on the Agency's website, contrary to Section 6 of General Appropriations Act (GAA) of FY 2016, thereby, precluding expeditious and complete review, as well as, transparent reporting of the Grant. Further, no report of expenditures had been maintained by PCA on its counterpart fund of USD25,800, which would indicate that PCA has not adopted the counter-parting scheme aimed to foster project ownership, hence, inconsistent with Item 2.B.4 of the Project Document of the Grant.	Direct the concerned personnel to prepare and submit the following supporting documents to the respective Audit Teams of CO and concerned ROs for audit purposes:							
		a. Quarterly reports on grant/donation received and expenditures or disbursements thereon and ensure the posting thereof on the website of PCA, pursuant to Sections 5, 4 and 6 of GAAs for FYs 2014, 2015 and 2016, respectively;		CO – Accounting Division			For Implementation		
			Submitted monthly financial report to Finance Dept. and Operation Dept. from start of the project to present	RO No. X – Accounting Unit	June 2017	Dec 2017	Complied		We have submitted monthly financial reports and paid vouchers to COA region 10, monthly financial reports to Acctg CO and physical and financial accomplishment report to Operation Dept

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			To prepare and submit quarterly reports on grant/donation received and expenditures or disbursements to Audit Team of concerned RO for audit purposes	RO No. XIII – Accounting Unit	July 1, 2017	Dec. 31, 2017	Partially Implemented	Reports are made but not submitted to COA and CO	
		b. Report of disbursements on PCA-counterpart fund of USD25,800; and		CO – Accounting Division					
		c. Budget realignment duly approved by the Government of Japan.	Coordinate with Ms. DJ on Monday	CO –Budget Division					For coordination with concerned personnel
		Ensure that realigned project funds be duly approved by the source/donor agency prior to obligation and disbursement thereof and strictly comply with the conditions and requirements set in the MOA.		CO			For Implementati on		
16	Shares of the municipalities/barangays from permit fees collected by RO Nos. IV-A and I-IV-B from the cutting of coconut trees totalling P5.842 million remained unremitted to the concerned local government units (LGUs), while the amount of P2.706 million was remitted late by RO No. V, contrary to the provisions of RA No. 8048, thereby denying the concerned LGUs with the immediate use of said funds for purposes embodied under the said Act. Likewise, remittances by RO No. V amounting to P3.810 million were not supported with Official Receipts (ORs), thus validity of remittance could not be ascertained.	Require the Accountants and PCDMs of concerned ROs to:							
		a. Maintain SLs for Due to LGUs account and remit the LGUs' shares to concerned municipalities and barangays within three months from the receipt of the cutting permit fees, in compliance with Section 2 of RA No. 10593 and Section 34(c), Article VII of AO No. 1, Series of 2013; and	Updated remittances of LGUs shares on Ra 8048	RO Nos. I- IV-B – Accountant	Jan. 2017	Dec 2017	Complete remittances to LGUs of all provinces except Metro Manila due to some unidentified barangays and petty amount	No need to maintain SL since collections and remittances are strictly reconciled	On-going reconciliation of records of Cashier and CPRO regarding collections on RA 8048 Cutting Permit in Metro ManilaApril
			The management will ensure to determine the proper LGUs with unremitted shares covering the period 2011 to 2014 especially Batangas/Cavite and maintain subsidiary ledgers for each municipality and barangay to avoid non/delayed	RO No. IV-A – Accountant	Jan. 2017	Dec 2017	Partially Complied	The municipality and barangay on submitted IRF of Quezon II and Laguna during the period 2011 to 2014 were not identified yet.	Starting January 2017, the accounting unit maintains the Subsidiary Ledgers for each municipality and barangays. The collections for the period 2015 to 2017 were remitted regularly.

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			remittances.						The accounting unit and the current PCDM of Quezon II and Laguna are still on the process of determining the proper Local Government Units for the period 2011 to 2014. Rest assured that once the remaining unremitted balances were already identified, we will process immediately the remittances.
			-Submit to COA the complete supporting documents/Official Receipts by the LGUs -Remit to LGUs their shares on the permit to cut fees without delay	RO No. V Accountant Cashier /Div. Chiefs PCDMs			Fully Implemented	N/A	-All Official receipts from the LGUs concerned had been submitted to COA in April 2017 -No delay in the remittances to the LGUs is incurred due to the monthly remittance scheme we had been implementing since last year, instead of the quarterly remittance to the LGUs required in the guidelines
		b. Submit the Quarterly Coconut Cutting Reports on timely manner to ensure prompt remittance to the concerned LGUs, to augment their	Require PCDMs to submit monthly Coconut Cutting Report for reconciliation to monthly	RO Nos. I-IV-B – PCDM	April 2017		Updated submission of reports		Remittances to LGUs are done quarterly

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		financial needs for the replanting programs and repair/rehabilitation of their roads which have been damaged by the heavy vehicles used for transporting coconut lumber, in accordance with RA No. 8048.	Collection Report						
17	Collections of RO No. IV-A totalling P0.628 million were undeposited and unrecorded as at cash examination date on November 9, 2016, due to the failure of the Accountable Officer to comply with Section 69 of PD No. 1445 and Item 32, Chapter II of the Revised Cash Examination Manual; thus, resulting in a cash shortage.	a.File immediately appropriate charges against the concerned PCDM; and		CO			Implemented		
				CO					
		b.Instruct the Regional Manager, RO No. IV-A to require the new PCDM, Laguna PrO to maintain cashbook, deposit all collections intact and daily, perform the cashiering functions instead of delegating to CS personnel, and prepare MRAAF.	The PCA Central Office created the Administrative Investigation and Personnel Discipline Hearing Committee who will investigate and recommend the appropriate charges against PCDM Joselito R. Alcantara	RO No. IV-A – RM PCDM, Laguna PrO	Jan. 2017	Dec. 2017	Complied		The Administrative Investigation and Personnel Discipline Hearing Committee recommends that formal charges for violation of Section/s 46 A(2) for Gross Neglect of Duty and/or Section 46 A(3) for Grave Misconduct, under Revised Rules on Administrative Cases on the Civil Service (RRACCS), in relation to Section 217 (Malversation of Public Funds or Property) under the Revised Penal Code, and established government accounting and auditing rules, be issued against PCDM Joselito Alcantara.

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									Based on the recommendations given, we would like to inform you that the designated Accountable Officers (AOs) for each province are the Provincial Coconut Development Managers and the Senior Agriculturists. They are also the Collecting Officers (Cos) of their respective offices since they are the regular or permanent employees who are properly bonded. The three PCA Provincial Offices (Batangas/Cavite, Quezon I and Quezon II) dispensed its duties based on the applicable/issued policy guidelines, except the PCA Laguna/Rizal as reported. Thus, we have requested the Central Office to take management action regarding this matter and Mr. Joselito R. Alcantara was relieved as Accountable

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									Officer of the Provincial Office of PCA Laguna/Rizal. Moreover, in order to prevent committing the same mistakes as stated on the audit observations, the management already instructed all concerned officers in the Regional and Provincial Offices to follow the recommendations as provided by the audit team and strictly comply the following: a.egular and properly bonded officers shall serve as the Accountable Officers/Collecting Officers and are allowed/authorized to receive, collect, remit and deposit money and issue receipts as part of the regulatory services and functions of the agency; b.Use of dater/ rubber stamp on official receipts is prohibited to avoid tampering;

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									c.The supply officer shall require the Provincial Offices to submit a filled out "RIS" form when issuing unused and pre-numbered official receipt to Provincial Offices to ease of monitoring; d.The supply officer shall provide the Accounting office and Provincial Office a signed copy of inventory of issued official receipts/accountable forms; e.All collecting officers.shall ensure that all collections received and deposits made for the day shall be accounted and properly recorded in a cash receipts records; f.All provincial offices shall submit to the regional office amonthly report of accountability for accountable forms duly signed by the accountable officer;

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									g.Complete information including address of the payers should be provided in the application forms and official receipt; h.The regional management shall reprimand any officer or accountable employee for violation of the recommended measures. Weshall assure that the regional management is already imposing strict measures to ensure transparency and accountability in accordance to government policies and laws. On August 22, 2017, PCDM Joselito R. Alcantara received the decision of six months suspension by the top management and he immediately complied effective August 23, 2017.

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			a.File immediately appropriate charges against the concerned PCDM and b.Instruct the Regional Manager, RO No. IV-A to require the new PCDM, Laguna PrO to maintain cashbook, deposit all collections intact and daily, perform the cashiering functions instead of delegating to CS personnel, and prepare MRAAF.	RO No. IV-A – PCDM, Laguna PrO	Jan. 2017	Dec. 2017	Complied		The Administrative Investigation and Personnel Discipline Hearing Committee recommends that formal charges for violation of Section/s 46 A(2) for Gross Neglect of Duty and/or Section 46 A(3) for Grave Misconduct, under Revised Rules on Administrative Cases on the Civil Service (RRACCS), in relation to Section 217 (Malversation of Public Funds or Property) under the Revised Penal Code, and established government accounting and auditing rules, be issued against PCDM Joselito Alcantara. Based on the recommendations given, we would like to inform you that the designated Accountable Officers (AOs) for each province are the Provincial Coconut Development

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									Managers and the Senior Agriculturists. They are also the Collecting Officers (Cos) of their respective offices since they are the regular or permanent employees who are properly bonded. The three PCA Provincial Offices (Batangas/Cavite, Quezon I and Quezon II) dispensed its duties based on the applicable/issued policy guidelines, except the PCA Laguna/Rizal as reported. Thus, we have requested the Central Office to take management action regarding this matter and Mr. Joselito R. Alcantara was relieved as Accountable Officer of the Provincial Office of PCA Laguna/Rizal. Moreover, in order to prevent committing the same mistakes as stated on the audit observations, th management

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									already instructed all concerned officers in the Regional and Provincial Offices to follow the recommendations as provided by the audit team and strictly comply the following: a.Only regular and properly bonded officers shall serve as the Accountable Officers/Collecting Officers and are allowed/authorized to receive, collect, remit and deposit money and issue receipts as part of the regulatory services and functions of the agency; b.Use of dater/ rubber stamp on official receipts is prohibited to avoid tampering; c.The supply officer shall require the Provincial Offices to submit a filled out "RIS" form when issuing unused and pre-numbered official receipt to Provincial Offices to ease of

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									monitoring; d.The supply officer shall provide the Accounting office and Provincial Office a signed copy of inventory of issued official receipts/accountable forms; e.All collecting officers shall ensure that all collections received and deposits made for the day shall be accounted and properly recorded in a cash receipts records; f.All provincial offices shall submit to the regional office a monthly report of accountability for accountable forms duly signed by the accountable officer; g.Complete information including address of the payers should be provided in the application forms and official receipt; h.The regional management

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									shall reprimand any officer or accountable employee for violation of the recommended measures. We shall assure that the regional management is already imposing strict measures to ensure transparency and accountability in accordance to government policies and laws. On August 22, 2017, PCDM Joselito R. Alcantara received the decision of six months suspension by the top management and he immediately complied effective August 23, 2017.
	IMPLEMENTATION OF PROJECTS								
	Yolanda Recovery and Rehabilitation Program (YRRP) -								
18	Government resources allotted for the YRRP amounting P2.453 billion were not properly accounted for and safeguarded due to: a) absence of fund utilization reports (FUR); b) prioritization of other projects over YRRP projects; c) utilization of YRRP fund for non-YRRP activities; d) availment of the services of PITC, as procurement agent, and non-provision in the MOA of specific timelines in the procurement; e) lack of	a. Stop charging expenses for non-YRRP projects/activities against the YRRP fund;		CO – Accounting Division			Implemented		
		b. Direct the Accounting Division of the CO to prepare/submit the following:							
		b.1. Detailed FUR for YRRP fund;	To prepare FUR	CO – Budget Division					On-going
		b.2. Status reports on the borrowings of P795.546 million from YRRP fund;		CO – Accounting Division					YRRP fund has already been consolidated

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	monitoring in the implementation of projects with partner agencies; and f) poor planning which consequently resulted in delayed implementation and low implementation rate of projects, thus, deprived the intended beneficiaries of the timely benefits that should have been derived from these projects. In addition, payments of cash for work incentives by RO Nos. VII and VIII amounting P0.130 million and P5.814 million, respectively, or totaling P5.944 million were highly questionable since the recipients farmer-beneficiaries are dubious.								with other project funds per recommencatyion of the the finance manager and duly approved by the Governing Board.
		b.3. Accomplishment Reports for CY 2016 and service contracts for the month of July 2016 of the 11 project personnel whose professional service expenses were charged to YRRP fund;		CO – Accounting Division			Submitted by Finance to COA dtd. Sept. 11, 2017		
		b.4. Proof of monitoring of liquidations of fund transferred to the PGs of Biliran and Samar pursuant to COA Circular No. 94-013;		CO – Accounting Division			Samar- no pending liquidation Biliran- pending	No audited liquidation report from Biliran	
		b.5 RDs and other pertinent documents for the liquidations of funds transferred to PGs of Biliran and Samar;		CO – Accounting Division			Samar- already liquidated Biliran- Pending		
		Require the Operations Department to:							
		c.1. Fast track the full implementation of YRRP and set specific timelines for the implementation of fertilization component of YRRP;		CO – Operations Department					
		c.2. Submit status report on the procurement of MNF from PITC; and		CO – Operations Department					
		d. Direct the Regional Manager of RO Nos. VII and VIII to conduct investigation to determine: (i) the cause/s of the irregularities in the payments of cash for work incentives as well as distribution of fertilizers and (ii) employees/personnel who		CO					
				RO No. VII – RM	2nd qtr 2017	4th qtr 2017	Fully implemented; but hearings for case filed against CDO		

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		participated in the irregularities and file appropriate charges against them, if warranted.					Alaman is still on-going		
				RO No. VIII - RM	07/16	12/17	On-going		A complaint has been lodged with the Office of the Ombudsman and at the same time a Memorandum of Appeal has been filed with the Commission on Audit
	Coconut Scale Insect Emergency Action Program (CSIEAP)								
19	Documents supporting payments made to a service provider for the treatment of coconut scale insect-infested trees in the total amount of P103.591 million were used twice or thrice, thus, resulted in overpayment of P2.492 million and contrary to Sections 4(6) and 46 of PD Nos. 1445 and 1177, respectively.	Direct the concerned personnel to recover all the overpayments made to the Service Provider and hold liable the officials and employees who facilitated the double/triple payment of P2.492 million to the Service Provider.		CO-RDB/OB			On-going		
20	Treatment on CSI-infested coconut trees in Basilan Province incurred unnecessary expenses of P8.437 million as 421,337 severely infested coconut trees treated with leaf pruning and trunk injection, 403,893 thereof progressed from moderate to severe status, while 17,444 treated trees died.	a. Direct the Office of the Research and Development Branch (RDB), CO and other line agencies to provide results of analysis on the assessment of treatment procedures conducted in the field by RO No. XIV to come up with more detailed and specific solution in the implementation of the CSIEAP; and		CO –RDB/OB			On-going		
		b. Reassess and meticulously evaluate treatment procedures of the CSI infestation in the Basilan Province and oblige all affected coconut farmers to apply cutting procedures for untreatable infested coconut trees for replacement with new ones to avoid further escalation and incurrence of unnecessary expenses which may result in wastage of government resources.		CO –RDB/OB			On-going		
				RO No. XIV	Jan. 2017	June 2018	Partially implemented cutting of dead/senile severely-infested coconut trees; Recovery	Transport problems for cocolumber; ownership problems of coco trees, absentee land owners	-Monitoring of cutting; continue to speed up issuance of permit to cut and transport permit -On going distribution of

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					From	To			
							assessment survey of treated trees being implemented by the region		coconut seedlings to replace cut trees
	Accelerated Coconut Planting and Replanting Project (ACPRP)								
21	In RO No. VIII, payment of incentives was of doubtful validity under the Participatory Coconut Planting Project (PCPP), while in RO Nos. I-IV-B, there was no proof of land ownerships; farmer-beneficiaries lands agronomic suitability and their interests were not determined at the onset due to non-conduct of survey; seedlings were distributed to non-coconut farmers which were planted for beautification purposes; and excessive quantities of coconut seedlings were given to farmer-beneficiaries under Coconut Seedlings Dispersal Project (CSDP), affected the efficient and effective implementation of ACPRP by said ROs.	Require the Regional Managers of RO Nos. VIII and I-IV-B to:							
		a. Conduct inquiry/investigation to determine the cause/s of:							
		a.1. Granting of PCPP incentives to those who are not coconut farmers;	Strict screening of farmer-participants upon masterlisting	RO No. VIII – RM	1/16	to present	Implemented in the field		
		a.2. Non submission of any proof of ownership and non-conduct of survey on farmers' interest and farms suitability;	Require PCDMs to submit proof of ownership and conduct survey of farmers interests and farms suitability	RO Nos. I-IV-B – RM	Jan. 2017	Dec. 2017	Completed the submission of proof of ownerships and partially implemented the conduct of PIFSA		Continuous conduct of survey of farmers 'interests and farms suitability
		a.3. Excessive grant of incentives and coconut seedlings to farmer-beneficiaries who received more than 100 pieces allowed for every hectare;		RO Nos. I-IV-B – RM			No excessive payment of incentives per hectare		
			Per guideline, unlike YRRP Planting-Replanting, CSDP has no budget allocation for incentives for the seedlings planted. With regards to the issue if excessive distribution of seedlings under CSDP, per record we haven't noticed excessive quantities of coconut seedlings given to a farmer beneficiary. But if ever there is, we will strictly implement the guidelines for our next	RO No. VIII – RM			For coordination with RO.		

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			distribution.						
		a.4. Granting of coconut seedlings to LGUs and school and allowing to plant the seedlings along the road for beautification purposes;	Require provincial offices to strictly follow project guidelines	RO Nos. I-IV-B – RM	Jan. 2017		Implemented		The Regional Office will safeguard the interest and integrity of the project
		a.5. Allowing the suppliers of the proponent LGU to identify the farmer-beneficiaries and distribute to them the coconut seedlings without the presence of the concerned CDO in the Municipality of Sofronio Espanola;	Require a PCA representative to accept the delivery before distribution to farmers	RO Nos. I-IV-B – RM	Jan. 2017		Implemented		Farmer-participants should be properly evaluated as to the suitability of farms and willingness to undertake the project
		b. Consider reprimanding the concerned employees, if found remiss in the discharge of their duties and responsibilities in the implementation of the projects; and	Comply strictly program/project implementing guidelines	RO Nos. I-IV-B	Jan. 2017		Implemented		Always revisit project guidelines for proper implementation
			The regional Manager will reprimand any concerned employee found remiss in the discharge of duties in implementing ACPRP	RO No. VIII					
		c. Henceforth, strictly observe the Guidelines on PCPP and CSDP under various PCA MCs to ensure that all procedural and documentary requirements are complied with for efficient and effective implementation of the project.	Comply strictly program/project implementing guidelines	RO Nos. I-IV-B	Jan. 2017		Implemented		Always revisit project guidelines for proper implementation
			Discuss PCA MCs thru training to remind CDOs in the procedures and documents required for submission We will continue to strictly observe the guidelines on CSDP to ensure that all are complied for the efficient and effective	RO No. VIII	12/17	12/17	To be discussed during the Year-End Conference		

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			implementation of the project.						
22	The purpose of CSDP to make good quality of seedlings readily available for coconut farmers was not assured to have been efficiently and effectively attained in RO Nos. I-IV-B, since 927,872 coconut seedlings costing P25.149 million or 28.42 per cent of 3,264,499 coconut seedlings procured were undelivered by the proponents/suppliers, due to non-submission of MAPs and MAPAPS/AR as well as absence of PCA Governing Board's approval on price adjustments from P27 to P30 per coconut seedling.	Direct the Regional Manager of RO Nos. I-IV-B to:							
		a. Require the proponents to deliver immediately the coconut seedlings, otherwise, terminate the MOA/Contract of the proponents/private suppliers, and blacklist the private suppliers pursuant to Guidelines of Termination of Contract of the IRR of RA No. 9184 and Paragraph 23.1.a of Section IV of the General Conditions of Contract;	Recommended the termination and blacklisting of Amat Plant Nursery and Agri-trading Coronado's Plant Nursery	RO Nos. I-IV-B – RM	May 2017	Aug. 2017	Implemented		Conduct bidding for undelivered Seedlings
		b. Direct the Regional Technical Staff to submit immediately the MAPs of the Provinces of Abra, Ifugao, Ilocos Sur, La Union, Cagayan, Pangasinan and Isabela and MAPAPS/AR as well as Summary of MAPAPS/AR of the Provinces of Bataan, Bulacan, Pampanga, Zambales, Mindoro Occidental and Oriental; and	Require concerned provincial offices to submit the required documents	RO Nos. I-IV-B – RM	Jan. 2017	July 2017	Implemented		Advise provincial offices to comply immediately and strictly meet deadlines
		c. Henceforth, observe Item 13.1.4 of PCA MC No. 02 series of 2012, dated January 9, 2012 prescribing the standard unit price of coconut seedlings; and	The price of P30 includes handling and transport costs and price adjustment was approved by then Administrator Forbes	RO Nos. I-IV-B – RM	Jan. 2017		Implemented		Comply on the cost of seedlings per Corporate Order No. 01 series of 2016
		Require the RO Nos. I-IV-B to carefully evaluate the qualification of the prospective suppliers to ensure that they have the capability to supply the goods.	Require the RBAC for strict evaluation of perspective suppliers	RO Nos. I-IV-B – RM	Jan. 2017		Implemented		Require the RBAC for strict evaluation of perspective suppliers
23	Payment of P1.860 million by RO Nos. I-IV-B to the Provincial Government of Palawan (PGP) for the 61,950 seedlings delivered by two unregistered suppliers and absence of PCA representative during the delivery were not in accordance with Items 2.6 and 3.7.21 of PCA MC Nos. 02, Series of 2012 and 02, Series of 2013,	Direct the Regional Manager, RO Nos. I-IV-B to:							
		a. Demand from PGP replacements of coconut seedlings delivered by the unregistered suppliers which did not survive;	Request replacement of seedlings	RO Nos. I-IV-B – RM	May 2017	Dec. 2017	On-going		Sent demand letter to Gov. Alvares of Palawan and 5,000 seedlings had been delivered and

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	respectively, resulting in high mortality of seedlings, since these have not been inspected for quality standards, consequently disadvantageous to the government.								8,000 is still in the nursery
		b. Conduct investigation why non-PCA registered suppliers were allowed to supply coconut seedlings, no PCA representatives were present during deliveries to receive and inspect the coconut seedlings and determine the officers and employees who were remiss in the discharge of their duties and responsibilities; and	Require the PCDM of Palawan to explain	RO Nos. I-IV-B – RM	May 2017	June 2017	Implemented		The PCDM of Palawan explained that the alleged non-PCA registered suppliers are caretakers of the registered supplier of PGP
		c. Henceforth, comply strictly with Item 2.6 of PCA MC No. 02, Series of 2012 and Item 3.7.21 of PCA MC No. 02, Series of 2013 to ensure good quality of seedlings for planting materials.	Comply strictly program/project implementing guidelines	RO Nos. I-IV-B – RM	Jan. 2017		Implemented		Always revisit project guidelines for proper implementation
	KasaganahansaNiyugan ay Kaunlaran ng Bayan [KAANIB] Enterprise Development Project (KEDP)								
24	The implementation of the KEDP in Regions IV-A, VII, VIII, XI, and XIV was not efficiently and economically carried out while effectiveness thereof could not be established due to: a) delayed releases of funds amounting to P124.672 million which deferred project implementation by the ROs; b) late deliveries of agricultural inputs aggregating P4.261 million by suppliers while some deliveries of livestock costing P2.107 million were not in accordance with specifications; c) non-utilization/operationalization of the equipment with total costs of P4.408 million due to absence of test run/training; and d) non-conduct of monitoring and evaluation that precluded the determination of the projects' status as at a given period and prompt application of remedial actions to address problems and issues in the implementation, thus affecting the	Require the concerned Offices in the CO and ROs to:							
		a. Process and release funds to ROs judiciously for implementation of the projects to ensure that farmer-beneficiaries receive benefits timely;		CO – Finance Department			For verification		Funds are being processed by CO. Actual cash transfers are being monitored to prevented the parking of cash in ROs.
		b. Disqualify the ineligible suppliers from joining any future bidding on the supply and delivery of agricultural inputs;		RO No. VII	3rd qtr 2016	2nd qtr 2017	Fully Implemented		
		c. Undertake remedial actions to immediately address issues and problems on non-operational equipment taking into consideration the objectives of the project in order to ensure that		RO No. XI			Fully Implemented		

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	sustainability of the livelihood projects in increasing farmer-beneficiaries' income and resulting in wastage of government funds.	funds are expended for the purpose these are granted; and							
		d. Oblige the Community Coordinator in coordination with the Senior Agriculturist/PCDM to monitor and report on a monthly basis, the status of all projects to the RO and regularly furnish the Audit Team with the said reports, otherwise, hold the concerned PCA employees accountable for non-monitoring and evaluation of the status of the implementation of the livelihood projects.	The management required the Province to submit the monthly and quarterly monitoring report (Status Report)	RO No. IV-A Provincial Offices/Technical Unit	Jan. 2016	Dec. 2017	Continuing Activity		All Provincial Offices were submitted the monthly (Annex H), quarterly (status) and copy furnish the COA Auditor in Regional Office. Moreover the Regional Office also submitted quarterly the COA (Annex A & B) Report which is submitted to COA Auditor in Regional Office.
				RO No.XIV	June 2017	onwards	Monthly reporting of status of projects being undertaken		Continue monthly monitoring of projects and submission of reports aside from periodic evaluation by RO personnel; New projects being subjected to vigorous pre-evaluation prior to approval of projects
	Coconut Fertilization Program (CFP)								
25	Economy, efficiency and effectiveness in the implementation of the CFP in Regions V, VII, XI and XIII, could not be ascertained in view that: a) there were 37,685 bags fertilizers undistributed due to unavailability of vehicles to transport these from DOPs to beneficiaries' farms hindering timely application of fertilizers; b) warehouses are vulnerable to rain, flood and pilferage which resulted in losses and wastage of government funds; c) additional expenses were	Direct the concerned Regional Managers to:							
		a. Distribute immediately the fertilizers to the farmer-participants to avoid further delay in the project implementation;		RO No. V – RM			Implemented/ distribution to the FPs completed		PCA V action is consonance with Proj. Guidelines MC#01, s 2015 dtd Jan 9, 2015, TOR as of Sept. 18, 2015 and Admin's Memorandum dtd May 19, 2016

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	incurred for hauling and warehousing for prolonged storage of fertilizers; d) legitimacy of farmer-participants was doubtful since fertilizers were distributed to farmers not in the Masterlist of Farmer-Participants (MLFP) and replacements of farmer-beneficiaries during actual distribution were unauthorized; and e) receipt of fertilizers could not be validated due to non-submission of AcRs.			RO No. VII – RM			Fertilizers 100% distributed		
				RO No. XI – RM			Fully Implemented		
			To strategize delivery so as to prevent longer and bulk storage of fertilizers in one area and reconcile difference in reported delivery and actual inspection by COA and to instruct the respective assigned personnel representative to submit acknowledgement receipts and certificate of distribution and application of agricultural grade salt fertilizer for any withdrawals in their respective area.	RO No. XIII – RM	Feb. 14, 2017	Dec. 31, 2017	Fully Implemented		
		b. Provide safety measures in the warehousing of fertilizers to avoid any losses due to theft and deterioration;		RO No. XIII – RM					
		c. Designate DOPs such as municipalities and barangays accessible to transportation to facilitate immediate distribution to intended farmer- beneficiaries and to avoid incurrence of additional costs for hauling and warehousing;	Suggest amendment of Guidelines to consider increase in number of warehouses allowed and delivery up to barangay level	RO No. V – RM			Implemented/ distribution to the FPs completed		Discussed during the Coconut Industry Devt. Planning 2017-2022 consultation in PCA RV, Legaspi City, the PCA V, DCs SAs and RTS relayed to CORPLAN's staff for consideration in the updating of project guidelines
				RO No. VII – RM			Fully implemented because		

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							even if the Implementing Guidelines for CFP limits only to 5 DOPs per province, the Regional Office, in its procurement of fertilizers requested the dropping off of fertilizers allocated in every municipality		
			Include in the Agenda of next PCDM/s Meeting PCA VIII compliance to Reference 25C of the Audit Recommendations: That only barangays that are accessible to transportation shall be included in the list of DOPs so that additional cost of the Government of the Philippines (GOP) for hauling and warehousing will be avoided	RO No. VIII – RM	10/2017	11/2017	Included in the agenda	NA	For immediate compliance
				RO No. XI – RM			Fully Implemented		
		d. Submit immediately the AcRs to the concerned Audit Teams for audit purposes; and		RO No. XI – RM			Complied		
				RO No. XII – RM			Fully Implemented		
				RO No. XIII –					

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				RM					
			For implementation Proj. Yr. 2016	RO No. V – RM					Discussed/relayed to provinces during PCDMs meetings
		e. Henceforth, distribute strictly the salt fertilizers only to the farmers listed in the MLFP and request approval from the concerned CO officials for changes in the MLFP as to farmer-beneficiaries and allocation of salt fertilizers.		RO No. VII – RM	3rd qtr 2017	3rd qtr 2017	Fully Implemented. Regional Office issued memo to submit a final list of farmer participants and not only prospective listing and to observe the proper procedures if in case there are changes beyond the control of our field personnel		
			Compliance to Reference 25e of Audit Recommendations should be stressed in the PCDM's Meeting: that replacement of farmers listed in the MLFP should be avoided to eliminate doubts on legitimacy. If changes are indeed unavoidable, a request for approval should be secured from concerned CO	RO No. VIII – RM	10/2017	11/2017	Included in the agenda	NA	For immediate compliance

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			officials before its release.						
				RO No. XI – RM			Fully Implemented		
		We further recommended that the concerned RO should carefully identify the DOPs that are accessible to the farmer-beneficiaries to avoid changes in DOPs of fertilizers.	To comply to Reference 25, the Regional Manager of PCA VIII shall require all PCDM's to submit a list of barangays accessible to 4-wheel vehicles/trucks per municipality. Any barangay not included in the list shall not be eligible as fertilizer DOP. Further, RBAC VIII should make adjustment in the procurement process that delivery schedule of fertilizer shall not coincide with rainy months.	RO No. VIII – RM	10/2017	11/2017	Included in the agenda	NA	For immediate compliance
				RO No. XI – RM			Fully Implemented		
26	In RO No. V, the procedural guidelines and conditions for the inspection and acceptance of the delivery of fertilizers set forth under PCA MC No. 01, Series of 2015, dated January 9, 2015 and Terms of Reference of the Contract were not strictly observed, thereby casting doubt on the correctness of the quantities and on technical specifications of the fertilizers delivered.	Direct the Regional Manager, RO No. V to:							
		a. Submit justification for the deficiencies noted and why the persons responsible should not be held liable for the losses that maybe incurred by the PCA;		RO No. V – RM					With justification submitted on Mar. 10, 2017 addressed to Atty. Eleanor V. Echano, State Auditor IV thru Ms. Marilou I. Naldo, State Auditor III/OIC-Audit Team Leader

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		b. Require the PCDM to verify and conduct regular monitoring of the tasks of his authorized representative in the field to ensure that the activities/processes in every project are carried out consistently well and compliant with existing laws, rules and regulations; and		RO No. V – RM					The management will comply w/ the audit recommendations in the strict adherence to the provisions of existing guidelines
				RO No. V – PCDM					With comments/justifications submitted on Mar. 10, 2017 addressed to Atty. Eleanor V. Echano, State Auditor IV thru Ms. Marilou I Naldo, State Auditor III/OIC-Audit Team Leader
		c. Ensure, henceforth, that persons-in-charge of receiving deliveries of fertilizers are strictly adhering to the existing guidelines/procedures on the inspection and acceptance thereof.		RO No. V – RM					Reminders given to Division Chiefs and Senior Agriculturists for strict compliance and adherence to the provisions of existing guidelines
	Smallholder Oil Palm Plantation Development Project (SOPDP)								
27	In RO No. XII, the legitimacy and existence of farmer-beneficiaries who were recipients of 25,600 oil palm seedlings with total cost of P6.272 million under the SOPDP could not be established due to non-submission of Terminal Report consisting of the AcRs.	Direct the Regional Manager of RO No. XII to submit the Terminal Report together with the AcRs to attest actual receipt of the oil palm seedlings by the intended beneficiaries.		RO No. XII – RM			Fully Implemented		
	GENDER AND DEVELOPMENT (GAD)								
28	The GAD Plan and Budget (GPB) and the corresponding GAD Accomplishment Report (AR) for CY 2016 were not endorsed to the Philippine Commission on Women (PCW), thus the Agency was not assured that the GAD projects/activities	Direct the GAD Focal Point System of PCA to prepare and endorse the GPB and AR to PCW for review on timely manner to ensure that GAD programs/projects/activities address gender sensitivity.	Submission of the CY 2018 GAD GPB to PCW for review	GAD Focal Person	Oct. 2017				For submission of the GAD GPBs to PWC

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					From	To			
	undertaken were responsive to the identified gender issues, and that gender issues were fully addressed during the year.								
	COMPLIANCE WITH TAX LAWS								
29	PCA has been regularly deducting taxes from salaries and other benefits due from its employees as well as from cost of goods and services procured and has aptly remitted the same to the Bureau of Internal Revenue.								
30	SUMMARY OF UNSETTLED AUDIT DISALLOWANCES, CHARGES AND SUSPENSIONS AS AT DECEMBER 31, 2016								
				CO					
			Appeal to COA	I-IV-B	Mar 2017		On-going		Filed appeal to COA
			The management will submit the appeal to the Commission on Audit	IV-A					The current management submitted the appeal for the Notice of Disallowance amounting to P28,079,983 last August 04, 2016. We are still waiting for the decision and we are praying that it will be reversed and set aside
				VII			Partially Implemented	The disallowances involving employees who are still in active service are settled through payroll deductions. However, a large amount of these	

Office/RO/Center	Disallowances	Charges	Suspensions
CO	P 4,419,862	P -	P 12,613
I-IV-B	20,154,475	-	-
IV-A	28,079,983	-	-
VII	4,000	-	303,493
VIII	2,540,928	-	875,215
IX	10,311,743	-	-
XI	-	10,000	-
ZRC	27,911	-	-
DRC	75,074	-	-
	P 65,613,976	P 10,000	P 1,191,321

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								disallowances involve persons who are no longer connected with PCA and documents required to be submitted for the possible reconsideration of these disallowances were not found.	
				VIII	07/16	present	On-going		Collected amounts disallowed and in some cases, filed Appeal Memorandum to the Commission on Audit
				IX					Appeal for the disallowance was submitted to PCA-COA IX on July 2016. Accordingly to ATL Brusset the same was already forwarded to COA central office. The region is waiting for the answer of the latter.
				XI			settled		
				ZRC				Awaiting for COA RO9 decision on Appeal Memorandum	Appeal Memo submitted on March 16, 2017, appellants reply submitted on May 26, 2017
				DRC					Out of Php 75, 074.34 payable

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			The management noted the recommendation				Partially Implemented	We already Sent Bill to the affected employee but only few responded	amount we already collected Php 1, 295.38. The remaining balance to be collected as of September 30, 2017 is Php 73, 778.96.
	CY 2015 AAR								
	FINANCIAL OPERATIONS								
2	The balance of Deferred Credits account in the amount of P102.553 million had remained outstanding in the books, notwithstanding that the fertilizers and other intercropping agricultural supplies have already been distributed to beneficiaries, due to non-submission/incomplete supporting documents while the balance of Inventories account amounting to P142.424 million included the costs of said agricultural supplies, resulting in the overstatement of the said accounts as well as the Agency's reported total assets and liabilities by P102.553 million.	Direct the:							
				CO					
				RO No. V					
				RO No. VIII	04/16	08/16	Implemented		Complied with the documentary requirements to support distributin of agricultural supplies
		a. Provincial Offices (PrOs) to exhaust efforts to immediately comply with the documentary requirements to support the distribution and/or issuance of agricultural and non-agricultural supplies; and	To stop the practice of using Other Deferred Credits accounts, and adopt asset method of recording inventories	RO No. XIII Provincial Offices and Acctg. unit	July 1, 2017	Dec. 31, 2017	Partially Implemented	As for the balance of Deferred Credits account as of Dec. 31, 2016, the supporting schedule is still being traced.	Stopped using Other Deferred Credits account in current year's transactions.
				Albay Research Center (ARC)					
			Exerted effort to immediately comply with the requirements to adjust the Other Deferred Credits and Agricultural and Marine Supplies Inventory Accounts	ZRC			Implemented		Adjusted the Other Deferred Credit Accounts which served as contra-account to Agricultural and Marine Supplies Inventory Accounts

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		b. Accounting Division of CO and Accounting Units of ROs/Centers to:							
				CO – Accounting Division			Partial		
				RO No. V – Accounting Unit					
		b.1 Conduct verification, analysis, and reconciliation between long/non-moving Agricultural and Marine Supplies Inventory and Deferred Credits accounts;		RO No. VIII - Accounting Unit	04/16	06/16	Implemented		Conducted verification of Agricultural and Marine Supplies Inventory and Deferred Credits accounts
			To stop the practice of using Other Deferred Credits accounts, and adopt asset method of recording inventories	RO No. XIII Provincial Offices and Acctg. unit	July 1, 2017	Dec. 31, 2017	Partially Implemented	As for the balance of Deferred Credits account as of Dec. 31, 2016, the supporting schedule is still being traced.	Stopped using Other Deferred Credits account in current year's transactions.
				ARC - Accounting Unit					On-going reconciliation with the concerned units
			Conduct analysis and reconciliation between Agricultural and Marine Supplies Account and Other Deferred Credit Accounts.	ZRC - Accounting Unit			Implemented		Analysis and verification were made for the accumulated balance of inventories.
		b.2 Effect the necessary adjusting journal entries upon verificationand validation of documents supporting the distribution of agricultural and non-agricultural supplies; and		CO – Accounting Division					
				RO No. V – Accounting Unit					
				RO No. VIII - Accounting Unit	07/16	09/16	Implemented		Prepared the adjusting journal entries.
			To stop the practice of using Other Deferred Credits accounts, and adopt asset method of	RO No. XIII Provincial Offices and Acctg. unit	July 1, 2017	Dec. 31, 2017	Partially Implemented	As for the balance of Deferred Credits account	Stopped using Other Deferred Credits account in current year's

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					From	To			
			recording inventories					as of Dec. 31, 2016, the supporting schedule is still being traced.	transactions.
				ARC - Accounting Unit					To be implemented upon reconciliation
			Effect the necessary adjusting journal entries upon analysis and validation of documents for said accounts	ZRC - Accounting Unit			Implemented		Adjusted the inventory and other deferred credits account using the pro-forma entries supplied by the PCA CO
		b.3 Henceforth, stop the practice of using Other Deferred Credits accounts, instead adopt asset method of recording inventories.		CO – Accounting Division					
				RO No. V – Accounting Unit					
				RO No. VIII - Accounting Unit	04/16	05/16	Implemented		Stopped using Other Deferred Credits account.
			To stop the practice of using Other Deferred Credits accounts, and adopt asset method of recording inventories	RO No. XIII Provincial Offices and Acctg. unit	July 1, 2017	Dec. 31, 2017	Partially Implemented	As for the balance of Deferred Credits account as of Dec. 31, 2016, the supporting schedule is still being traced.	Stopped using Other Deferred Credits account in current year's transactions.
				ARC - Accounting Unit					Use of Deferred Credits Accounts has not been practiced since Yr 2014
				DRC - Accounting Unit					
			Refrain from using the other deferred credits account	ZRC - Accounting Unit			Implemented		Complied with the recommendation by using the asset method in recording

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									inventories.
3	The Statement of Cash Flows (SCF) could not be relied upon, since Maintenance and Other Operating Expenses (MOOE) reported therein for CY 2015 amounting to P2.843 billion exceeded the amount indicated in the Statement of Financial Performance (SFP) amounting to P2.340 billion, or by P0.503 billion. Also, the unreconciled discrepancy of P121.018 million and P8.152 million in CYs 2014 and 2015, respectively, after elimination of intra-agency fund transfers/remittances were reported in the SCF while return of unutilized DAP fund balance of P274.455 million to the BTr was not reflected therein. Thus, affecting the correctness of Cash and Cash equivalents account of P1.816 billion at year-end.	Direct the Accounting Division of CO to analyze, reconcile the discrepancies/ inconsistencies, adjust the affected accounts, and revise the SCF accordingly.		CO – Accounting Division			Implemented	-The revision of SCF is no longer feasible. -Accountant II has tendered resignation and replacement unitl to date	
4	The accuracy, propriety, and reliability of the Cash in Bank account of RO Nos. V, VI and VII amounting to P206.542 million, or 11.37 per cent of the P1.816 billion Cash and Cash Equivalents balance, are doubtful due to the non-preparation or late submission of Bank Reconciliation Statements (BRS), late remittance of collections by the PrOs in the amount of P1.130 million and non-restoration of stale checks amounting to P0.525 million to the Cash in Bank account at year-end.	Direct the concerned Regional Managers to :							
		a. Hire and assign qualified personnel to prepare BRS for the Cash in Bank accounts of the ROs and PrOs;		RO No. V – RM			On-going		
				RO No. VI – RM			On-going		
				RO No. VII – RM			Fully Implemented		
		b. Require the Accounting Units to ensure timely preparation of the BRS and necessary adjustments are made in the books to revert back the Cash in Bank and other affected accounts for checks that had become stale; and	Adjust/revert back to the Cash-in-Bank account the amount for the stale checks	RO No. V – Accountant			Fully Implemented	N/A	Adjustment was made in Dec. 2016 dor the stale checks under Journal Voucher No. 16-12-241, same was submitted to COA
			The management will require the Accountant for strict compliance on timely submission of Bank Reconciliation Statements (BRS), and made necessary adjustments in the Cash in Bank and other	RO No. VI Francis Fegarido OIC- RM Gregory Teñoso Accountant III	Jan I, 2017	Dec. 31, 2017	Partially Implemented		The accounting office already submitted BRS fort he month of September 2017 and still has to update previous months of BRS

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			affected accounts to be submitted until June 2017						
				RO No. VII – RM	2^{nd} Qtr. 2017	4^{th} Qtr. 2017	Delayed Implementation	The delay was caused by the changes in the accounting personnel handling the Reconciliation, the bulk of transactions and the mixing-up of the returned checks for the months of February and March making it harder to determine the outstanding checks.	The preparation of the BRS for the months of July 2016 to June 2017 for the Corporate account and for the months of January 2017 to June 2017 under the YRRP account is on-going. The Accounting Unit personnel were allowed to render overtime to fast track the preparation of the BRS.
		c. Direct the Provincial Coconut Development Managers (PCDMs) to remit promptly their collections to the RO and inform the recipient-farmers on the validity period of checks issued to avoid incurrence of stale checks.		RO No. VII - PCDMs			Fully implemented		
5	Existence and reliability of the Property, Plant and Equipment (PPE) account with a carrying balance of P605.787 million could not be ascertained due to non-submission of inventory and reconciliation reports for PPE totalling P261.004 million, absence/incomplete PPE Ledger Cards (PPELCs) and Property Cards (PCs) and discrepancy in the PPELCs in the CO of P6.559 million, recognition of items not yet delivered/received or already distributed to the beneficiaries aggregating P10.423 million, inclusion of unserviceable assets of P0.661 million,	Direct the:							
		a. Property Division in the CO and concerned Property Units of the ROs/Centers to prioritize and strictly observe the scheduled dates/times of physical count; and prepare, reconcile and submit timely the RPCPPE and reconciliation report;	All efforts are to be exerted to make sure that the physical count per schedule and the allotted deadline for submission of the RPCPPE, which is January 31 of each succeeding year, shall be strictly observed and complied with.	CO - Property Division	Oct 2017	Jan 2018* *during time of Inventory taking/ physical count of PPE and the preparation of its	Being done/to be done as of target timeframe		Preparation of a detailed daily/weekly/monthly schedule of physical count as to the place/location/time of activities to be undertaken

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	and inadequate disclosures in the FS, contrary to NGAS Manual, PPSAS 16, and COA Circular No. 80-124. Likewise, disbursement vouchers (DVs) were processed and signed for procured items, which were not yet delivered/received and/or with incomplete supporting documents.					Report			
			The management will require the Property Unit to set schedule the schedule date/times of physical count and timely submission of records for reconciliation	RO No. VI Francis Fegarido OIC- RM Gregory Teñoso Accountant III Rosana Abaygar Supply Officer II	Jan. 31, 2017	Jan I, 2017 Dec. 31, 2017	Partially Implemented		We already provided set of schedule to respective depts. and provinces for Annual Inventory Inspection of Supplies and Properties
				RO No. XI			Complied		
				RO No. XII					
			The management is now updating the physical count of PPE and serviceable assets.	DRC Supply unit			On-going	Physical Inventory of PPE is on going	
		b. Accounting Division in the CO and Accounting Units of the concerned ROs/Center to prepare the necessary adjustments to derecognize items which have already been distributed to the beneficiaries and unserviceable assets to Other Assets account, maintain PPELCs and PCs for each PPE type, reconcile the discrepancies in the PPELCs, and provide adequate disclosures of PPE account; and stop the practice of processing DVs which were not properly supported with valid documents.		CO – Accounting Division			Ongoing Reconciliation to ROs		
				RO No. XI – Accounting Unit			Complied		
				RO No. XII – Accounting Unit			Fully Implemented		
				Region XIV – Accounting Unit	Mar. 2017	Dec. 2017	Implemented as of April 2017		Adjustments done accordigly
			The Management noted the recommendation	DRC – Accounting/Supply Unit			On going	PysicalInventoryof PPE is on going	
6	Validity, accuracy and reliability of the net realizable value (NRV) of Accounts Receivable (AR)-PCA Fees of P491.173 million are doubtful due to unsubstantiated adjustments of P124,683 million, inclusion of long outstanding receivables with uncertain	Direct the:							
		a. Accounting Division to:							
		a.1 Reconcile its records on AR-PCA Fees with Assessment and Monitoring Service(AMS) records;	Secure documents from AMS & reconcile records with Accounting	CO - Accounting Division			On going	Requires documentation and for their analysis of Accounts	

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	recoverability of P483.720 million and non-disclosure of its status, charging of interest of P6.859 million on receivables with uncertain recoverability/zero principal balances, and discrepancy of P5.808 million between confirmed and recorded balances.	a.2 Duly support all recorded transactions including the unsubstantiated net adjustments of P124.683 million;		CO - Accounting Division			On going		
		a.3 Accrue receivables based on billing statements issued.		CO - Accounting Division			On going		Secure billings or Statement of Accounts from AMS
		b. AMS to:							
		b.2 Submit justifications on the following: inconsistencies in the implementation of sanctions for arrearages and continuous charging of interest for accounts which are subject for write-off and with zero principal balances; and		CO – AMS					Submitted Memo dtd July 8, 2016 by the then Manager of AMS regarding justification on said Audit recommendation in consultation with Legal Affairs Services (LAS) for legal opinion (Pls. see attached)
		c. Legal Affairs Services (LAS) to intensify and exhaust efforts to recover/collect long outstanding AR-PCA Fees and submit duly-supported latest status of action/s taken thereon.	Send demand letters to companies with PCA fee deficiencies	CO – LAS	June 30, 2017	Dec. 30, 2017	Sent demand letters to the ff. companies: -Multi-Oil Mfg. Corp. -MSO Premium Oil Corp. -Malabon Soap & Oil Industrial Co.		
7	In Zamboanga Research Center (ZRC) and Davao Research Center (DRC), inventories in the aggregate amount of P16.816 million were no longer found on hand but still recorded as assets, thus, misstating the affected Inventories by the same amount while existence of other inventories totalling P4.347 million could not be ascertained in view of absence of inventory report, contrary to Section 65 of NGAS Manual, Volume II.	Require the Supply Officer and Accountants of ZRC and DRC to reconcile their records and effect necessary adjustments in the books.	Request additional manpower to fast track the reconciliation process	ZRC - Accountant and Property Officer			Partially implemented	Records of the Supply and Accounting Unit were being reconciled in CY 2016 (except for those already reconciled) but has to be readjusted with the advent of the new chart of	Continuing reconciliation

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								Account, change in the threshold of the fixed assets and semi expendables properties and sale of unserviceable properties	
8	Personnel benefits without legal basis, expenses for projects not yet implemented and goods not yet received totalling P82.685 million and unpaid incentives of farmer-participants of P30.256 million without Nursery Inspection and Evaluation Report and Coconut Planting Inspection and Evaluation Report were accrued and treated as outright expense, thus overstating the Payables accounts of P785.103 million by P112.941 million at year-end; while validity of payables amounting to P12.907 million could not be ascertained in view of absence of supporting documents.	Direct the concerned Accountants to:							
		a. Prepare the necessary adjusting journal entries to correct the following misstatements:							
		a.1 Outright take up of expenses and payables pertaining to personnel benefits, fund releases to IAs and incentives of the farmer-participants;		CO –DC III, Accounting Division			On-going		
				RO No. VII – Accountant	1st Qtr. 2017	4th Qtr. 2017	Partially Implemented	The review of accounts payable, including unrealized incentives of farmer-participants is on-going.	Adjust those accounts already reviewed.
			To refrain from recording transactions, including claims, that are not supported with proper documentation and for which goods/services have not been received and accepted	RO No. XIII – Accountant	July 1, 2017	Dec. 31, 2017	Fully Implemented		
		a.2 Double recording of payables; and		CO –DC III, Accounting Division			On-going		
		b. Henceforth, refrain from recording transactions, including claims, that are not supported with proper documentation and for which goods/services have not been received and accepted.		CO –DC III, Accounting Division			On-going		
				RO No. VII – Accountant			Fully Implemented		

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			Action Plan	Person/ Dept. Responsible	Target Implementation Date (mm/yy) From	To			
			To refrain from recording transactions, including claims, that are not supported with proper documentation and for which goods/services have not been received and accepted	RO No. XIII – Accountant	July 1, 2017	Dec. 31, 2017	Fully Implemented		
9	Accuracy and reliability of the intra-fund accounts could not be ascertained in view of variances between intra-fund accounts of P11.628 million which had been unreconciled for over 16 to 36 years.	Direct the Accounting Division of CO and Accounting Units of ROs/Centers concerned to:							
		a. Exhaust extensive efforts to analyze, review, and reconcile the intra-fund accounts; and		CO - Accounting Division			On-going		
		b. Submit to the Audit Team status of actions taken on the variances for audit purposes.		CO - Accounting Division			On-going		
	COMPLIANCE								
10	Unused subsidies for CYs 2013 and 2014 aggregating P4.340 billion were reprogrammed for CY 2015, an indication that programs, projects, and activities (PPAs) in prior years were not fully implemented and budgets thereof were not properly utilized according to their respective intended purposes and timeframes, which consequently deferred the implementation of CY 2015 PPAs and the attainment of the objectives thereof.	a. Require the Operations Branch to implement PPAs according to targeted timeframes, approved budgets, and intended purposes and submit the Detailed Accomplishment Report for each PPA for audit purposes; and	To accomplish the remaining targets by mid of CY 2018 under the ACPRP and CFP	CO – Operations Branch			Please see attached Status reports for CY 2013-2016 of ACPRP and CFP		The Regional Offices project/program implementation are regularly monitored and updated. Reports are made during RMsmeeting of the updates and status of project/program implementation in some cases reminders/warnings are made to specific regions and submitted to the Office of the Administrator/OIC for corrective measures.
		b. Instruct the Finance Department to:							

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		b.1 Reconcile the inconsistencies between the following: (i) available funds of P3.770 billion and reprogrammed funds of P3.429 billion as at December 31, 2014; (ii) CY 2014 MFO accomplishment of 73.45 per cent and low fund utilization rate of 32.24 per cent; and (iii) reprogrammed fund of P3.163 billion, per COB, and PPAs cost of P2.549 billion, per WFPs; and		CO – Finance Department			On-going		
		b.2 Prepare and submit the: (i) Detailed Fund Utilization Report with variance analysis on the COB vis-à-vis actual expenditures/utilization by source of fund, by project, and by expense item; (ii) duly-approved WFP and budget realignment for each PPA; and (iii) Quarterly reports of all donations received and expenditures or disbursements thereon and post the same to the PCA website, as required under Sections 4 and 5 of GAAs for FYs 2014 and 2015.		CO – Finance Department			On-going		
11	Contracts with aggregating P619.163 million were submitted 35 days after year-end by RO No. XIII, contracts with undetermined amount were either not submitted or submitted late by RO No. VI, while none at all was submitted by RO No. IV-A. Also, POs issued by CO in CYs 2015 and 2014 totaling P46.747 million were submitted 1 to 137 days late and without signature of the suppliers or their duly authorized representatives and acceptance/delivery dates not indicated therein, while POs totaling P16.533 million have no notices of deliveries contrary to COA Circular Nos. 2009-001 and 2009-002. Thus, precluding the timely review thereof and communicating the results of the audit to the Agency	a. Submit copies of contracts, POs and notices of deliveries on a timely manner as required in COA Circular Nos. 2009-001 and 2009-02 dated February 12, 2009 and May 18, 2009, respectively;		CO			For Implementation		
			The mngt. will submit copies of all contracts, POs, notices of deliveries and necessary supporting documents within the prescribed period	RO No. VI Francis Fegarido OIC- RM Gregory Rosana Abaygar Supply Officer II	Jan I, 2017	Dec 31, 2017	Partial Implemented		Contract were partially submitted with supporting document
		b. Notify the Audit Team of the scheduled deliveries of goods and services within 24 hours from acceptance thereof;		CO			For Implementation		
		c. Provide the Audit Team with IARs as proof that the delivered goods were inspected, verified, found in order as to quantity and		CO			For Implementation		

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		specifications, and duly accepted; and							
		d. Oblige the concerned PCA officers/employees to require the suppliers to sign the POs and to indicate the dates of acceptance and delivery in the POs to ensure enforcement of the terms and conditions thereof and imposition of penalties for late deliveries against the suppliers.		CO			For Implementation		
11	Significant requirements under RA No. 9184 were not fully observed in the procurement of goods during CY 2015 in the total amount of P75.370 for Yolanda Recovery and Rehabilitation Program (YRRP), Coconut Scale Insect Emergency Action Program (CSIEAP) and KasaganaansaNiyugan ay Kaunlaran ng Bayan [KAANIB] Enterprise Development Project (KEDP), thus no assurance that the availed prices were most advantageous to the government.	a. Hold liable the concerned officials and employees of RO No. VIII accountable and responsible for splitting the procurement;		CO					
			Attached herewith is BAC RO8's reply to AOM No. 2016-004 and 2016-005 addressed to Virginia C. Tabao, State Auditor IV dated March 4, 2016 regarding this audit recommendation. Further, the BAC will see to it that same items to be procured must be bidded once	RO No. VIII	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance
		b. Require the BAC to judiciously examine all documents submitted by prospective bidders to ensure that only eligible and qualified bidders are awarded with government contracts; and		CO			For Impelementation		
			The BAC will judiciously examine all documents by prospective bidders to ensure that only eligible and qualified bidders are awarded with government contracts	RO No. VIII	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance
		c. Henceforth, strictly follow the provisions of RA No. 9184 and its IRR to ensure that the procurements are to the advantage of the Government.		CO					
			The BAC RO8 will strictly follow the provisions of RA 9184 and its IRR to ensure that the procurements	RO No. VIII	Oct 18, 2017	Dec. 31, 2017	To be implemented		For immediate compliance

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					From	To			
			are advantageous to the Government.						
13	One hundred twenty-three (123) units of chainsaws costing P7.759 million were missing and not accounted for, contrary to Section 102 of PD No. 1445, thereby resulting in loss of government properties.	Direct the:							
		a. Regional Manager to:							
		(ii) require a report thereon to pinpoint responsibility and accountability for the destruction and loss of government properties, and	The Regional Manager of PCA VIII will require the Property Officer to submit a report pinpointing who are responsible for the 123 chainsaws reported missing and not accounted for.	RO No. VIII – RM			For coordination		
		(iii) require the responsible persons to replace or refund the cost of the chainsaws, if warranted;	In compliance to the Audit recommendation, the OIC-RM of PCA VIII will send letters to the persons responsible for the loss of the 123 chainsaws stating clearly that they are required to replace them or refund the cost of the chainsaw.	RO No. VIII – RM			For coordination		
		b. Head of the Property Division to recount and inspect the chainsaws to determine which units are still serviceable and to register the same with the DENR; and	The head of the Property Division will conduct a recount and inspection of the chainsaws in posession. Those found to be serviceable shall be registered with DENR immediately upon availability of registration fees.	RO No. VIII – Head of Property Division			For coordination		
		c. Property/Supply Officer to issue all recipients of the chainsaws with ARE.	PCA VIII is presently retrieving the remaining chainsaws from LGUs and line agencies and the result is satisfactory. Still the Property Officer will formally issue Property Acknowledgement Receipts to those who received the chainsaws.	RO No. VIII – Property/ Supply Officer			For coordination		
14	Payrolls for salaries, wages and other	Direct the:							

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					From	To			
	emoluments totaling P55.599 million were not certified as to availability of funds, completeness of supporting documents, and services rendered; not signed by the authorized approving officer and supported with complete documents as well as not in prescribed format contrary to PD No. 1445, COA Circular No. 2012-001 and NGAS Manual, thus accuracy, validity, and reliability of the payments could not be ascertained. Also, only one set of payrolls for salaries was prepared for each month, index of payments are not maintained, and overall payroll processing is done by one Office, thus discrepancies and double payments could not be easily detected.	a. Accountant to:							
		a.1 Certify the availability of cash, propriety, and completeness of supporting documents in the payrolls;		CO – DC III, Accounting Division			Implemented		
		a.2 Ensure that the payroll is duly certified by the authorized signatory of the concerned office that the services are actually rendered and duly approved by the Agency Head or authorized representative;		CO – DC III, Accounting Division			On-going		
		a.3 Provide explanation on the non-submission of hard and soft copies of PyRs, and original copy of the machine-validated letters received by LBP, approved DV, and other supporting documents;		CO – DC III, Accounting Division			On-going		
		a.4 Maintain and update the IPs and SLs for every payment made to each employee; and		CO – DC III, Accounting Division			On-going		
		a.5 Establish/Strengthen internal control in the preparation and processing of payrolls as well as the preparation and issuance of letter of instruction/authorization to the bank to debit PCA's Current Account and credit to certain employee's account;		CO – DC III, Accounting Division			Complied		
		b. Payroll Clerk to:							
		b.1 Prepare two sets of payroll, one for the first half of the month and another one for the second half of the month and that the same are in the format prescribed under Manual on NGAS, Volume II; and		CO – Payroll Clerk, Accounting Division			Contractual employee– implemented Regular employees' is not yet implemented	Two sets of payroll is not yet implemented since the existing program /system is not capable for such report	
		b.2 Set a cut-off date in the preparation and processing of payroll and avoid accommodation of last-minute changes affecting the net pay of the employees concerned.		CO – Payroll Clerk, Accounting Division			Complied		
15	Shares of municipalities/barangays from	Require the concerned ROs to:							

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	fees generated from the cutting of coconut trees accumulating to P12.656 million remained unremitted to the concerned local government units (LGUs), contrary to the provisions of RA No. 8048, thereby denying them with the immediate use of said funds for purposes embodied under the said Act.	a. Facilitate the reconciliation of records received from the PCDMs with the records of the Accounting Units and establish factual amount of concerned LGUs' shares from fees collected from cutting of coconut trees; and	To submit as soon as possible to the Accounting Office the detailed list of the recipient municipalities and barangays of the shares from fees from cutting of coconut trees.	RO No. IV-A	Jan. 2015	Dec. 2017	Partially Implemented	The municipality and barangay on submitted IRF of Quezon II and Laguna during the period 2011 to 2014 were not identified yet.	As of Dec. 31, 2016, after processing the remittance of municipal and barangay shares, the remaining balance is only P56,705.00 consisting of unidentified collections of Quezon II and Laguna for the period 2011 to 2014 due to the transition of the person who is in charged.
				RO No. XIV					
		b. Promptly remit the shares to the concerned LGUs, to augment their financial needs for the replanting programs and repair/rehabilitation of their roads which have been damaged by the heavy vehicles used for transporting coconut lumber, in accordance with RA No. 8048.	To submit as soon as possible to the Accounting Office the detailed list of the recipient municipalities and barangays of the shares from fees from cutting of coconut trees	RO No. IV-A	Jan. 2015	Dec. 2017	Partially Implemented	The municipality and barangay on submitted IRF of Quezon II and Laguna during the period 2011 to 2014 were not identified yet.	As of Dec. 31, 2016, after processing the remittance of municipal and barangay shares, the remaining balance is only P56,705.00 consisting of unidentified collections of Quezon II and Laguna for the period 2011 to 2014 due to the transition of the person who is in charged.
				RO No. XIV	June, 2017	Dec. 2017	Partial Inplementation		All shares of LGUs collected in 2016 distributed on July 2017. Those collected within Jan-June 2017 will be distributed on the last quarter of

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									2017; Shares of collection from July-Dec, 2017 will be distributed on Jan, 2018 and so forth
16	Outstanding balances of other receivables and trust liabilities accumulating to P9.037 million and P3.134 million, respectively, have been non-moving/dormant for over 2 to 20 years. Also, said dormant trust liabilities for fund transfers received for the implementation of 15 projects remained unreturned to source agencies (SAs), thus, contrary to COA Circular Nos. 97-001 and 94-013, while transactions with aggregate amount of P12.449 million were not supported with duly-verified Report of Disbursements, hence, validity of which could not be ascertained.	Direct the Accountant to:							
				CO – DC III, Accounting Division			On going		
			Submit the Report of Disbursement	RO No. IV-A - Accountant	Jan. 2016	Dec. 2017	Fully Implemented		The accounting unit of Region IV-A already submitted the Report of Disbursement to the Central Office.
				RO No. V – Accountant					
		a. Conduct review, analysis, and reconciliation of the subject other receivables and trust liability accounts, and determine their existence and validity;	The mngt. will request PSA to verify the existency of the concerned personnel with outstanding payables	RO No. VI Francis Fegarido OIC-RM Gregory Teñoso Accountant III	Jan. 2017	Dec. 2017	Partially Implemented		The management already submitted report to PSA and still awaits for the response to process and reconcile the said accounts.
				RO No. VII – Accountant					
			Request for write off was submitted to COA last Dec. 2016	RO No. X – Accountant			Partially Implemented		We will reiterate our request for write off of other receivables based on the new guidelines per COA Circular No. 2016-055 dtd. 12/19/16 before year ends
				RO No. XII – Accountant			Partially Implemented		
			To conduct review,	RO No. XIII –	July 1,	Dec.	Partially	As for the	Reconciliation of

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			analysis, and reconciliation of the subject other receivables and trust liability accounts, and determine their existence and validity	Accountant	2017	31, 2017	Implemented	outstanding balances of Other Receivables account, absence of specific address of farmer-payors makes it harder to send demand letters as initial requirement to support request for write-off of such receivables	trust liability accounts, particularly the Municipal and Barangay Shares is on-going
		b. Cause the remittance to SAs of the unexpended balances of dormant/non-moving funds for completed/abandoned projects, revert the unreturned amount of fund transfers to Due to Other NGAs account and provide adequate explanation/description in the JEVs; and		CO – DC III, Accounting Division			On-going		
		c. Submit duly-verified RDs to support DCAs on the utilization/liquidation of fund transfer by RO/Center concerned, otherwise, require the latter to book up and maintain the Due to Other NGAs account.		CO – DC III, Accounting Division			On-going		
17	The procedural guidelines and conditions for the grant of CNA incentives to PCA officers and employees for FY 2014 accumulating to P10.817 million were not fully observed and complied with, thus, contrary to DBM Budget Circular No. 2014-2 dated December 2, 2014.	Direct the concerned office/s to:							
		a. Effect the necessary adjustments for the erroneous classification of CNA incentives in the books;		CO - Accounting Division			Complied		
		b. Submit duly-supported justification/s on the incomplete compliance with the procedural guidelines and conditions set forth under DBM BC No. 2014-2 dated December 2, 2014, and with the documentary requirements provided under COA Circular No. 2012-001 dated June 14, 2012;		CO			Submitted June 13, 2016		

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					From	To			
		c. Reconcile the inconsistency between CY 2014 MFOs reported high accomplishment of 73.45 per cent and low fund utilization rate of 32.24 per cent for the same period; and	To reconcile the documents prepared by TWG	CO-Budget Division			On-going		To gather documents for reconciliation
		d. Cause the recognition of liability on the unpaid dividend and its remittance to NG in accordance with RA No. 7656.		CO – Accounting Division			On-going		
	VALUE-FOR-MONEY								
	Yolanda Recovery and Rehabilitation Program (YRRP) - Special Audit for CY 2014 -								
18	Rehabilitation projects under YRRP to address the widespread and severe damage of coconut trees and alleviate displaced coconut farmers' socio-economic conditions were not efficiently implemented due to inadequate planning, underspending and slow implementation as well as lack of monitoring and evaluation of the projects depriving the intended beneficiaries who are Typhoon 'Yolanda' victims of benefits derived therefrom.	a. Meticulously and judiciously plan the undertakings and time table in the implementation of the projects to avoid frequent revisions of the WFP and ensure timely completion thereof;	To plan-out the preparation of the WFP/APP to avoid frequent amendments during implementation. Along this line the Management has no longer amended the WFP since the 4th Quarter of 2016.	CO Operations Branch	2016	End of 2017	Please see attached status report as of Sept. 30, 2017	Based on the report submitted only the following component projects of YRRP have been completed i.e. Coconut Timber Disposal & Utilization (CTDU) and the Coconut Planting & Replanting. While Intercropping & Fertilization remains uncompleted considering that the allotted budget is insufficient and could only accomplish more or less 95,000 has for intercropping and 81,150 has for fertilization, respectively.	Regional Offices concerned have been directed to fast track the procurement of agri-inputs for intercropping and fertilization among others. Please see attached PCA-CO BAC Resolution No. 30,series 2017.

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		b. Expedite the implementation of the rehabilitation projects; and	do	CO-OB			do	do	do
		c.Require the concerned personnel to conduct monitoring and evaluation of the projects and submit reports thereon, and determine the reasons why the activities were not undertaken and hold them accountable, if found remiss in their duties.	To frequently conduct field evaluation in selected provinces of the three Regions (VI, VII & VIII) to	CO Operations Branch	Jan, 2017	Dec, 2017	Have conducted field evaluation/inspection in the provinces of Cebu, Aklan, Samar & Leyte		To follow the procurement progress for all remaining procurement of items needed to fast track in the implementation of the YRRP.
19	Splitting of contracts for the procurements of 10 units of farm tractors and 219,533 sets of assorted vegetable seeds packs amounting to P34.725 million under emergency mode resulted in forgone discounts on volume purchases and circumvented control measures contrary to Section 54.1 of the IRR of RA No. 9184 and COA Circular No. 76-41 dated July 30, 1976.	Hold the concerned officials and employees accountable and responsible for splitting the procurements; and henceforth, all procurements should be conducted through public bidding unless the use of alternative mode of procurement is duly justifiable.	In succeeding procurement with the same situation as the case maybe we will follow the provisions of the RA 9184. We reiterate that there were no splitting of contracts as negotiated procurement are allowed in emergency cases under Section 53 2 of the IRR of RA 9184. The procurement were done in good faith in order to respond immediately to the needs of the affected coconut farmers in the Visayas Regions.	CO Operations Branch	Jan, 2017	onwards	All procurement of agri-inputs under YRRP are now subjected to public bidding taking into considerations the observations of the COA to avoid the same Audit observations		To follow the procurement process for all remaining procurement of items needed to fast track the implementation of the YRRP
21	There is no assurance that the 120,000 sets of assorted vegetable seeds packs costing P5.443 million procured in CY 2014 through emergency mode were of good quality due to absence of Certification from the National Seed Quality Control Services (NSQCS) of the Bureau of Plant Industry (BPI) that the suppliers are accredited seed growers and seeds have passed the quality test and standards.	Submit for audit purposes the Certifications from NSQCS of the BPI that the suppliers are accredited seed growers/producers and vegetable seeds delivered have passed the required quality standards.	The procurement of seeds and planting materials (agri-inputs) in the future will be done in consonance with the provisions of the RA 9184 and following the observations of the COA. However, we would like to reiterate that the procurement of the aforesaid agri-inputs were done in good faith in order to respond immediately to theneeds of the affected coconut	CO Operations Branch	Jan, 2017	onwards	All procurement of agri-inputs under the YRRP are now being conducted thru public bidding via the regional BAC		To follow the procuremet process for all remaining procurement of items needed to fast track the implementation of the YRRP.

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		b. Expedite the implementation of the rehabilitation projects; and		CO-OB					
		c.Require the concerned personnel to conduct monitoring and evaluation of the projects and submit reports thereon, and determine the reasons why the activities were not undertaken and hold them accountable, if found remiss in their duties.	To frequently conduct field evaluation in selected provinces of the three Regions (VI, VII & VIII) to	CO Operations Branch	Jan, 2017	Dec, 2017	Have conducted field evaluation/inspection in the provinces of Cebu, Aklan, Samar & Leyte		To follow the procurement progress for all remaining procurement of items needed to fast track in the implementation of the YRRP.
19	Splitting of contracts for the procurements of 10 units of farm tractors and 219,533 sets of assorted vegetable seeds packs amounting to P34.725 million under emergency mode resulted in forgone discounts on volume purchases and circumvented control measures contrary to Section 54.1 of the IRR of RA No. 9184 and COA Circular No. 76-41 dated July 30, 1976.	Hold the concerned officials and employees accountable and responsible for splitting the procurements; and henceforth, all procurements should be conducted through public bidding unless the use of alternative mode of procurement is duly justifiable.	In succeeding procurement with the same situation as the case maybe we will follow the provisions of the RA 9184. We reiterate that there were no splitting of contracts as negotiated procurement are allowed in emergency cases under Section 53 2 of the IRR of RA 9184. The procurement were done in good faith in order to respond immediately to the needs of the affected coconut farmers in the Visayas Regions.	CO Operations Branch	Jan, 2017	onwards	All procurement of agri-inputs under YRRP are now subjected to public bidding taking into considerations the observations of the COA to avoid the same Audit observations		To follow the procurement process for all remaining procurement of items needed to fast track the implementation of the YRRP
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			farmers in the Visayas Regions.						
	YRRP - CY 2015 Audit -								
20	Full evaluation of the implementation of the YRRP could not be easily undertaken in view of absence of Fund Utilization Report (FUR) and Detailed Accomplishment Reports (AcRs) while inter-fund transfers of YRRP funds to finance non-YRRP projects totaling P395.546 million, deprived the beneficiaries of the timely assistance and benefits due them, and consequently, contributed to the delay in the attainment of the objectives of YRRP.	Direct the:							
		a. Operations Branch to fast track the implementation of YRRP projects and activities, and submit annual AcR for YRRP and justifications for the following:	Attached is a copy of the updated Accomplishment Report. The following component Projects have been completely accomplished, i.e. CTDU and Coconut Planting/Replanting. While intercropping and fertilization can accomplish only more or less 90, 000 hectares and 81,150 hectares respectively from 2,868 Billion pesos YRRP budget released to PCA by the DBM.	CO – Operations Branch	Jan. 2017	Dec, 2017	Pleae see attached YRRP status report as of September 30, 2017		To follow the procurement process for all remaining procurement of items needed to fast track the implementation of the YRRP.
		a.1 Higher cost of fertilizer per tree actually incurred in CY 2014 as compared to that in CY 2015;	We will review the report submitted by the Regional Office concerned particularly on the 287, 930 trees fertilized in 2015. As there was no procurement of ertilizer on the year by PCA except those with the PLGU- Leyte	CO – Operations Branch	Jan. 20The logistic a cost of 17	Dec, 2017	The logistical cost of fertilizers in CY 2014 was high compared to 2015 due to the unavailability and high costs of warehouses and hauling trucks as ports were congested. Thus the cost per bag was		In CY2014 the fertilizer procured involving a total of P158,505.00 and applied to some 2,585,500 trees. Estimated cost per tree is PhP 61.30. In CY 2015, some 3,900 bags of MNF was procured by R-VIII involving P5,068,050.00 for 65,000 trees. Estimated cost per trees is PhP

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					From	To			
							high.		77.97. the high cost of fertilization in 2014 may be attributed to add-on cocts of transporation, handling and warehousing. It can be recalled that after Yolanda there were no available warehouses and hauling trucks causing the cost of the said services to increase.
		a.2 Higher targeted cost of fertilizer per tree for CY 2015;	Purchases was planned to be outsourced thru PITC. However, public bidding was delayed. The only procurement made in CY 2015 was conducted by PCA-Region VIII for PLGU-Leyte.	CO – Operations Branch			The logistical cost of fertilizers in CY 2014 maybe high compared to 2015 due to the unavailability and high costs warehouses and hauling trucks as ports were congested. Thus the cost per bag was high.		The cost of fertilizer may vary day to the volability of the price. In CY 2014, the MNF only cost 1,000 per bag. However in CY 2015 the MNF procured by PCARegion VIII has a price of P1,299.50/bag or about P77.79/tree. Please see attached Abstract of Bids of PCA Region VIII dated Dec. 28, 2015.
		a.3 Low targeted and actual number of trees fertilized in CY 2015 and as at December 31, 2015;	The outsource procurement process done by PITC was not completed. The only procurement of fertilizers in 2015 was done by PCA-Region VIII for PLGU-Leyte	CO – Operations Branch	Jan. 2017	Dec 2017	Concerned Regional Offices have been directed to immediately conduct the bidding of YRRP-agri-inputs -folio		Only 3,900 bags were procured in CY 2015 due to the failure of the PITC to complete the procurement of MNF for Region VI, VII& VIII.

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							wing the prescribed procurement process.		
		a.4 Discrepancies between Monitoring Report of Performance Targets and Performance Agreement for the targeted number of hectares benefited by the intercropping and livestock integration and fertilization projects;		CO – Operations Branch			**On-going**		
		a.5 Inconsistency of Strategic Initiative 1 of Strategic Initiatives Profile or Annex B of the Performance Agreement with the Performance Scorecard or Annex A of Performance Agreement and Monitoring Report of Performance Agreement; and		CO – Operations Branch			**On-going**		
		b. Finance Department to:							
		b.1 Submit FUR for YRRP;	To prepare FUR	CO – Budget Division					On-going
		b.2Reconcile the noted differences between the reported CY 2014 YRRP fund balance of P1,880.332 million and the reprogrammed funds of P1,584.616 million per BR No. 040-2015, P1.880.280 million per CY 2015 COB and cash balance of P1,886.173 million per CY 2014 YRRP TB;	To reconcile the report	CO – Budget Division					On-going
		b.3 Submit justification on the inter-fund transfers without approval from the Governing Board; and		CO – Finance Department			**On-going**		
		b.4 Ensure that all fund disbursements are covered with duly certified and approved DVs.		CO – Finance Department			On-going		
23	Affected farmers of the Typhoon 'Yolanda' in the municipalities of Northern Cebu had not been paid of total benefits/incentives of P13.741 million due to late submission of the Inspection and Evaluation Reports, tedious claims review processing, and lack of personnel, thereby, defeating the	a. Require the CDOs to submit immediately to the Cebu PrO the required Inspection and Evaluation Report;		RO No. VII – CDOs	2nd qtr	3rd qtr	-93.49% paid	Failure of the CDO assigned in Daanbantayan to submit the required supporting documents	Issue memo to concerned PCDM attention CDO

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	objectives of the YRRP.	b. Require the Cebu PrO and RO No. VII concerned personnel to fast track the processing of claims; and		Ro No. VII - PrO			-93.49% paid		Prioritize processing of the subject incentives once the documents are already submitted by the concerned CDO.
		c.Hire additional job order personnel and assign them in Cebu PrO to assist in the processing of claims.		RO No. VII			Fully implemented . Hired one YRRP personnel for Cebu PO		
	Coconut Scale Insect Emergency Action Program (CSIEAP) - Special Audit for CY 2014 -								
24	The existence and transfer of accountability of the chemical pesticides, materials, and tools/equipment totalling P62.123 million could not be ascertained in view of: (a) absence of a certification by the agency head to the effect that the work has been performed in accordance with contract's terms and duly inspected and accepted, (b) inconsistencies on the dates between that in the certificates and reports of inspection and acceptance, (c) absence of notification of the scheduled deliveries, contrary to COA Circular No. 96-010 dated August 15,1996, and (d) absence of proof of transfer of accountability, thereby casting doubt as to whether the quantity of items procured were utilized according to their intended purpose.	a. Direct the concerned personnel to:							
		(i) submit a justification for the incomplete compliance with the provisions of the contract and of COA Circular No. 96-010 dated August 15, 1996;		CO Operations Branch			On-going		
		(ii) reconcile the inconsistencies between the IAR and CAI; and		CO-OB			On-going		
		(iii) obtain proof of procurement made by PACPA on the materials and tools / equipment provided to PCA;		CO Operations Branch			On-going		
		b. Impose disciplinary actions to all concerned who had been remiss in the discharge of their duties; and		CO			On-going		
		c. Henceforth, ensure strict compliance with Item A.2 of COA Circular No. 96-010 dated August 15, 1996.		CO			On-going		

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25	The efficient, effective, and economic field treatment of about 1.3 million coconut trees infested by scale insects is at stake which could result in the wastage of funds amounting to P116.480 million in view of: (a) only a few number of targeted farmers/workers were provided with trainings; (b) specifications/ quantity of hand drills and syringes of P17.660 million were not in accordance with the protocols while the specifications of other materials and tools/equipment of P5.899 million were not indicated in the proposal; and (c) materials and tools/equipment of P24.348 million were unaccounted for.	b. Conduct an investigation and hold liable all officers and employees who had been remiss in the discharge of their duties.		CO					Directed PCA Region IVA to respond to COA's findings
26	Efficiency and effectiveness of the chemical treatment on CSI-infested trees could not be established due to the discrepancy in the reported number of treated trees between AcRs and billings, among others, as well as, absence of proof of assessment on the effect after treatment.	Submit the following:							
		a. Reconciliation report on the discrepancies noted in the reported number of treated trees; and		CO – Operations Branch			On-going		
		b. Proof of monitoring/ assessment made on the effects of chemical treatment on the CSI-infested trees within 30 and 60 days after treatment, otherwise, submit a justification for the non-conduct of the aforementioned activities.		CO – Operations Branch					An independent appraisal was made by Dr. L.C.Priyanthi Fernando, Consultant, Food and Agriculture Organization wherein it was determined among others yhat the CSI spreading in new areas is low and that the CSI is in a Non-OutbreakStatus in the Calabarzon
27	Monitoring and evaluation of actual treatment period rendered by the service provider *vis-a-vis* the approved work plan could not be established in view of the absence of report on the outcome thereof, thus, resulting in inadequate/inaccurate basis for granting an extension period of 10 days and	Submit the following:							
		a. Recomputation of liquidated damages and proof of demand/collection of the amount of difference, should it be established that PACPA was undercharged of the liquidated damages; and		CO – Accounting Division			On-going evaluation		

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	computation of liquidated damages of P14,980, thereby depriving the PCA from recovering the correct equivalent monetary compensation as a result of unnecessary delay.	b. Duly supported report and evaluation on the number of treated trees *vis-à-vis* the work plan of the service provider and filled up CTOM forms.		CO – Operations Branch			On-going evaluation		
		c. Hold liable the concerned personnel who had been remiss in the performance of their duties.		CO			**On-going**		
26	Presenting the same CSI Treatment Operations Monitoring (CTOM) Form 1 twice resulted in double payment of claims by at least P232,120 while some documents were found out to be of dubious validity, which are indications that review of documents was not properly conducted, thereby resulting in wastage of government funds.	Direct the concerned personnel to immediately perform the following:							
		a. Review thoroughly the documents supporting payments made to PACPA;		CO - Accounting Division			Complied and deducted from DV#503-1604-597 Check No. 1396014 dtd. April, 2016		
		b. Recompute the total amount that should have been paid to PACPA; and		CO - Accounting Division			On-going		
		c. Demand refund from PACPA, should it be established that an overpayment was made in addition to the double payment of P232,120.		CO			**On-going**		
		Hold liable the concerned personnel who had been remiss in the performance of their duties.		CO			**On-going**		
29	Validity of budget utilization for quarantine checkpoints/ surveillance under the CSIEAP accumulating to P20.732 million could not be established due to absence of proof that required activities were actually implemented, hence, indicating inappropriate use of government resources.	Direct the concerned personnel to:							
		b. Submit duly-supported and duly-summarized proof that activities required under AO No. 01 dated June 9, 2014 were actually implemented.		CO					Directed Region IVA to submit report on proof of establishment of checkpoints
	CSIEAP - CY 2015 Audit -								
32	Effectiveness, efficiency, and economy in the field treatment of coconut scale-infested trees under CSIEAP in Isabela City, Basilan, could not be established due to absence of a detailed AcR and inconsistencies of information inthe planning documents and in the reported accomplishments. Also, the lack of sense of urgency, significant number of	Direct the:							
		a. Operations Branch to submit:							
		a.1 Assessment report on the reduction in the number of hotspot-municipality in CALABAZON as well as the CY 2015 AcR; and		CO - Operations Branch					Attached is a copy of the Memorandum dated Dec 16, 2016 regarding the recovery assessment

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	untreated trees, non-rehabilitation of CSI-infested areas, and non-enforcement of liquidated damages on delayed delivery of pesticides are indications of inefficient implementation of the program.								report of treated areas in Basilan
		a.2 Reconciliation report for the discrepancy between the reported expenditures of RO No. IX and the AcR of Isabela City Field Office, duly supported with documents, such as certified copy of payrolls, to prove that said activities were actually implemented.		CO - Operations Branch					Prepared memorandum to PCA Region IX to explain discrepancies
		b. Finance Department to:							
		b.1 Submit variance analysis report on the CY 2015 COB vis-à-vis actual expenditures/ utilization by source of fund, by project, and by expense item; and	To analyze report in preparation of variance report	CO Budget Division					To prepare report after analysis before Dec.31, 2017
		b.2 Demand recovery from LAPC or deduct from its outstanding balance, if there are still any, the liquidated damages.		CO – Finance Department			On-going evaluation		
		a. Instruct the PCDMs of Basilan and Isabela City PrO to communicate with the officers of LGU in encouraging all coconut farmers with infested coconut trees to cooperate in the treatment process to avoid further escalation of infestation; and		CO			On-going evaluation		
				Basilan and Isabela City PrO- PCDMs			For implementation		
		b. Impose administrative sanctions to those personnel who had been remiss in the discharge of their duties and, be judicious and realistic in formulating its work plan.		CO			On-going evaluation		
	Participatory Coconut Planting Project (PCPP) - CY 2015 Audit -								
33	Efficient and effective implementation of PCPP could not be ascertained in view of absence of any proof of land	Direct the Regional Managers to:							
		a. Conduct investigation to determine cause/s of:							

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	ownerships and approved masterlists; farmer-participants' lands agronomic suitability and their interests were not determined at the onset due to non-conduct of survey; lack of adequate knowledge and skills due to non-conduct of crash training; and monthly monitoring and evaluation was not undertaken, thus validity of farmer-participants' incentives of P107.743 million was questionable.	a.1. Non submission of any proof of ownership, non-approval of the masterlists, non-conduct of survey on farmers' interest and farms suitability, crash training, and monthly monitoring and evaluation and hold the concerned personnel responsible as the case may be;	a.Strict implementation of "NO Proof of Ownership, NO payment of Incentive" policy. b.Submitmasterlist for approval to Central Office; c.Conduct survey on farmers' interest and farm suitability; d.ngs, farmer-participants will be trained through meetings at the barangay, inform also the Brgy. chairman thru ABC meeting; e.A monitoring Team will be created by Province and one (1) for the Regional office as well	RO No. VIII – RM	1/16	Up to present	Implemented in the field. a.) b.)d.)		
				Ro No. XI – RM			Complied		
				RO No. XIII - RM			For implementation		
		b. Henceforth, ensure that all stakeholders down to the implementers should comply with MC Nos. 04, series of 2012 and 06, series of 2015 to ensure that all documentary and procedural requirements are complied with in the implementation of PCPP.		RO No. VIII – RM			For Implementation		
				Ro No. XI – RM			Complied		
			To comply with MC Nos. 04, series of 2012 and 06, series of 2015 to ensure that all documentary and procedural requirements are complied with in the implementation of PCPP	RO No. XIII - RM	July 1, 2017	Dec. 31, 2017	Fully Implemented		
	Coconut Seedlings Dispersal Project (CSDP) – CY 2015 Audit -								
34	Successful attainment of the objective of CSDP to provide good quality of	Direct the Regional Manager of RO No. XI to:							

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	coconut seedlings to farmers may not be realized due to documentary deficiencies in the registration and selection of farmer-participants and delayed implementation of the project coupled with late deliveries of coconut seedlings by the suppliers/LGUs.	a. Ensure that all personnel concerned comply with the provisions of MC Nos. 02 and 06 dated January 9, 2012 and May 22, 2015, respectively;		RO No. XI – RM			Complied		
		d. Enforce the provisions of the MOAs entered into with partner LGUs particularly on the delivery of coconut seedlings to their respective localities.		RO No. XI – RM			Fully Implemented		
	Salt Fertilization Project (SFP) - Special Audit for CYs 2008-2014 -								
35	Attainment of the objectives of SFP to increase coconut productivity and improve coco resistance to pest and diseases could not be ascertained in view of the absence of periodic coconut yield assessments and evaluation after fertilization as the RO Nos. I-IV-B did not collect coconut yield prior to fertilization from CYs 2008 to 2012 for benchmarking purposes. Results of inspection showed that 152 bags salt fertilizers found at Brgy. Calima, Pola, Oriental Mindoro remained unutilized.	Direct the Regional Manager of RO Nos. I-IV-B to:							
		a. a. Require the concerned PCDM and the CDO to conduct periodic yield assessment monitoring and evaluation of coconut to determine the effectiveness of SFP and henceforth, strictly observe the provisions of the Guidelines on SFP under various series of MCs; and	Require provincial offices to collect benchmark and periodic data.	RO Nos. I-IV-B - RM	Jan. 2014	Dec. 2017	On-going		Continuous conduct of Periodic Yield Assessment (PYA)
		b. Conduct investigation and submit to the Audit Team report on non-distribution/application of 152 bags salt fertilizers.	Create a team to conduct investigation	RO Nos. I-IV-B – RM	Sept. 2016	Nov. 2016	Implemented		The original farmer-participants were replaced by qualified and willing participants wherein the masterlist was rectified.
	Kasaganahan Sa Niyugan ay Kaunlaran ng Bayan [KAANIB] Development Project (KEDP) - Special Audit for CYs 2012-2014								
36	Problems encountered by seven Coconut-Based Organizations (CBOs) in RO Nos. I-IV-B in the implementation of KEDP, i.e., livestock integration, intercropping and operation of briquetting and decorticating machines, deliveries of coffee seedlings as well as stability of CBOs were not addressed	a. Provide in the guidelines a provision on the imposition of administrative sanctions/ penalties in case the concerned employees are remiss of their duties in the strict monitoring and evaluation of the livelihood projects; and		CO					Guidelines were provided to all Regional offices on time
		b. Require the Regional							

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	due to lack of regular monitoring and evaluation and late deliveries of coffee seedlings that may result in wastage of government funds and non-attainment of the main objective of KEDP of increasing the income of coco farmers.	Manager of RO Nos. I-IV-B to:							
		b.3. Impose liquidated damages against NPI for late deliveries, require the said supplier to immediately complete the delivery of coffee seedlings.	Impose liquidated damages on the replacement of coffee seedlings	RO Nos. I-IV-B - RM	Oct. 2017	Dec. 2017	Review reports of deliveries submitted by PCA, Palawan	No Sales Invoice yet was submitted by NPI as basis for payment	The Regional Office will verify the replacement of seedlings before payment.
37	Splitting of requisitions, purchase orders and disbursement vouchers for the procurement of livestock, agro-inputs and planting materials with aggregate amount of P18.027 million resulted in foregone discounts on volume purchases and circumventing control measures contrary to Section 54.1 of IRR of RA No. 9184 and COA Circular No. 76-41 dated July 30, 1976.	Hold the concerned officials and employees of RO Nos. I-IV-B accountable and responsible for splitting the procurements; and henceforth, all procurements should be conducted through public bidding unless the use of alternative mode of procurement is duly justified, as provided under Sections 10, 12.1 and 51 of the IRR of RA No. 9184.		CO			On-going		
				RO Nos. I-IV-B			On-going		
	GENDER AND DEVELOPMENT (GAD)								
38	There was no proof that the Gender and Development (GAD) Plan and Budget (GPB) for CY 2015 with approved budget amounting to P340.005 million was duly reviewed and thereafter endorsed by Philippine Commission on Women (PCW); hence, validity of the GPB could not be established. Also, the CY 2015 GAD Accomplishment Report (AcR) of CO was not provided to the Audit Team, thus, precluding the audit thereof, while no corresponding GAD budgets were allocated to RO Nos. VII, IX, and XIV, which consequently resulted either in utilization of budget from other activities or non-conduct of GAD activities at all.	Direct the Chairperson of PCA-GAD Focal Point System to, henceforth, comply with the provisions of PCW-NEDA-DBM JC No. 2012-01, COA Circular No. 2014-01, and other laws, rules and regulations on GAD to ensure that the budget is utilized on activities addressing gender issues.		CO - GAD Focal Point System			On-going		
	CY 2014 AAR								
5	Unutilized balance of Disbursement Acceleration Program (DAP) fund of P274.455 million was only returned to the Bureau of the Treasury (BTr) after almost a year, while related expenses accumulating to P54.418 million were obligated and paid, notwithstanding the decision of the Supreme Court on July 1, 2014 that acts and practices under	Hold liable the officers and employees who caused the continued utilization of DAP funds and deferred return of the unexpended balance.		CO			On-going evaluation		

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	the DAP are unconstitutional for being contrary to Section 25(5), Article VI of the 1987 Constitution and the doctrine of separation of powers.								
9	Two Certificates of Availability of Funds (CAF) in the total amount of P102.630 million charged to the YRRP fund bearing the names of the winning suppliers were issued ahead of the invitation to bid and submission of bid proposals, an indication that there was pre-negotiation with favoured suppliers, thus restricting equal and competitive opportunity to other suppliers who may also be eligible to participate in the bidding, and no assurance that the contract prices are the most advantageous to the government.	Hold concerned officials and employees accountable and responsible for awarding the procurement to the said favored suppliers.		CO			**On-going evaluation**		
		Initiate the conduct of investigation to determine what have led to the preparation of CAF already bearing the names of the suppliers even prior to the invitation to bid and the submission of bid proposals, and file appropriate charges against those found remiss in the discharge of their duties.		CO					Management has already inquired
12	Providing sustainable livelihood to coconut farmers to increase their income under the KasaganaansaNiyugan ay Kaunlaran ng Bayan [KAANIB] Enterprise Development Project (KEDP) is affected since there is no assurance that the farmers are well-informed of the viability of the livelihood projects, their baseline income have not been established at the onset, and due to absence of business plan and unsuitability of the coco farm lands, among others.	Require the concerned Regional Managers to:							
		a. Conduct investigation to determine what caused the non-conduct of market survey and non-preparation/ submission of duly signed Baseline Information Survey Schedules, Rapid Marketing Appraisal Tool, Business Plan, and Expression of Interest and hold the concerned personnel responsible as the case may be;	Require all CDOs/Kaanib Coordinators to submit documentary requirements of KEDP	RO Nos. I-IV-B	Feb. 2016	Dec 2016	Completed		All documentary requirements of KEDP were submitted by Kaanib Coordinators
			To require POs to submit duly signed Baseline Information Survey System (BISS) To submit to COA a copy of RMA, Business Plan, Expression of Interest and Notarized Deed of Undertakings To require POs to submit copy of training certificates Since not all projects require a Business Plan as stated in the guidelines, a Business	RO No. IV-A	Jan. 2016	Dec 2016	Fully Implemented		CBOs qualifications were already assessed by the PCA Region IV-A to determine that they are qualified to receive KAANIB projects and for us to determine the level of preparedness of the CBOs in undertaking the community-based projects for the

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		Initiate the conduct of investigation to determine what have led to the preparation of CAF already bearing the names of the suppliers even prior to the invitation to bid and the submission of bid proposals, and file appropriate charges against those found remiss in the discharge of their duties.		CO					Management has already inquired into the matter wherein it was determined that the issuance of the CAF was an honest mistake made by Ms. Madeleine Corpuz, then designate OIC of the FMSD. The mistake was attributed to the confusion that ensued during the implementation of the RATPLAN that coincided with the full scale implementation of YRRP with recently designated regular employees.
	Providing sustainable livelihood to coconut farmers to increase their	Require the concerned Regional Managers to:							

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			Plan for other projects not stated in the guidelines will be submitted, moreover Business plan is applicable only to those proposal not included in the priority crops/livestock. Based on MC 03 s 2013						succeeding interventions to be implemented by the PCA. Moreover duly signed BISS and notarized Deed of undertakings, Expression of Interest, RMA were already submitted to COA Auditor in Central Office as supporting documents to the AOM 2015-1. A copy of said documents was also submitted to COA Auditor in Regional Office
			To conduct investigation & comply submission	RO No. X	Oct, 2017	Dec 2017	For implementation		-To conduct investigation to all concerns -To issue Memo to all concerns for non-copliance -To submit deficient documents
		b. Re-evaluate the qualifications of the CBOs including their members based on the criteria set forth under existing regulations toassure that they are qualified KEDP beneficiaries and the livelihood projects granted to them are appropriate and viable; otherwise, drop unqualified CBOs from the list recognized KAANIB sites/CBOs; and	Re-evaluate Kaanib sites to determine the needs of CBOs towards its development and strengthening	RO Nos. I-IV-B	Oct. 2017	Dec 2018	On-going evaluation of the accomplish-ment and status of each CBO		On-going evaluation of the accomplish-ment and status of each CBO
			To require POs to submit duly signed Baseline Information Survey System (BISS) To submit to COA a copy of RMA, Business	RO No. IV-A	Jan. 2016	Dec 2016	Fully Implemented		CBOs qualifications were already assessed by the PCA Region IV-A to determine that

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			Plan, Expression of Interest and Notarized Deed of Undertakings To require POs to submit copy of training certificates Since not all projects require a Business Plann as stated in the guidelines, a Business Plan for other projects not stated in the guidelines will be submitted, moreover Business plan is applicable only to those proposal not included in the priority crops/livestock. Based on MC 03 s2013						they are qualified to receive KAANIB projects and for us to determine the level of preparedness of the CBOs in undertaking the community-based projects for the succeeding interventions to be implemented by the PCA. Moreover duly signed BISS and notarized Deed of undertakings, Expression of Interest, RMA were already submitted to COA Auditor in Central Office as supporting documents to the AOM 2015-1. A copy of said documents was also submitted to COA Auditor in Regional Office
			-To conduct revised guidelines -To re-evaluate project recipientss	RO No. X	Oct 2017	Dec 2017	For implementation		-To conduct re-orientation of PCA implementors -To conduct regular project monitoring & evaluation
		c. Henceforth, comply strictly with the relevant provisions of PCA Memorandum Circular Nos. 01 and 03, series of 2011 and 2013, respectively, on the selection of qualified beneficiaries/participants	Conduct orientation seminar of newly hired CCDOs	RO Nos. I-IV-B	Sept. 2017		Implemented		Introduction of the mechanics of PCA programs and projects for proper implementation.

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					From	To			
		of the KEDP to ensure that only qualified CBOs/farmer-participants are given livelihood projects.	To require POs to submit duly signed Baseline Information Survey System (BISS) To submit to COA a copy of RMA, Business Plan, Expression of Interest and Notarized Deed of Undertakings To require POs to submit copy of training certificates Since not all projects require a Business Plann as stated in the guidelines, a Business Plan for other projects not stated in the guidelines will be submitted, moreover Business plan is applicable only to those proposal not included in the priority crops/livestock. Based on MC 03 s2013	RO No. IV-A	Jan. 2016	Dec 2016	Fully Implemented		The management conducted the Impact Assessment Survey of 46 CBO's granted with agricultural inputs of the project on a three-year development cycle. Moreover the result of the assessment with the accomplished survey forms was already submitted to COA Auditor in the Regional Office.
			To comply as recommended	RO No. X	Oct 2017	Dec 2017	For implementation		To issue memo to all concerns reminding to abide strictly guidelines
15	The incapability of the supplier to deliver the remaining 89,345 pieces of coconut seedlings worth P2.093 million which was to be dispersed to estimated 525 hectares in Regions I-IV-B deprived quite a number of farmer-beneficiaries of benefitting from the provision of good quality seedlings under the Coconut Seedlings Dispersal Project (CSDP). Likewise, liquidated damages of P0.469 million have not been imposed against	Direct the concerned Regional Manager to:							
		b. Disqualify the supplier of coco seedlings from future biddings.	Comply Audit recommendation	RO Nos. I-IV-B	Jan. 2017		Implemented		Comply audit recommendation
		Immediately issue Blacklisting Order to disqualify the supplier from participating in the bidding of all government projects upon termination of the contract and		CO					

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	the supplier.	submit the same to the Government Procurement Policy Board (GPPB) within 7 calendar days from the issuance thereof, as provided under Sections 6 and 9.1(a) of Appendix 11 of the IRR of RA No. 9184.	Recommend the termination and blacklisting of Amat Plant Nursery and Agri-trading Coronado's Plant Nursery	RO Nos. I-IV-B	May 2017	Aug. 2017	Implemented		Termination and blacklisting approved by the BOD and submitted to GPPB
16	Salt fertilizers may have been distributed to farmers who are not qualified as they are not in the masterlist, and if listed therein, their first names or the respective barangays were not indicated, there were unauthorized changes in Drop off Points (DOPs) and recipients, the number of beneficiaries was based on target and not on the masterlist, unclaimed fertilizers were given to other interested farmers, among others, thus may affect the efficient and effective implementation of the Salt Fertilization Project	Require the Regional Manager of Regions I-IV-B and IV-A to direct the Concerned Coconut Development Officers (CDOs) to distribute strictly the salt fertilizers to the farmers listed in the MLFP and request approval from the Regional Office and concerned Central Office officials for any changes in the MLFP as to beneficiaries and allocation of salt fertilizers.	Instructed provincial offices to comply audit recommendation	RO Nos. I-IV-B – RM	Feb. 2016	Dec 2016	Implemented		Provincial Offices submitted acknowledgement receipts
			The management will ensure that the recommendations are properly complied.	RO Nos. IV-A – RM	Jan. 2016	Dec 2016	Partially Implemented	Farmers listed in the masterlist were no longer interested at the time of distribution, Thus, unclaimed fertilizers were given to other interested farmers.	The management required the PCDMs/CTL/Agriculturist to strictly comply the required requirements and ensure that the changes of farmers listed in the MLFP will be properly documented/communicated to Regional Office.
	CY 2013 AAR								
10	There were cash advances granted based on excessive or unsupported detailed estimates of expenses and improper utilization and liquidation thereof, contrary to the provisions of COA Circular Nos. 97-002, 96-004, and 2012-003, which could have possibly resulted in wastage of government funds.	Formulate policy guidelines to ensure compliance with existing rules and regulations on the grant, utilization, and liquidation of cash advances.		CO			**On-going**		
12	Allocation of funds for three locally-funded projects in the aggregate amount of P1.506 billion was not prioritized to regions with the highest poverty incidence of farmers contrary to Item 7 of the Special Provisions of the FY 2013 General Appropriations Act.	Comply with Item 7 of the Special Provisions of FY 2013 GAA and other applicable laws, rules, and regulations, particularly on budget formulation and allocation of projects of PCA and submit the actual utilization of FY 2013 budget per expenditure and per region to properly assess whether		CO			**On-going**		

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					From	To			
		the same was in accordance with Item A.4(B), Section XXXV of FY 2013 GAA.							
		Define guidelines in consultation with the ROs regarding the basis for allocating the budget considering that each has its own peculiarities.		CO			On-going		

ROMULO J. DE LA ROSA
Administrator

October 30, 2017
Date

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