

**STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS**

Several follow-ups on the action taken by the Authority to implement the prior years' recommendations were made and we noted that out of 72 recommendations, 23 were implemented, 23 were partially implemented and 26 were not implemented. The results of our validation of the implementation are shown in the table that follows.

Reference	Observations	Recommendations	Status of Implementation
2014 AAR No. 1, page 29	<p>1. Significant balances of accounts transferred from the abolished Air Transportation Office (ATO) to the CAAP books of accounts since CY 2008 could not be substantiated due to inadequacy of accounting records</p> <p>Receivables - P8.457 billion</p> <p>Property and Equipment - P1.099 billion</p> <p>Other Assets - P4.585 billion</p> <p>Deposit on Letter of Credit - P18.332 million</p> <p>Due from Regional Offices - P76.652 million</p> <p>Due to Regional Offices - P81.735 million</p> <p>Taxes Withheld Pertaining to PYs' Transactions - P3.363 million</p>	<ul style="list-style-type: none"> <li>• Determine the existence, validity and propriety of the significant balances of the various ATO transferred accounts by creating a special committee who shall focus on the validation, reconciliation and documentation tasks considering the substantial amount of the assets and the accountabilities involved, and the significant effect of these doubtful accounts on the reliability of CAAP's financial statements.</li> <li>• Conduct proper inventory taking with complete and correct RPCPPE. That is, classify the PE in the RPCPPE by type of property and provide totals for each type to aid in the reconciliation and be able to support the balances presented in the Financial Statements and exert effort to submit the RPCPPE not later than January 31 of each year.</li> </ul>	<p>Not Implemented</p> <p>Other Assets- The balance of the account remains unsubstantiated.</p> <p>Due from Regional Offices and Due to Regional Offices were reclassified to Other Assets account under JEV#F-2015-06-33.</p> <p>Taxes Withheld- The balance remains unsubstantiated.</p> <p>Partially Implemented</p> <p>Management failed to reconcile records between the Property and Accounting Divisions and has not submitted the RPCPPE on or before January 31, 2016.</p> <p>This finding was first raised in CY 2008 AAR and reiterated in CYs</p>

Reference	Observations	Recommendations	Status of Implementation
			<p>2009 to 2014.</p> <p>Reiterated in Part II, No. 1.</p>
<p>2014 AAR No. 2, page 32</p>	<p>2. We have audited the Cash accounts of the Authority as at December 31, 2014 and we have noted the following deficiencies:</p> <ul style="list-style-type: none"> <li>• The Cash in Bank accounts in the Head Office is understated by P348.269 million due to unrecorded reconciling items as of December 31, 2014.</li> <li>• Erroneous recording of liquidations of Petty Cash Fund (PCF) at year-end has resulted in the understatement of Cash account and overstatement of the Other Receivable account both by P0.934 million.</li> <li>• Erroneous reversal of total outstanding checks amounting to P72.713 million at year-end overstated the Cash in Bank and Accounts Payable account balances as of</li> </ul>	<p>a. Prepare the necessary adjusting entries for the:</p> <ol style="list-style-type: none"> <li>1) unrecorded reconciling items amounting to P348.269 million;</li> <li>2) erroneous recording as receivable of the year-end liquidation of PCF in the total amount of P0.934 million; and</li> <li>3) erroneous reversal of the total outstanding checks;</li> </ol> <p>b. Instruct the Cashiering Division to henceforth, prepare and submit the schedule of</p>	<p>Partially Implemented</p> <p>Unrecorded deposits were recorded on the date when the official receipts were issued.</p> <p>This finding was first raised in CY 2008 AAR and reiterated in CYs 2009 to 2010 and 2014.</p> <p>Reiterated in Part II, No. 4.2.</p> <p>Implemented</p> <p>Implemented</p> <p>Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
	<p>December 31, 2014.</p> <ul style="list-style-type: none"> <li>The balance of the PCF account includes the unliquidated cash advances amounting to P0.757 million of former Petty Cash Custodians (PCCs).</li> </ul>	<p>unreleased checks at year-end to the Accounting Division for the preparation of the JEV to restore the cash equivalent of the unreleased checks; and</p> <p>c. Require the Accounting Division to reclassify the unliquidated cash advances of former PCCs to Advances to Officers and Employees account in order to reflect the correct balance of the PCF account, and the seven former PCCs to immediately liquidate/return their unused PCF.</p>	<p>Implemented</p>
<p>2014 AAR No. 3, page 34</p>	<p>3. The correctness, validity and reliability of the Accounts Payable account in the Head Office is doubtful due to unadjusted/unreconciled prior years' obligated transactions amounting to P22.269 million as of December 31, 2014.</p>	<p>Require the Accounting Division to analyze and validate the unadjusted/unreconciled prior years' balance in the amount of P22.269 million in the Head Office and P2.554 million in Area Center IV and prepare the necessary adjusting entries.</p>	<p>Not Implemented</p> <p>This finding was first raised in CY 2012 AAR and reiterated in CYs 2013 to 2014.</p> <p>Reiterated in Part II, No. 4.19.</p>
<p>2014 AAR, No. 3, page 34</p>	<p>4. The balance of the Other Prepaid Expenses account amounting to P34.044 million as at December 31, 2014 remains doubtful due to non-conduct of physical count, improperly maintained stock cards and stock ledger cards and the non-reconciliation of the property and accounting records.</p>	<p>a. Require concerned officials and employees to conduct physical count of all inventories once every semester and submit to COA the Report of Physical Count of Inventories (RPCIs) in the prescribed format not later than July 31 and January 31 of each year and reconcile the</p>	<p>Partially Implemented</p> <p>The Supply Division is currently conducting physical count of inventories.</p>

Reference	Observations	Recommendations	Status of Implementation
		<p>results of the physical count with the property and accounting records;</p> <p>b. The Accounting Division to:</p> <ul style="list-style-type: none"> <li>• maintain properly SLCs and reconcile the same with the GL balance;</li> <li>• exert extra effort to reconcile, document and adjust the unaccounted balance of Other Supplies Inventory and Other Prepaid Expense accounts to the proper accounts; and</li> </ul> <p>c. The Supply Section and Office of the Flight Surgeon and Aviation Medicine (OFSAM) to prepare/maintain/update the SCs for all inventory accounts.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p> <p>This finding was first raised in CY 2013 and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.5.</p>
2014 AAR, No. 3, page 35	5. The propriety and correctness of the Deferred Charges account totaling P100.041 million are doubtful.	<p>Require the Accounting Division to:</p> <p>a. Submit the supporting documents for all the recorded disbursements of the Trust Fund; and</p>	<p>Not Implemented</p> <p>The management said that ICAO refuses to provide the requested documents stating that submitting documents to</p>

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		<p>b. Prepare the liquidation reports of the remittances other than the Trust Fund and prepare necessary adjusting entries.</p>	<p>CAAP is tantamount to audit.</p> <p>Partially Implemented</p> <p>Liquidation for NAT-1-3186-5-3 was prepared and recorded but lacks necessary supporting documents resulting in the issuance of AOM No. 2016-015.</p> <p>This finding was first raised in 2008 AAR and reiterated in CYs 2009 to 2014.</p> <p>Reiterated in Part II, No. 4.3.</p>
<p>2014 AAR, No. 3, page 36</p>	<p>6. Outstanding unliquidated cash advances (CAs) as of December 31, 2014 of P3.177 million out of the cash advances granted in CY 2014 and P7.93 million from prior years' cash advances.</p>	<p>a. Require strict adherence to the provisions of: 1) COA Circular No. 2012-004 to compel its officers and employees to immediately liquidate their long outstanding cash advances; and 2) COA Circular No. 97-002 on the granting, utilization and liquidation of cash advances;</p> <p>b. Cause or order the withholding of payment of any money due to officers and employees who have long outstanding cash advances; and</p>	<p>Partially Implemented</p> <p>There was a continuing effort of management to cause the liquidation of prior year's outstanding cash advances. Several liquidations of prior year's CA were submitted in CY 2015.</p> <p>Not Implemented</p>

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		<p>c. Require the Accountant to strictly monitor the liquidation of CAs and enforce deduction from the salary of employees in cases of failure to liquidate within the prescribed period as stated in the signed "Authority to Deduct", attached to the cash advance vouchers in compliance to Authority Order No. 111-10 dated May 7, 2010.</p>	<p>Not Implemented</p> <p>This finding was first raised in CY 2008 AAR and reiterated in CYs 2009 to 2014.</p> <p>Reiterated in Part II, No. 4.6.</p>
<p>2014 AAR, No. 3, page 37</p>	<p>7. Differences amounting to P1.47 million and P1.19 million between the General Ledger balance of the Advances to Officers and Employees account as against its Subsidiary Ledger total and Aging Schedule total as of December 31, 2014, and the unsettled cash advance from the Intelligence Fund amounting to P5.000 million granted in CY 2012.</p>	<p>a. Exert effort to reconcile the differences between the GL, SL and Aging Schedule for the financial records of the Authority to be reliable to the users; and</p> <p>b. Cause the submission of the liquidation papers for the P5.00 million cash advance from intelligence fund to the COA Chairman's Office.</p>	<p>Partially Implemented</p> <p>Management has adjusted some transactions to Other Receivable account and continuing their effort to reconcile the differences.</p> <p>Not Implemented</p> <p>This finding was first raised in CY 2011 AAR and reiterated in CY 2012 and 2014.</p>

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			Reiterated in Part II, No. 4.6.
2014 AAR, No. 3, page 38	8. Outstanding receivables of P6.429 million from officers and employees who have died, retired, resigned as of December 31, 2014.	<p>Submit explanation/justification why those retired and separated employees were able to leave CAAP without settling all their accountabilities.</p> <p>Likewise, exert efforts to recover the outstanding accountabilities thru legal remedies.</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>This finding was first raised in CY 2012 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.6.</p>
2014 AAR, No. 3, page 39	9. Difference of P6.493 million between the general ledger balance of the Other Receivables account as of December 31, 2014 as compared to the aging schedule.	Exert best efforts to reconcile the differences and prepare immediately the corresponding adjusting entries.	<p>Partially Implemented</p> <p>Management is still continuing their effort of determining the cause of the difference in order to reconcile the records.</p> <p>This finding was first raised in CY 2012 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.6.</p>
2014 AAR, No. 3, page 39	10. The Authority is still maintaining an active combo account with a balance of P5.068 million	Close the PNB account and transfer its balance to the Authority's LBP mother account.	<p>Partially Implemented</p> <p>The Authority is</p>

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	with the Philippine National Bank (PNB), a non-government depository bank.		<p>just waiting for the Board Secretary Certificate for submission to PNB in order for the account to be closed.</p> <p>This finding was first raised in CY 2010 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.18.</p>
2014 AAR, No. 3, page 40	11. The balance of Construction in Progress (CIP) - Other Public Infrastructure account as of December 31, 2014 amounting to P536.272 million includes two completed projects in the total amount of P53.804 million and unclassified disbursements of P1.615 million.	<p>a. Transfer the completed infrastructure projects to the Area Centers concerned through the Due from Regional Offices account.</p> <p>b. Exert effort in identifying to which project the amount P1.615 million is related to, and prepare corresponding entries.</p>	<p>Implemented</p> <p>Not Implemented</p> <p>P1.615 million of unclassified disbursement for projects remained unadjusted.</p> <p>This was first raised in CY 2013 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, 4.16.</p>
2014 AAR, No. 3, page 40	12. Dividends payable for CY 2014 equivalent to 50 per cent of CAAP's Net Profit, were not recognized in the books.	Dividends payable equivalent to 50 per cent of the Authority's net profit for CY 2014 be recognized in the books.	<p>Partially Implemented</p> <p>Management was informed by the Department of Finance that they will refer the issue</p>



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			<p>on the position of CAAP that they are exempt from RA 7656 to the Department of Justice for a legal opinion.</p> <p>This finding was first raised in CY 2013 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.7.</p>
<p>2014 AAR, No. 3, page 41</p>	<p>13. Audit of the procurement, maintenance and issuance of Accountable Forms by the Flight Standards and Inspectorate Service (FSIS) disclosed the following:</p> <ul style="list-style-type: none"> <li>• Various Accountable Forms (AFs) were not procured from the National Printing Office (NPO), contrary to Sections 1 &amp; 4 of the Office of the President Memorandum Circular No. 180, s.2009.</li> <li>• Weakness in the controls and custodianship of accountable forms at the Flight Standards and Inspectorate Service (FSIS) Office is evident.</li> <li>• Licenses have no distinct security features which give way to possible counterfeiting. In addition, voided licenses are not safely kept, properly controlled and clearly</li> </ul>	<p>a. Procure the printing of Accountable Forms only from the National Printing Office or duly authorized private printing office, pursuant to Sections 1 and 4 of MC No. 180 of the Office of the President;</p> <p>b. Discontinue immediately the practice of procuring Accountable Forms from private printers thru the PCC who also acts as the supply officer who orders and distributes the Forms. Procurement of Accountable Forms shall be coursed thru the Supply Division;</p> <p>c. Designate regular AFCs who will be accountable for the</p>	<p>Partially Implemented</p> <p>Only AOC and ATOC have requests to NPO. Discussions on the requirements of AMOC from NPO specifically on the customization of the accountable forms are still on-going.</p> <p>Not Implemented</p> <p>Management will discontinue this practice immediately upon approval of the request with the NPO.</p> <p>Partially Implemented</p>

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	marked.	<p>control, security and safekeeping of forms so as not to assign JO employees in sensitive positions;</p> <p>d. Require FSIS AFCs to properly monitor the accountable forms entrusted to them and to prepare the monthly Report of Accountability for Accountable Forms (RAAF) and promptly submit the same to COA;</p> <p>e. Expedite review of the design of various licenses and incorporate distinct security features to prevent possible counterfeiting; and</p> <p>f. Implement strictly proper measures in the issuances of licenses, permits and certification forms.</p>	<p>Two AFCs for Pilot Proficiency Grade Sheet and Cert. of Registration and Airworthiness were designated in May 2015.</p> <p>Partially Implemented</p> <p>Updating of the monthly RAAF is on-going.</p> <p>This finding was first raised in CY 2012 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.13.</p> <p>Implemented</p> <p>Implemented</p>
2014 AAR, No. 3, page 43	14. Non-compliance of the Authority to the provision of Republic Act No. 9497 to adopt and publish the updated schedule of fees and charges.	Adopt and publish an updated schedule of fees and charges in compliance with the provisions of Section 17 of Republic Act No. 9497.	<p>Partially Implemented</p> <p>Management committed that they will finish their own schedule of fees and charges and let</p>

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			<p>the Board decide if they are going to put in place the proposed schedule.</p> <p>This finding was first raised in CY 2013 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.15.</p>
2014 AAR, No. 3, page 43	15. The Authority failed to cover all insurable government properties with the Government Service Insurance System (GSIS).	Exert effort to come up with the complete physical inventory of all properties and equipment in the Head Office and all the Airports under the 12 Area Centers and determine accordingly, all the insurable properties and their corresponding market value so that all can be insured with the GSIS and if not approved, with any private insurance company in accordance with Section 5 of RA 656, for protection against any insurable risk.	<p>Partially Implemented</p> <p>Ownership of some properties being used by CAAP is still for verification.</p> <p>This finding was first raised in CY 2009 AAR and reiterated in CYs 2010, 2013 to 2014.</p> <p>Reiterated in Part II, No. 4.11.</p>
2014 AAR, No. 3, page 44	16. The Authority incurred additional expenditures due to the inclusion of Overhead, Contingencies, Miscellaneous cost (OCM) on the bid price of the equipment to be supplied by the contractor.	Payment for the provision of equipment for construction project be made on a reimbursable basis upon submission of a valid official receipt and that the provision be clearly stipulated in the appropriate contract documents.	Implemented
2014 AAR, No. 3, page 45	17. Management did not attain its objective of procuring a total of 86 infrastructure projects (capital outlay) for CY	Adopt a policy geared towards maximizing its resources to attain its objective such as creation of separate BACs in the	<p>Partially Implemented</p> <p>The limitation of capital outlay</p>

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	2014.	Head Office and if necessary, in the Area Centers.	<p>acquisitions for Area Center Managers increased from not exceeding P 3,000,000 to not exceeding P 5,000,000.</p> <p>This finding was first raised in CY 2013 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.7.</p>
2014 AAR, No. 4, page 45	18. Parcels of land owned by CAAP are not recognized in the books and not registered in its name.	<p>a. Transfer the recognized lots in the Head Office books to the books of accounts of Area Centers I and X;</p> <p>b. Expedite the transfer of titles for all the land owned by CAAP to legalize ownership; and</p> <p>c. Recognize all land owned by CAAP in the books of the Head Office and Area Centers.</p>	<p>Partially Implemented</p> <p>The cost of land used as site of the Laguindingan Airport has been transferred to Area Center 10 under JEV#F-15-07-45 dated July 31, 2015.</p> <p>Not Implemented</p> <p>Not Implemented</p> <p>This was first raised in 2008 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.1.</p>

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2014 AAR, No. 5, page 46	19. The accuracy of the valuation of the recorded cost of Motor Vehicles and Firefighting Equipment and Accessories of P3.587 million and P39.511 million respectively, are doubtful due to the inclusion of non-existing vehicles and the unrecognized 24 motor vehicles.	<p>a. Conduct a physical inventory of motor vehicles and firefighting equipment and prepare the required report; and</p> <p>b. Accordingly, book the unrecognized vehicles and equipment and derecognize those included in 2014 Lapsing Schedules that could no longer be located in accordance with existing rules and proper documentations.</p>	<p>Implemented</p> <p>Partially Implemented</p> <p>Sales Invoices for attachment in recognition of various vehicles for valuation are still being collated.</p> <p>This finding was first raised in CY 2012 AAR and reiterated in CY 2014.</p> <p>Reiterated in Part II, No. 4.10.</p>
2014 AAR, No. 6, page 47	20. Flight inspection aircraft, RP-178 (Cessna U206F) was not recognized as Aircraft and Aircraft Ground Equipment in the books of the Authority, however, the installation of its new engine and its other major repairs were recognized in the books.	Exert best efforts to secure documents and accordingly record immediately the RP-178 Cessna U206F and effect the necessary adjustment to capitalize the installation of KT-76C dual transponder system.	<p>Not Implemented</p> <p>This finding was first raised in CY 2014 AAR.</p> <p>Reiterated in Part II, No. 4.8.</p>
2014 AAR, No. 7, page 48	21. The New Salary Structure (NSS) adopted for Technical positions has no approval from the President of the Philippines and various personal services transactions in the total amount of P175.674 million were paid without	<p>a. Secure the approval of the President, thru the GCG, for new salary structure adopted for Technical positions to support the payments effective October 1, 2012; and</p> <p>b. Submit the approved</p>	<p>Implemented</p> <p>Implemented</p>

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	approved budget.	supplemental budget for the P175,674,000 expenditures incurred in CY 2014, which were not included in the DBM approved CAAP COB for CY 2014.	
2014 AAR, No. 8, page 49	22. The Miscellaneous Income and Honoraria accounts were understated by P2.85 million and P2.21 million, respectively, as of December 31, 2014, due to non-recognition in the books of the income from sale of bid documents and the payment of honoraria for successfully bid procurements.	Require the Accounting Division to prepare the necessary adjusting entry and henceforth, recognize in the books the income from sale of bid documents in the Miscellaneous Income account and the payment of honoraria for successfully bid procurements in the Honoraria account.	Implemented
2014 AAR, No. 9, page 49	23. The Authority has been continually late in the submission of the Year-end Financial Statements and related schedules and the Monthly Trial Balance and all related reports, schedules and documents.	Require all concerned officials and employees to submit all required reports and related schedules and documents to COA within the reglementary period.	Not Implemented  While CAAP committed to adhere to COA's recommendation, it was noted that the submission of the financial reports is still not within COA's reglementary period.  This finding was first raised in CY 2014 AAR.  Reiterated in Part II, No. 4.20.
2014 AAR, No. 10, page 50	24. Transactions emanating from the Agreement between CAAP and Aeronautical Radio of Thailand Ltd. (AEROTHAI) were not	a. Immediately record all transactions pertaining to the Agreement between CAAP and AEROTHAI and accordingly, submit all	Partially Implemented  The transaction pertaining to the Agreement was

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	<p>recognized in the books as of December 31, 2014.</p>	<p>the documents to COA for audit; and</p> <p>b. Submit explanation/justification on why all the transactions pertaining to the Agreement were not recorded in the years that these were earned and expended.</p>	<p>recorded in CY 2015 and the Accounting Division is still coordinating with ANS for submission of supporting documents.</p> <p>Implemented</p>
<p>2014 AAR, No. 11, page 52</p>	<p>25. Deficiencies in the Internal Control system throughout the billing, collection, recording and reporting on the accountability for Accountable Forms (AFs) were noted.</p>	<p>Management strengthen its Internal Control system by adopting the standards prescribed in Title 2, Book III of the GAAM.</p>	<p>Not Implemented</p> <p>This finding was first raised in CY 2014 AAR.</p> <p>Reiterated in Part II, No. 4.17.</p>
<p>2014 AAR, No. 11, page 53</p>	<p>26. Due to the cited deficiencies in Item 25, we specifically noted the following:</p> <p>a. P2.401 billion or 76 per cent of the total income earned from communication facilities for CY 2014 were not collected as of year-end. Moreover, prior years' uncollected income amounted to P762.176 million.</p>	<p>Adopt an effective billing and collection system which include among others, the automation of billing data, invoicing and collection and imposition of fee/penalty/legal action on delinquent customers.</p>	<p>Partially Implemented</p> <p>Management explained that they are already considering the use of existing third party-billing system and have already received</p>

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	<p>b. The income account was overstated by P19.999 million due to late recognition of revenues earned from additional flights of several airlines for the period June to December 2010</p> <p>c. Official Receipts (ORs) were not immediately issued for collections received through telegraphic transfers.</p> <p>d. Income from Communication Facilities is understated by P5.246 million due to erroneous recording.</p>	<p>Henceforth, all income from additional flights of the Airlines be billed and collected in the period it was earned. This will also be corrected upon the completion of the Communication, Navigation and Surveillance/Air Management System (CNS/ATM).</p> <p>Coordinate with the depository banks to have access to their bank accounts/bank statements online so that telegraphic transfers received can be tracked in real time and ORs can be issued immediately. Also, we recommended that clients be reminded that the details of their payments through telegraphic transfer such as the bank, billing statement number and amount should at all-time be properly disclosed.</p> <p>Prepare adjusting entry to adjust the Income from Communication Facilities and Accounts Receivable accounts.</p>	<p>proposals from two parties.</p> <p>Not Implemented</p> <p>No adjustment was made in the books for the late recognition of revenues for the period June-December 2010.</p> <p>This finding was first raised in CY 2014 AAR.</p> <p>Reiterated in Part II, No. 4.17.</p> <p>Implemented</p> <p>Implemented</p>
2014 AAR, No. 12, page 55	<p><b>VALUE FOR MONEY AUDIT</b></p> <p>27. We have undertaken the Value for Money Audit of the Marinduque Airport Development Project and</p>		



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	<p>noted the following:</p> <p>a. The Authority could earn an estimated P4.5 million in annual gross income from the Marinduque Domestic Airport (MDA), if the runway becomes operational.</p> <p>b. There was an overlapping in the scope of works of CAAP and DOTC projects in Marinduque Domestic Airport.</p>	<p>a. Discuss/coordinate with the DOTC regarding the continuation of the suspended project. Explore all possible legal ways to resolve the issue; and</p> <p>b. Make a proposal to the DOTC to adopt a policy delineating the responsibilities of the two agencies over procurement involving capital asset of the Authority. If it will not come about, then the Authority should ensure that no duplication or overlapping of project works will occur. Management should be more circumspect in implementing its infrastructure project, considering that the DOTC is also implementing project within CAAP's jurisdiction.</p>	<p>Implemented</p> <p>Not Implemented</p> <p>CAAP and DOTC have not adopted a policy for the delineation of responsibilities over procurement and implementation of infrastructure projects.</p> <p>COA has not received any information regarding the initiative of Management regarding this matter.</p>
<p>2014 AAR, No. 13, page 58</p>	<p><b>AREA CENTERS</b></p> <p>28. Overtime services totaling P2.203 million were incurred despite the absence of budget for the same in the approved Corporate Operating Budget of Area Center I.</p>	<p>a. Provide budget for Overtime Services in the COB of the Area Center in consonance with the COA Circular No. 2012-003;</p> <p>b. Require concerned offices to adequately and properly plan work assignments and/or activities or to hire sufficient number of personnel to meet the rigorous work details</p>	<p>Implemented</p> <p>Implemented</p>

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		<p>of the Area; and</p> <p>c. Adhere strictly to the provision of Section 119 of Presidential Decree No. 1445 as well as the use of modified accrual basis of accounting on the proper recognition and reporting of expenses.</p> <p>d. Request reconsideration from the CAAP Head Office that budget for Overtime Services be provided in their COB.</p>	<p>Implemented</p> <p>Implemented</p>
<p>2014 AAR, No. 14, page 59</p>	<p>29. Job Order (JO) employees were assigned to perform collection functions and technical and highly classified work in several Area Centers</p>	<p>a. Refrain from assigning JO employees to perform collection functions. Only properly designated and adequately bonded officers must be allowed to perform collection functions; and</p> <p>b. Until regular/permanent accountable officers are assigned as terminal fee collectors, Management should ensure that necessary controls on collections are in place and strictly followed to avoid misapplication or loss.</p>	<p>Not Implemented</p> <p>Area IV lacks plantilla positions for collection functions.</p> <p>Not Implemented</p> <p>This finding was first raised in CY 2014 AAR.</p> <p>Reiterated in Part II, No. 13.</p>
<p>2014</p>	<p><b>GENDER AND</b></p>	<p>Exert best efforts to</p>	<p>Partially</p>

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AAR, No. 15, page 61	<p><b>DEVELOPMENT (GAD)</b></p> <p>30. Only P6.927 million or 5.70 per cent of the GAD Projects/Activities/Programs (PAPs) were implemented out of the total amount of P121.520 million appropriated for CY 2014</p>	implement the proposed PAPs to address the gender issues raised for the benefit of both the riding public and the employees.	<p>Implemented</p> <p>The GAD Committee coordinated with ADMS for the implementation of some GAD Projects.</p> <p>This was first raised in CY 2012 AAR and reiterated in CY 2013 to 2014.</p> <p>Reiterated in Part II, No. 18.</p>
2013 AAR No.10, page 45	31. GSIS premiums withheld from employees amounting to P4.114 million were not immediately remitted within the first ten (10) days of the calendar month following the month when the deductions were effected.	Remit the withheld contributions within 10 days of the next calendar month and the Authority to establish a policy for updating the Member's Service Profile (MSP).	<p>Not Implemented</p> <p>There are still late GSIS premium remittances as of December 31, 2015.</p> <p>This finding was first raised in CY 2013 AAR.</p> <p>Reiterated in Part II, No. 16.</p>
2013 AAR No.14, page 49	32. The balances of the Cash accounts of several Area Centers are doubtful.	<p>For Area Center 7:</p> <p>Coordinate with the bank and exert extra efforts to determine the details of the deposit amounting to P2.94 million so that it can be recognized in the books.</p> <p>For Area Center 11:</p> <p>Require the Area</p>	<p>Implemented</p> <p>Partially</p>

Reference	Observations	Recommendations	Status of Implementation
		<p>Accountant to submit explanation on the unaccounted difference and prepare reconciling/adjusting entries, if necessary, to correct the Cash in Bank-LCC account as of December 31, 2013. Also, she shall prepare the subsidiary ledgers for each bank account and regularly reconcile it with the General Ledger balance.</p>	<p>Implemented</p> <p>Management has started preparing SLs per bank account and bank reconciliation statements for all bank accounts of General Santos and Cotabato Airports.</p> <p>The reasons for the delay are time constraints and lack of manpower.</p>
<p>2013 AAR No.15, page 50</p>	<p>33. Absence of budget for Overtime services incurred in Area Center 7 in the total amount of P21.46 million.</p>	<ul style="list-style-type: none"> <li>• Request for reconsideration from CAAP Head Office for the inclusion of overtime services in the COB of the Area; and</li> <li>• Adequately plan work activities and hire sufficient number of personnel to serve the needs of the Area Center</li> </ul>	<p>Implemented</p> <p>Partially Implemented</p> <p>The Area Center is having difficulty in hiring additional manpower in the technical positions because of the low salary offered by CAAP compared to the private sector.</p>
<p>2013 AAR No. 4, page 38</p>	<p>34. Examination of cash and accounts of 20 Petty Cash Custodians (PCCs) in 2013 revealed the same deficiencies that were noted in our previous cash examinations.</p>	<ul style="list-style-type: none"> <li>• Ensure that petty cash funds and special cash advances are used only in payment of petty operating expenses and current operating expenditures of the Authority when it is impractical to pay the</li> </ul>	<p>Not Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
		<p>same by check or travel expenses, respectively;</p> <ul style="list-style-type: none"> <li>• Make certain that goods and services are acquired thru public bidding or alternative methods of procurement as required under RA 9184 so that the number of Petty Cash Custodians and Special Disbursing Officers can be reduced; and</li> <li>• Make sure that the establishment and utilization of the Petty Cash Fund strictly follow the provisions in COA Circular No. 97-002.</li> </ul>	<p>Not Implemented</p> <p>Not Implemented</p> <p>This finding was first raised in CY 2010 AAR and reiterated in CYs 2011 to 2014.</p> <p>Reiterated in Part II, No. 8.</p>
<p>2012 AAR No. 12, page 43</p>	<p>35.No actions were taken by the Authority on our recommendations regarding hiring of Consultants, hiring through Contracts of Service and Job Orders.</p>	<ul style="list-style-type: none"> <li>• Submit justification/ explanation why the Authority must hire so many consultants, Contractual/JOs and casual employees despite the Authority's approved organizational structure and plantilla or personnel by DBM and the DG's granted to appoint employees of CAAP; and</li> <li>• Comply strictly with the provision of COA Circular 2009-001 on the submission of the</li> </ul>	<p>Implemented</p> <p>Partially Implemented</p> <p>Some contracts of</p>

Reference	Observations	Recommendations	Status of Implementation
		<p>required supporting documents such as contract of service agreement of consultants; Personal Data Sheet or Resume; Training certificates and documents in relation to the consultants' line of expertise.</p>	<p>consultants were submitted without the personal data sheet/resume and training certificates and were also submitted beyond the prescribed period.</p> <p>This finding was first raised in CY 2008 AAR and reiterated in CYs 2009 to 2014.</p> <p>Reiterated in Part II, No. 7.</p>