

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of 88 prior years' audit recommendations, 38 were fully implemented, 16 were partially implemented and 34 were not implemented by management.

Results of validation on the actions taken by Management are shown below:

Reference	Observations	Recommendations	Status of Implementation
2015			
No. 1, page 31	1. Balances of certain accounts are not fairly presented in the Statement of Financial Position as at December 31, 2015 since these include the balances transferred from the abolished Air Transportation Office (ATO) in CY 2008 for which no adequate accounting records are available Receivables - P8.732 billion Property and Equipment (PE) - P1.510 billion Other Assets- P4.684 billion Deposit on Letters of Credit - P18.332 million	a. 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; b. Reconcile records between the Property and Accounting Divisions and exert effort to submit the RPCPPE not later than January 31 of each year; and c. Revise their policy on the computation of Allowance for Doubtful account as there are debtor's unsettled accounts which date back to 1977.	Not Implemented Receivables - Reiterated under Part II, No. 2 Other Assets - Reiterated under Part II, No. 9 Deposit on Letters of Credit - The balance remains unsubstantiated Not Implemented Property and Equipment - Reiterated under Part II, No. 5. Not Implemented Receivables - Reiterated under Part II, No. 4
No. 2, page 33	2. Overpayment of P1.205 million to Bayan Telecommunications, Inc. (BayanTel)	a. Submit an explanation for the payment of the overbilling of BayanTel; and b. Cause the recovery of the overpaid amount from BayanTel.	Fully Implemented Fully Implemented

Reference	Observations	Recommendations	Status of Implementation
No. 3, page 34	<p>3. Errors in the recording of transactions resulted in the overstatement and/or understatement of affected accounts.</p> <p>3.1 Fair value totaling P9.851 million of the two units of aircraft H-295 and one unit of aircraft H-391B donated by the Department of Education was recorded to Income from Grants and Donations account instead of Other Deferred Credits account.</p>	Accounting Division to strictly comply with PAS 20 and prepare the necessary adjusting entry to correct the balances of the accounts Other Deferred Credits and Retained Earnings and record the succeeding yearly amortization over the useful life of the asset.	Fully Implemented
No. 3, page 34	3.2 Collections pertaining to the issuance of various certificates and the cost of the related travel expenses were not fully accounted as Income, contrary to Paragraph 95 of the Framework for the Presentation of Financial Statements	All charges billed to the companies including the air fare of the Inspectors related to the issuance of certificates be recognized as Income and all expenses of the Inspectors be recognized as Travelling Expenses	Fully Implemented
No. 3, page 35	3.3 Expenses for the technical assistance amounting to P11.885 million was recognized in the books as Other Professional Services instead of Consultancy Services and the same was not supported with the documents required in the Agreement (NAT-1-3186-5-3)	The Authority to provide evidence on the submission of the: 1)Notification from FAA that the services have been completed; 2)Final Technical Assistance Report of the specialists from FAA were provided to the Director General; and the actual expenses of providing the technical assistance. Further, treat the expenses for similar technical assistance as Consultancy Services in the future.	Not Implemented

Reference	Observations	Recommendations	Status of Implementation
No. 3, page 36	3.4 Prior years' rental income of P2.075 million recognized in the books as income of the current year, contrary to Philippine Accounting Standards (PAS) 1	The Accounting Division to issue monthly billing statements to all the lessees so that income are properly recognized and reported in the FS.	Fully Implemented
No. 3, page 37	3.5 The accounts Traveling Expenses – Foreign and Training Expenses were used interchangeably in recognizing the liquidation of Cash advances (CAs) for foreign travel	The Accounting Division to strictly observe the description of accounts provided in the Chart of Accounts prescribed in COA Circular No. 2004 – 008 dated September 20, 2004, to ensure correctness of the expense account that should be charged based on the nature of the transaction	Fully Implemented
No. 3, page 38	3.6 Income from the use of CAAP's communication facilities by carriers/ airline companies in the total amount of P3.271 million covering the period from January to March 2011 recognized in the books of the Authority as revenue of the current year	The Income from Communication Facilities and Prior Years' Adjustments – Retained Earnings be adjusted accordingly.	Fully Implemented
No. 3, page 38	3.7 Expenditures for honoraria and repair of equipment and machineries erroneously charged to Other Professional Services account	Proper charging of expense be strictly implemented starting CY 2016.	Fully Implemented
No. 3, page 38	3.8 Erroneous pro-forma entries for intercompany transactions in the Accounting Manual for Branch Accounting of	a. Revise the pro-forma entries in the Manual for intercompany transactions to reflect the proper journal entries in	Fully Implemented

Reference	Observations	Recommendations	Status of Implementation
No. 4, Page 39	<p>the Authority</p> <p>4. CY 2014 audit recommendations reiterated in CY 2015:</p>	<p>accounting for intercompany collections of revenue and delete the proposed entries in the collection of refunds and liquidation of CAs where it was not granted;</p> <p>b. Stop the practice by the HO of collecting and recording of refunds and liquidation of cash advances granted at ACs, and vice versa.</p>	Fully Implemented
No. 4, page 40	<p>4.1 Land valued at P0.533 million under the jurisdiction of Area Center III remained in the books of the Head Office as at December 31, 2015, while the 23 parcels of land with a total land area of 20,716 square meters remained unrecorded in the books</p>	<p>The Accounting Division to make the necessary adjustment in the books to transfer the value of the land that belongs to Area Center III and for Management to exert more effort to expedite the transfer of title on the 23 parcels of land in the name of CAAP and consequently recognize the same in the books upon determination of proper valuation</p>	<p>Partially Implemented</p> <p>The Land valued at P0.533 million under the jurisdiction of Area Center III was adjusted thru Journal Entry Voucher No. F-16-07-33 while the 23 parcels of land are still being verified on its real owner since there are no certificates of titles on file. The Accounting Division is coordinating with MIAA as of this writing.</p>
No. 4, page 40	<p>4.2 Various Cash in Bank accounts as of December 31, 2015 are understated and Accounts Receivable are overstated both by P125.025 million due to unrecorded reconciling items.</p>	<p>The Accounting Division to prepare adjusting entries for the unrecorded reconciling items which understated the Cash accounts and overstated the Accounts Receivable account both by P125.025 million.</p>	<p>Partially Implemented</p> <p>Identified a total of P116.608 million or 94 per cent of the total P125.025 unrecorded/unreconciling items.</p>
No. 4, page 40	<p>4.3 Absence of documents to support the propriety</p>	<p>a. Conduct</p>	Not Implemented

Reference	Observations	Recommendations	Status of Implementation
	and correctness of the Deferred Charges account amounting to P93.800 million renders the said balance of the account doubtful	<p>reconciliation of its records with ICAO records and book up the reconciling items immediately;</p> <p>b. Submit the supporting documents for all the recorded disbursements of the Trust Fund; and</p> <p>c. Prepare the liquidation reports of the remittances other than the Trust Fund and prepare necessary adjusting entries.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>
No. 4, page 41	4.4 P1.871 billion or 52 per cent of the total income as of December 31, 2015 remains uncollected	<p>Adopt an effective billing and collection system which include among others the following features:</p> <p>a. Automation of billing data, invoicing and collection; and</p> <p>b. Formulation of policy on imposition of fee/penalty for late payments and initiation of legal action on delinquent customers.</p>	<p>Not Implemented</p> <p>Reiterated under Part II, No. 3</p> <p>Not Implemented</p> <p>Reiterated under Part II, No. 3</p>
No. 4, page 42	4.5 The balance of the Other Prepaid Expenses account amounting to P33.004 million as of December 31, 2015 in the Head Office remains doubtful due to non-conduct of physical count and non-reconciliation of the report thereon with accounting records	<p>Management to require the:</p> <p>a. concerned officials and employees to conduct physical count of all inventories once every semester and submit the Report of Physical Count of Inventories (RPCIs) in the prescribed format</p>	<p>Partially Implemented</p> <p>Inventory Reports were prepared however, discrepancies were still noted. Coordination meetings are being conducted for the reconciliation.</p>

Reference	Observations	Recommendations	Status of Implementation
<p>No. 4, page 43</p>	<p>4.6 Cash Advances (CAs) for Officers and Employees of P3.308 million and P5.540 million granted in CY 2015 and prior years, respectively, remain outstanding at year end, in addition to the unsettled outstanding receivables of</p>	<p>not later than July 31 and January 31 of each year and reconcile the results of the physical count with the property and accounting records;</p> <p>b. Accounting Division to:</p> <ul style="list-style-type: none"> • maintain and update SLCs and conduct regular reconciliation with the Supply Division; • exert extra effort to reconcile, document and adjust the unaccounted balance of Drugs and Medicines Inventory, Other Supplies Inventory and Other Prepaid Expense accounts to the proper accounts; and <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 under their accountability.</p> <p>a. Require all officers and employees to strictly adhere to the provisions of COA Circular No. 97-002, on the granting, utilization and liquidation of cash advances;</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>Partially Implemented</p> <p>Inventory report was submitted by the OFSAM however, the Accounting Division is still in the process of providing the cost of each item (medicines and medical supplies).</p> <p>Not Implemented</p> <p>Reiterated under Part II, No. 10</p>

Reference	Observations	Recommendations	Status of Implementation
	<p>P6.337 million from former officers and employees. Moreover, the general ledger (GL) balance and totals of the subsidiary ledger (SL) balances and Aging Schedule of the Advances to Officers and Employees and Other Receivable accounts are still not reconciled</p>	<p>b. Cause or order the withholding of payment of any money due to the officers and employees with long outstanding cash advances and strictly enforce the deduction from the salary of the employees in case of failure to liquidate their current CAs within the prescribed period as stated in the signed "Authority to Deduct", attached to the cash advance vouchers;</p> <p>c. Exert best efforts to reconcile the differences noted between the GL, SL and Aging Schedule and prepare the corresponding adjusting entries; and</p> <p>d. exert best efforts to recover the outstanding accountabilities by:</p> <ul style="list-style-type: none"> • Requiring those who left without being cleared or proper resignation to claim their terminal leaves benefits in order for the Authority to offset their accountabilities; • Where there are no terminal benefits available, have the separated employees or the next of kin of the deceased settle the amount through refund; and 	<p>Not Implemented</p> <p>Not Implemented</p> <p>Reiterated under Part II, No. 11</p> <p>Not Implemented</p> <p>Reiterated under Part II, No.12</p> <p>Not Implemented</p> <p>Reiterated under Part II, No.12</p>

Reference	Observations	Recommendations	Status of Implementation
		<ul style="list-style-type: none"> Should the aforementioned methods prove to be futile, the Authority should resort to legal remedies. 	Not Implemented
No. 4, page 44	4.7 Dividends payable for CY 2015 equivalent to 50 per cent of CAAP's Net Profit not recognized in the books	Recognize dividends payable equivalent to 50 per cent of the Authority's net profit for CYs 2013 to 2015 in the books.	Fully Implemented
No. 4, page 45	4.8 Donated Flight check A/C RP-178 Cessna U206F was not recognized as Aircraft and Aircraft Ground Equipment in the accounting books, however, the installation of a new engine and other major repairs thereon were recognized in the books	The Accounting Division to exert best efforts to record immediately the donated RP-178 Cessna U260F and effect adjustment to capitalize the installation of KT-76C dual transponder system.	Fully Implemented
No. 4, page 45	4.9 CAAP failed to achieve its objective of procuring a total of 116 infrastructure projects for CY 2015	CAAP to adopt a policy geared towards maximizing its resources to attain its objectives such as but not limited to the creation of additional Bids and Awards Committee (BAC) in the Head Office and the decentralization of the BAC in the Area Centers. Further, in the preparation of the APP, for Management to take into account the activities which can be achieved during the period.	Partially Implemented Planning strategies to achieve the maximum objective of procuring infra projects are still on-going.
No. 4, page 46	4.10 The accuracy of the valuation of the recorded cost of Motor Vehicles and Firefighting Equipment and Accessories of P16.116 million and P32.294 million	a. Conduct a physical inventory of motor vehicles and firefighting equipment and prepare the required report; and	Partially Implemented Only five motor vehicles were recorded.

Reference	Observations	Recommendations	Status of Implementation
	<p>respectively, are doubtful due to the inclusion of non-existing vehicles and the unrecognized 20 motor vehicles.</p>	<p>b. Book the unrecognized vehicles and equipment and de-recognize those included in the 2015 Lapsing Schedules but could no longer be located, in accordance with existing rules and proper documentations.</p>	<p>Not Implemented</p> <p>Reiterated under Part II, No. 6</p>
<p>No. 4, page 47</p>	<p>4.11 Not all insurable properties of the Authority are insured with the Government Service Insurance System (GSIS). Moreover, the unexpired portion of insurance premiums was recorded under the Insurance Expense account</p>	<p>a. Come up with the complete physical inventory of all properties and equipment in the Head Office and all the Airports under the twelve Area Centers and determine accordingly, all the insurable properties and its corresponding market value so that the same can be insured with the GSIS and if not approved, with any private insurance company in accordance with RA No. 656, for protection against any insurable risk.</p> <p>b. Require the Accounting Division to make the necessary adjusting journal entries to reclassify the unexpired portion of the insurance premiums of the fire industrial all risk and airport liability insurance.</p>	<p>Partially Implemented</p> <p>Reiterated under Part II, No. 18</p> <p>Fully Implemented</p>
<p>No. 4, page 48</p>	<p>4.12 Remittances from AEROTHAI amounting to \$1.064 million recorded in the books are without supporting documents</p>	<p>Submit monthly reports showing the total revenues generated; trainings, meetings and conferences attended by ANS specialists, and costs/funding/payment of</p>	<p>Partially Implemented</p> <p>The Accounting Division submitted the Schedule of Expenses however, no supporting documents were attached. Letter to</p>

Reference	Observations	Recommendations	Status of Implementation
No. 4, page 49	4.13 Majority of the accountable forms are procured from private printers and not from the National Printing Office (NPO)	<p>upgrade of Equipment including but not limited to duties, taxes, freight and insurance, if any, as supporting documents to the remitted amount to the Office of the Auditor for audit.</p> <p>a. Procure Accountable Forms from NPO or from other qualified private printers provided that the procurement complies with the requirements laid down in Memorandum Circular No. 180 dated August 13, 2009 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; and</p> <p>c. Obtain prior written waiver from NPO soonest for certificate/permits that cannot have a pre-printed form.</p>	<p>AEROTHAI was sent by the Accounting Division requesting for the supporting documents needed by COA.</p> <p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>
No. 4, Page 49	4.14 Monthly Reports of Accountability for Accountable Forms (RAAF) are not prepared.	Management to require the AFCs to prepare and submit the monthly RAAF covering the period from the date of their assumption to present and for the Authority to immediately assign AFCs to handle all other Accountable Forms.	Not Implemented
No. 4, Page 50	4.15 The Authority still uses the schedule of fees and charges prescribed in	Management to adopt and publish an updated schedule of fees and	Not Implemented

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	the Addendum dated October 5, 1998 to Department Order No. 94-762, Series of 1993 of the abolished Air Transportation Office (ATO), contrary to Section 17 of R.A. No. 9497	charges that are reasonable and in accordance with Section 17 of Republic Act No. 9497.	
No. 4, page 50	4.16 Unidentified disbursements included in the balance of Construction in Progress (CIP) – Other Public Infrastructure account amounting to P1.615 million remains unadjusted as of December 31, 2015	Management to identify this amount with the projects to which they are related and make the corresponding adjusting entries.	Not Implemented Reiterated under Part II, No. 8
No. 4, page 51	4.17 Deficiencies in internal control throughout the billing, collection and requisition of accountable forms	Management to evaluate its current practices, and formulate and issue written policy guidelines to guide its personnel on laws, rules and regulations pertaining to the billing of revenue, receipt and deposit of collections and requisition of accountable forms.	Not Implemented Reiterated under Part II, No. 16
No. 4, page 51	4.18 An active combo account with a balance of P7.300 million is still maintained with the Philippine National Bank (PNB), a non-government depository bank, contrary to DOF Department Order No. 001-2015	Management to close the PNB account and transfer its balance to the Authority's LBP mother account.	Fully Implemented
No. 4, page 52	4.19 The correctness, validity and reliability of the Accounts Payable (AP) in the amount of P215.603 million as of December 31, 2015 is doubtful.	a. Certify accounts payable only if there is a valid claim duly supported by valid, proper and sufficient documents; b. Maintain and	Fully Implemented Not Implemented

Reference	Observations	Recommendations	Status of Implementation
No. 4, page 52	4.20 Delayed submission of Year-end Financial Statements and related schedules and the Monthly Trial Balance and all related reports, schedules and documents	regularly update subsidiary ledgers for contractors, suppliers and other payees; and c. Timely submit the Aging Schedule of Accounts Payable Require all officials and employees concerned to submit the reports and related schedules and documents within the reglementary period.	Fully Implemented Partially Implemented Management is still delayed in the submission of some accounting, administrative and other reports.
No. 4, page 53	5. Deficiencies noted in the implementation of the prescribed billing procedures for CAAP Inspections.	The FSIS /AANSOO and/or AFS to: a. Indicate in the PPI/Invoice the type of certificate applied for by the client company for proper recording in the books; b. Include the certification fees in all PPI as provided in the Memorandum on the Billing Procedures for CAAP Inspections; c. Indicate the due date in the AFS Invoice; d. Submit basis for charging the client company the administrative fees, pre travel fees, VISA fee, travel tax and terminal fee which are included in the Invoice; and e. Set up Receivables DSA and related travel	Not Implemented Not Implemented Not Implemented Not Implemented Fully Implemented

Reference	Observations	Recommendations	Status of Implementation
No. 6, page 54	6. Failure of Management to comply with the requirements under Sections 13.1 and 34.2 of the IRR of RA 9184 in the procurement of goods/services by way of small value procurement	expenses upon issuance of the Invoice to client companies. Submit the lacking documents in compliance with the provisions of the IRR of RA 9184.	Fully Implemented
No. 7, page 55	7. Payments amounting to P62.568 million to various consultants for CY 2015 not sufficiently supported by pertinent documents	Submit the required documents.	Fully Implemented
No. 8, page 55	8. Deficiencies observed in the handling, maintenance and recording of petty cash fund (PCF)	<p>a. Strictly comply with the provisions of:</p> <ul style="list-style-type: none"> • RA 9184, particularly the use of the alternative methods of procurement; and • Administrative Order No. 17, series of 2011 in procuring common-use supplies from the PS. <p>b. Prepare the necessary adjusting entries to reclassify erroneous recording of the procured equipment and recording in the Head Office books of Area Center procurements.</p> <p>c. Reduce the number of PCCs and instruct them to strictly adhere to the provisions of COA Circular No. 97-002 specifically in limiting the PCFs to</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Not Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
No.9, page 57	<p>AREA CENTERS:</p> <p>9. The book balances of Cash accounts of several Area Centers are unreliable due to non-preparation/delayed submission of bank reconciliation statements (BRS).</p>	<p>payments of petty operating expenses and maintaining of cashbook.</p> <p>Area Center III a. Direct the Area Accountant to prioritize the submission of the corrected BRS for CYs 2014 and 2015 and henceforth submit the monthly BRS within 10 days after the end of each month.</p> <p>Area Center VIII b. Strictly observe the required preparation and submission of BRS to prove the reliability of the reported Cash in Bank balances.</p>	<p>Not Implemented</p> <p>Reiterated under Part II, No. 1</p> <p>Fully Implemented</p>
No. 10, page 58	<p>10. Daily collections of Collecting Officers (COs) of Area Centers not deposited intact on the banking day following the date of collection</p>	<p>Area Center X c. Require the Area Accountant to prepare and submit to COA without delay the BRS for all Cash in Bank accounts and fast-track the reconciliation of the GL and SL balances pertaining thereto.</p> <p>Area Centers VIII and X a. Require the COs to deposit their collections intact and within the prescribed period.</p> <p>Area Center X-Laguindingan b. Make arrangements with the depository bank for a daily pick up of collections. In case daily</p>	<p>Partially Implemented</p> <p>Partially Implemented</p> <p>Those in CAAP Calbayog were not deposited intact.</p> <p>Fully Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
No. 11, page 59	11. The value of the land occupied by the Davao International Airport (DIA) and the four satellite airports are not recorded in the books of Area Center XI due to lack of proofs of ownership	<p>deposit is not possible due to distance and security, request for a more frequent pick up of collections than the weekly schedule considering the accompanying risk in keeping in vault an average of P3.592 million worth of collections for a week before these are picked up. Moreover, Management should ensure that necessary controls are in place and strictly followed to avoid loss or misuse of undeposited funds.</p> <p>a. Prepare the necessary adjusting entries to record the transfer of the Land in Bislig Airport amounting to P25.770 million to Area Center XII where it should be booked up;</p> <p>b. Exhaust all means to cause the reconciliation of the unaccounted land amount of P3.679 million;</p> <p>c. Secure a copy of the Declaration of Real Property/Deed of Donation/Transfer Certificate of Title for the DIA, Mati Airport, Allah Valley Airport and Cotabato Airport from CAAP Head Office, if any, to properly book-up the land owned by CAAP Area Center XI; and</p> <p>d. Recognize in the</p>	<p>Fully Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p> <p>Fully Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
<p>No. 12, page 60</p>	<p>12. The Other Assets account of several Area Centers is doubtful due to lack of supporting documents, non-conduct of physical inventory, and non-transfer of unserviceable assets to the account</p>	<p>books the land value of the General Santos Airport</p> <p>Area Center I</p> <p>a. Exert best effort in securing pertinent documents and records pertaining to Other Assets account and adjust the same so that the account would be properly presented in the financial statements, in accordance/ adherence to COA Circular No. 2004-008;</p> <p>b. Conduct physical inventory and appraisal of other assets to determine the proper classification of the accounts and accordingly effect the necessary adjustments and transfer/turnover of accounts pertaining to Area Center II in line with the pertinent provisions of COA Circular No. 92-375;</p> <p>c. Properly document those assets determined for disposal in accordance with policies, procedures and guidelines.</p> <p>Area Center VI</p> <p>d. Require the disposal committee to prepare an inventory and inspection report and appraisal of all unserviceable property for appropriate disposal. It was further recommended that timely disposal be done as soon as the assets of the Area Center become unserviceable;</p>	<p>Partially Implemented</p> <p>The Accounting Section is still locating the records.</p> <p>Partially Implemented</p> <p>The Property Section is continuously conducting inventory taking.</p> <p>Partially Implemented</p> <p>A disposal committee is being created.</p> <p>Partially Implemented</p> <p>CAAP Area VI disposed most of the scap materials. They have also identified unserviceable property and is in the process of disposal.</p>

Reference	Observations	Recommendations	Status of Implementation
<p>No. 13, page 62</p>	<p>13. Area Centers' Accountable Officers and Collectors, including Job Order (JO) employees assigned to perform collection functions and technical and highly classified work in several Area Centers, are not bonded</p>	<p>and</p> <p>Area Center VIII e. Transfer to the Other Assets account all damaged assets including those awaiting disposal. Also exhaustive means must be adopted in the seeking of source as basis in assigning the book value of every affected asset.</p> <p>Area Center IV a. Require the regular employee designated as terminal fee collector to apply for fidelity bond immediately; b. Refrain from assigning JO employees to perform collection functions. Only those properly designated and adequately bonded officers must be allowed to perform collection functions; and c. Until regular/permanent accountable officers are assigned as terminal fee collectors, ensure that all other internal controls on collections are in place and strictly followed to avoid misapplication or loss of funds.</p> <p>Area Center V d. Expedite the renewal of the Acting Disbursing Officer's fidelity bond in accordance with law, in order to safeguard government</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Partially Implemented</p> <p>Proposal for additional regular personnel to perform as collector has already been made.</p> <p>Fully Implemented</p> <p>Fully Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
<p>No. 14, page 65</p>	<p>14. Management failed to provide depreciation for agency serviceable assets in several Area Centers</p>	<p>funds/properties against possible loss and/or misappropriation.</p> <p>Area Center X e. Refrain from assigning JO employees to perform collection and other sensitive and critical functions. Only properly designated and adequately bonded officers must be allowed to perform collection functions.</p> <p>Area Center XI f. Immediately direct the Accountable Officers/Collectors to apply for fidelity bond and subsequently, ensure that the renewal of their bonds is in accordance with Treasury Circular No. 02-2009 even if the status of employment of those not yet bonded is temporary or on a job order basis.</p> <p>Area Center I a. Compute periodically depreciation for all the properties of the Area Center except Land, to ensure fair presentation of depreciation and related accounts in the financial statements.</p> <p>Area Center VIII b. Strictly observe the policies and guidelines on the provision of depreciation values for all pertinent PPE components.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
No. 15, page 66	15. Unremitted taxes withheld in CY 2015 and Prior Years' in the total amount of P11.758 million and P6.350 million, respectively	Analyze and validate the unremitted taxes in order to facilitate remittance to the BIR and to strictly comply with Revenue Memorandum Circular No. 23-2007.	Fully Implemented
No. 16, page 66	16. GSIS premiums and loan payments and Pag-IBIG Fund contributions withheld from employees amounting to P2.555 million and P0.419 million, respectively, were not remitted within the prescribed period	Strictly adhere to the provisions of RA Nos. 8291 and 9679 pertaining to remittance of amounts withheld.	Fully Implemented
No. 17, page 67	17. Only P29.894 million or 12.81 per cent of the P233.421 million appropriated for GAD Projects/Activities/ Programs (PAPs) was utilized. 18. GAD projects included in the GAD Plan and Budget in the total amount of P9.513 million were not included in the Annual Procurement Plan (APP)	Exert best efforts to implement the proposed PAPs to address the gender issues raised for the benefit of both the riding public and their employees. Observe proper planning, as provided in the RIRR of RA 9184 in the preparation of the GAD Plan and Budget vis-à-vis the APP. No. 1, page 31	Not Implemented Reiterated under Part II, No. 19 Not Implemented Reiterated under Part II, No. 19