

### PART III - STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

Of the 85 prior year's audit recommendations, 29 were reiterated/restated in Part II of this Report, while 14 were closed<sup>1</sup>. Of the remaining 42 recommendations, 37 were implemented while 5 were not implemented as at audit date, as presented hereunder:

Status of Implementation	No. of Recommendations	Percentage
Implemented	37	88
Not Implemented	5	12
<b>Total</b>	<b>42</b>	<b>100</b>

The results of validation by the Audit Team on the implementation of the 42 audit recommendations are as follows:

Observations and Recommendations	Ref.	Management's Action	Auditor's Results of Validation
<b>CY 2022 AAR</b>			
<p>1. Misstatements on Property, Plant and Equipment (PPE) accounts due to:</p> <p>a) Unrecorded cost of transferred/donated buildings - P11,274,115.98;</p> <p>b) non-derecognition of transferred PPEs to the PAF - P1,563,673.43; and</p> <p>c) Erroneous computation of depreciation - P1,115,329.13.</p> <p><b>We recommended that Management:</b></p> <p><b>Instruct the Accounting Unit to:</b></p> <p><b>a. coordinate with the Property Unit to provide the necessary documents and recognize in the books the cost of donated buildings and equipment;</b></p>	<p>AAR 2022, Par.1.1 4-1.22, pages 53-55</p>	<p>Accounting has provided the documents and recognized the same in the books.</p>	<p><b>Implemented</b></p> <p>Transferred/donated Buildings already recorded in the books.</p>

<sup>1</sup> Closed recommendations pertain to a) recommendations that can no longer be implemented as they were already overtaken by events, or b) recommendations that were already issued with Notice of Disallowance/Suspensions

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<p>b. derecognize the remaining properties located at the old site of FAB Campus in accordance with relevant documents such as Property Transfer Report (PTR); and</p> <p>c. correct the computation of depreciation and effect the necessary adjustments on the affected accounts.</p>		<p>Accounting has derecognized the properties.</p> <p>The Accountant has updated the lapsing schedule.</p>	<p><b>Implemented</b></p> <p>Recorded per JEV No. GJ Local. 2023-12-136</p> <p><b>Implemented</b></p> <p>The Accountant has corrected the computation of depreciation of PPEs.</p>
<p>2. Misstatements on Liabilities account due to:</p> <p>a) erroneous recording of subsequent year remittance of taxes- P360,190.28; and</p> <p>b) erroneous recording of payment of penalties due to late remittances of taxes - P281,434.53.</p> <p><b>We recommended that Management:</b></p> <p>a. instruct the Accounting Unit to reconcile the monthly Summary of Taxes Withheld (STW) prepared by the remitting personnel with amounts in the General Ledger (GL) of Due to BIR account prior to remittance to ensure accurate reporting and amount of remittances;</p> <p>b. strictly enforce remittance of taxes withheld within the prescribed period as provided by the law; and</p> <p>c. prepare the adjusting entries to revert the erroneous entries in the Due</p>	<p>AAR 2022, Par.1.2 3-1.26, pages 55-56</p>	<p>The Accountant before remittance is reconciling the Taxes Withheld (STW) with the General Ledger (GL) of Due to BIR Account.</p> <p>The Accountant strictly observed the prescribed period in the remittance of taxes withheld</p> <p>The Accountant has made the adjusting entries.</p>	<p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management compliance /implementation thereof.</p> <p><b>Implemented</b></p> <p>Prescribed period of remittance is observed. The Audit Team will monitor the Management's compliance on subsequent tax remittances.</p> <p><b>Implemented</b></p> <p>Adjusted per JEV No. GJ Local 23-01-001</p>

Observations and Recommendations	Ref.	Management's Action	Auditor's Results of Validation
<b>to BIR account.</b>			
<p>3. Lapses in cash management resulting in:</p> <ul style="list-style-type: none"> <li>a) unauthorized retention of Payroll Fund- P137,678.53; and</li> <li>b) unreconciled balance per books as compared to confirmed balance per bank - P20,887,080.95</li> </ul> <p><b>We recommended that Management:</b></p> <ul style="list-style-type: none"> <li>a. <b>determine the nature of the unknown deposits per bank under Payroll Fund and STF accounts and record in the books, if warranted by the circumstances; those allowed to be temporarily retained for specific purpose/activity should be closely monitored and any unutilized/unsupported balances should be deposited to the National Treasury.</b></li> </ul>	<p>AAR 2022, Par.2.3 -2.10, pages 58-59</p>	<p>Nature of unknown deposits were identified and those allowed to be retained temporarily were closely monitored.</p>	<p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management compliance/ implementation thereof.</p>
<p>4. Lapses in inventory management resulting in:</p> <ul style="list-style-type: none"> <li>a) purchases of inventories recorded as outright expenses- P2,524,430.65;</li> <li>b) prior year's undocumented adjustments - P622,371.99;</li> <li>c) non-moving balances - P1,904,520.75;</li> <li>d) incomplete conduct of physical count and delayed submission of Report on the Physical Count of Inventories (RPCI) for semi-expendable inventories; and</li> <li>e) non-maintenance of forms, registries, and various source</li> </ul>	<p>AAR 2022, Par.2.1 1-2.21, pages 59-61</p>		

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documents.			
<b>We recommended that Management substantiate the recorded adjustments of inventory accounts and submit the report to the Office of the Auditor; otherwise, reverse the prior year's recorded adjustments.</b>		The Accountant has reversed the prior year's adjustment.	<b>Implemented</b>  The Audit Team has validated copies of JEVs submitted by the Accounting Unit.
<p>5. Lapses in PPE management resulting in:</p> <p>(a) misclassification within PPE accounts – P309,210.58;</p> <p>(b) unreconciled differences between the FS and RPCPPE – P310,790,296.11;</p> <p>(c) non-provision of depreciation on donated equipment – P3,242,027.50; and</p> <p>(d) variance between the FS and PPELC – P1,990,431.00.</p> <p><b>We recommended that Management:</b></p> <p><b>a. Require the Accountant to make the necessary adjusting journal entries to reclassify the affected accounts within the PPE accounts;</b></p> <p><b>b. Instruct the Property Unit to determine the value and ownership of the donated three parcels of land and submit to the Accounting Unit pertinent supporting documents, such as the Deed of Donation for the three donated parcels of land for proper booking; and</b></p>	<p>AAR 2022, Par.2.2 2-2.30, pages 61-64</p>	<p>The Accountant has prepared the necessary adjusting journal entries.</p> <p>The Accountant has prepared the necessary adjusting journal entries.</p>	<p><b>Implemented</b></p> <p>The Accountant has prepared the necessary adjusting journal entries to correct the balance of affected accounts.</p> <p><b>Implemented</b></p> <p>Donated three parcels of land already recorded in books.</p>

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<p><b>c. Instruct the Accountant to recognize depreciation for items donated by Megaworld.</b></p>		<p>The Accounting Unit has recognized the depreciation of items donated by Megaworld.</p>	<p><b>Implemented</b></p> <p>Validated the adjusting entries and found in order.</p> <p>The Accountant has prepared the necessary adjusting journal entries to correct the balance of affected accounts.</p>
<p>6. Variance between the FS/TB/GL and Per Accounted JEVs recorded balances</p> <p><b>We recommended that Management thru the Accounting Unit agreed to reconcile the account balances with noted discrepancies and prepare adjusting entries, as necessary.</b></p>	<p>AAR 2022, Par.2.3 3-2.36, pages 64-65</p>	<p>The Accounting Unit has prepared the necessary adjusting entries thru the JEV before effecting the same to the General Ledger (GL) and special journals.</p>	<p><b>Implemented</b></p> <p>Validated the adjusting entries and found in order.</p> <p>The Audit Team will continuously monitor the Management compliance/implementation thereof.</p>
<p>7. Of the total allotments received in CY 2022 amounting to P322,275,161.41, the amount of P309,370,130.48 or 96 percent was obligated by PhilSCA, leaving an unobligated balance of P12,905,030.93, or equivalent to a marginal percentage of four percent as at yearend, which was largely attributed to unutilized allotments for Maintenance and Other Operating Expenses (MOOE) and Personnel Services (PS). While the absorptive capacity of the College for its Regular Agency Fund (RAF) is generally commendable, several operational lapses in its planning, utilization and monitoring were observed such as the absence of</p>	<p>AAR 2022, Par.3, pages 65-69</p>		

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<p>detailed Work and Financial Plan (WFP), Annual Procurement Plan (APP) and Procurement Monitoring Report (PMR), which limited the Audit Team in identifying the utilization for specific Projects/Programs/Activities (PPAs); and significant amount of unreleased appropriations of P218,523,206.00 or 42.03 percent, thus, the foregone operational benefits to stakeholders.</p> <p><b>We recommended that Management:</b></p> <p><b>a. Intensify the filling up of unfilled plantilla positions for teaching and non-teaching personnel through publication of the vacant positions;</b></p> <p><b>b. Maximize the utilization of the allotments received within the period of its validity to ensure that the optimum results and benefits derived from the funds would be realized;</b></p> <p><b>c. Promptly coordinate with the concerned College project proponents /focal person about the submission of necessary reports and documentary requirements to the DBM, to ensure the effective and efficient utilization of funds intended for its planned PPAs; and</b></p> <p><b>d. come up with a catch-up action plan including interventions on the programs with</b></p>		<p>The Management conducts the continuous filling up of unfilled plantilla positions through publication.</p> <p>Released allotments will be obligated once the contracts are finalized by the BAC and Procurement Office, and approved by the PhilSCA BOT for huge projects.</p> <p>The Budget Office has coordinated with the concerned project proponents about the submission of DBM requirements.</p> <p>The BAC has come up with a catch-up plan to prioritize the immediate</p>	<p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management compliance/implementation thereof.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management's implementation thereof.</p> <p><b>Implemented</b></p> <p>Coordination with the concerned Colleges is being done.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the</p>

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<b>unutilized/underutilized allotments in FY 2022.</b>		procurement of budgeted items included in the unutilized allotments in FY 2022.	Management's implementation thereof.
<p>8. Deficient controls in the management of fixed assets were observed at PhilSCA, which resulted in the failure of the College to timely reconcile the reported balance of PPE and exposed the properties and stakeholders to the risk of hazards and possible losses without early detection and recovery, contrary to the pertinent provisions of GAM for NGAs, Volume I, and various COA and DBM issuances.</p> <p><b>We recommended that Management:</b></p> <p>a. <b>instruct the Accounting Unit to provide complete information of reported properties in the PPELC as required by GAM for NGAs Volumes I and II;</b></p> <p>b. <b>direct the Accounting Unit to attach copies of original source documents such as IARs and DRs in the journal entry vouchers submitted and as supporting documents to the PPELC prepared by their Office;</b></p> <p>c. <b>instruct the AOs to submit complete sets of documents required under COA Memorandum No. 92-751, dated February 24, 1992, and henceforth, immediately notify the COA Audit Team of any losses on the properties of the</b></p>	AAR 2022, Par. 8, pages 81-84	<p>The Accounting Unit has been instructed to complete the details and needed information in the PPELC.</p> <p>The Accounting Unit has been directed to attach supporting documents as basis of JEVs.</p> <p>The Management has instructed the AOs and commits to immediately notify the Audit Team and submit the necessary request for relief of accountability.</p>	<p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management compliance thereof.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management compliance thereof.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management's compliance thereof.</p>

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<p>Colleges due to theft/robbery and submit relief of accountability; and</p> <p>d. fully account for all the items for disposal and fast-track the process of appraisal and disposal of the unserviceable properties.</p>		<p>The concerned committee has disposed of all the items due for disposal which were placed in the vacant fields in front of the Guestel.</p>	<p><b>Implemented</b></p> <p>The Accountant has prepared the journal entries to record the disposal of unserviceable properties.</p>
<p>9. The delay in the repairs of buildings and structures and the construction of the new building projects on the PhilSCA-MBEAB Campus resulted in further deterioration, deprived its students, employees, and other stakeholders of convenient and safe facilities, posed possible risks of hazardous elements, and affected the adequate security of its assets, equipment, records, and documents.</p> <p><b>We recommended and Management agreed to:</b></p> <p>a. evaluate the conduciveness, safety, and stability of the buildings and structures at PhilSCA-MBEAB Campus;</p> <p>b. promptly conduct the necessary substantial repairs and maintenance and fast-track the procurement process for the construction of a new building at the new site; and</p>	<p>AAR 2022, Par.9, pages 84-86</p>	<p>The Management has evaluated the conduciveness, safety, and stability of the buildings and structures at PhilSCA-MBEAB Campus following the recent trip of college officials last June 1, 2023.</p> <p>A Memorandum of Agreement with DPWH VII was approved by the PhilSCA BOT to fast-track the procurement process for the</p>	<p><b>Implemented</b></p> <p>PhilSCA Officials have conducted meeting and inspection with the PAF CESO and DPWH Representatives on June 01, 2023.</p> <p><b>Implemented</b></p> <p>PhilSCA Officials have conducted meeting and inspection with the PAF CESO and DPWH</p>



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<p>c. henceforth, immediately notify the COA Audit Team of any damages and losses on the properties of the Colleges caused by fortuitous events such as typhoons and elements of time and submit a request for relief from accountability in accordance with Section 73 of PD No. 1445, COA Memorandum No. 92-751 dated February 24, 1992, and Section 41, Chapter 10, of the GAM for NGAs Volume I.</p>		<p>construction of a new building at the new site with corresponding budget</p> <p>The Management commits to immediately notify the COA Audit Team of any damages and losses of properties caused by fortuitous events.</p>	<p>Representatives on June 01, 2023.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management implementation thereof.</p>
<p>10. Deficiencies and lapses in the IGP operations of the PhilSCA-MBEAB Campus were still observed, despite the audit team's prior year's audit observations and recommendations, resulting in poor program implementation and a lack of program reporting and control mechanisms and exposing the College to the risk of not being indemnified or compensated in case of loss through theft or misappropriation.</p> <p><b>We recommended and Management agreed to:</b></p> <p>a. provide the designated IGP Head with training as to the proper Management of the inventory items, maintenance of summary reports for record keeping and accountability monitoring purposes, as well</p>	<p>AAR 2022, Par.10, pages 86-88</p>	<p>The Management has conducted the necessary training.</p>	<p><b>Implemented</b></p> <p>Training relative to proper management of inventory has been conducted by SA Bernales and ATL De Guzman.</p>

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<p>as to serve as an audit trail during cash examination;</p> <p>b. formulate comprehensive internal control policies and operating procedures that will govern the operational, accounting, reporting, and utilization guidelines to be followed by the personnel assigned to manage and operate the College's IGPs across all campuses; and</p> <p>c. ensure that the IGP Heads are properly bonded.</p>		<p>A draft policy was submitted to the College President on March 2023 for approval.</p> <p>IGP Heads are properly bonded.</p>	<p><b>Not Implemented</b></p> <p>The approved internal control policy for the College's IGP is yet to be submitted.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management's implementation/ compliance thereof.</p>
<p>11. The unreleased/delayed release of funds to student-grantees, absence of MOA with CHED Regional Offices (CHEDROs) and inadequate submission of supporting documents for the liquidation of funds were still observed in the implementation of the TDP, causing deferment of educational support benefits for the underprivileged student-grantees of PhilSCA, precluding the Audit Team from properly evaluating the compliance of the campuses with the project reporting and monitoring, and affecting the propriety and reliability of funds utilized, contrary to CHED-DBM issuances, and various laws, rules, and regulations.</p> <p><b>We recommended and Management agreed to:</b></p>			

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<p>a. expedite the release of the TDP grants totaling P580,987.50 to the grantees and furnish the Audit Team of the CHED-received liquidation reports;</p> <p>b. make representation with CHED-UniFAST for any unreleased funds as of audit date and expedite the preparation of the billing statements and subsequent release of TDP grants, as necessary;</p> <p>c. submit the copies of MOA with CHEDROs NCR, IV-A, III, and VI of FAB, BAB, and MBEAB Campuses; and</p> <p>d. ensure the submission of required documents such as CHED-validated master lists, billing statements, general payrolls, and photocopies of Identification Cards in their prescribed forms, pursuant to Sections 5 and 6 of CHED-UniFAST MC No. 02, s. 2022 and other related laws, rules, and regulations.</p>		<p>The Management has released the TDP Funds to the grantees and submitted liquidation reports.</p> <p>The CHED - UniFAST has released subsequent funds to PhilSCA for distribution to grantees.</p> <p>The TDP Coordinator has submitted copies of the MOA.</p> <p>The TDP Coordinator has submitted the required documents.</p>	<p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management's implementation/ compliance thereof.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management's implementation/ compliance thereof.</p> <p><b>Implemented</b></p> <p>Copies of MOA were submitted to the Office of the Auditor.</p> <p><b>Implemented</b></p> <p>The Audit Team will continuously monitor the Management's implementation/ compliance thereof.</p>
<b>CY 2021 AAR</b>			
12. Misstatement on Property, Plant and Equipment (PPE) account due to: c.1) unrecorded cost of completed building and gymnasium - P86,020,000.00; c.2) non-derecognition of transferred PPEs to the Philippine Air Force (PAF) - P6,165,355.19; c.3) unrecorded Impairment Loss on unserviceable properties - P1,273,648.94; and c.4) incorrect	AAR 2021, Par.1.c, pages 47-53		

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<p>method of depreciation - P2,443,248.91</p> <p><b>We recommended that Management:</b></p> <p><b>I. instruct the Accounting Office to:</b></p> <p><b>a. record the impairment loss on unserviceable PPEs;</b></p> <p><b>II. Direct the Property/ Supply Office to:</b></p> <p><b>b. accomplish completely the Inventory and Inspection Report of Unserviceable Property (IIRUP) dated September 16, 2020, and submit supporting documents on the disposal of the unserviceable properties for reconciliation in the records of the Accounting.</b></p>		<p>The Accountant has recorded the impairment loss of unserviceable properties at Fernando Air Base (FAB) Campus, Batangas.</p> <p>The Supply Office has coordinated with the responsible college officials to accomplish and submit the IIRUP.</p>	<p><b>Implemented</b></p> <p>The Accountant has prepared the necessary adjusting journal entries to correct the balance of affected accounts.</p> <p><b>Implemented</b></p> <p>The IIRUP for the motor vehicle costing P478,071.00 (net amount of P47,807.10) has been submitted.</p>
<p>13. Unreconciled balances in the Financial Statement (FSs) and source Journals totaling P89,846,827.82.</p> <p><b>We recommended that Management henceforth conduct a careful and thorough review of the accounts before closing the books to ensure the completeness and accuracy of the balances of the accounts presented in the FSs.</b></p>	<p>AAR 2021, Par. 2 (a), pages 55-58</p>	<p>The Accountant has checked and reviewed the accounts before preparation of the Post-Closing Trial Balance.</p>	<p><b>Implemented</b></p> <p>The Accounting Office has submitted pre-closing trial balances for both Fund Clusters.</p>

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<p>14. The PhilSCA did not adhere to some of the provisions of Republic Act (RA) No. 9184 or the Government Procurement Reform Act and COA rules and regulations in the procurement of goods, services, and infrastructure-related projects as the following deficiencies were noted: a) lapses during the procurement activities; b) payment for progress and final billing were not supported with proper and complete documentation; c) disposal of properties was included as scope of work of the contract; d) discrepancy of 120 days in the target date of completion between the Contract and its Special Condition for Rehabilitation of Electrical Lines and Equipment; e) deficiencies in the request for extension of contract time; and f) delayed submission of perfected contracts and supporting documents. All these cast doubts on the propriety and regularity of the procurement processes, defeating the purpose of the law on transparency, competitiveness, and accountability.</p> <p><b>We recommended that Management:</b></p> <p><u>On the Deficiencies in the Payment of Progress/Final Billing</u></p> <p><b>a. require the assigned inspectors to always prepare and submit a punch list, detailing the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project as required under Annex E of</b></p>	<p>AAR 2021, Par. 6, pages 74-84</p>	<p>The assigned inspectors have prepared and submitted the punch list as recommended by the Audit Team.</p>	<p><b>Implemented</b></p> <p>Payment of Progress/Final Billing now have punch list detailing the remaining works and their necessary information as required under Annex E of the revised IRR of RA 9184.</p>

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<p><b>the Revised IRR of RA No. 9184; and</b></p> <p><u>On the Disposal of properties as scope of work of the contract:</u></p> <p><b>b. formulate guidelines on the disposal of the removed and/or replaced materials in accordance with NBC No. 425 or the Manual on Disposal of Government Property;</b></p>		<p>The Management has provided the approved policies on the disposal of materials for approval of the Board of Trustees (BOT).</p>	<p><b>Implemented</b></p> <p>The approved policy on the disposal of materials was released on October 11, 2022</p>
<p>15. The College did not strictly adhere to the provisions of RA No. 10931 and its IRR and CHED-Unified Student Financial Assistance System for Tertiary Education (UniFAST)-DBM Joint Memorandum Circular (JMC) No. 04 S. 2020 as lapses in the implementation of Tertiary Education Subsidy (TES) program were observed such as: a) delayed issuance of ORs for every amount received from CHED Regional Office (CHEDRO); b) delayed release of funds, causing deferment of benefits to the student-grantees; c) inadequate submission of supporting documents for the liquidation of funds, affecting the timely evaluation of the propriety of fund utilization; d) non-utilization of the Administrative Support Cost (ASC), adding unnecessary expenses to the College; and e) non-maintenance of separate book for Trust Receipts.</p> <p><b>We recommended that Management:</b></p>	<p>AAR 2021, Par.14, pages 109-114</p>		

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<p>a. immediately distribute the unreleased TES funds of P41,200.00 to the qualified TES student-grantees;</p> <p>b. maintain a separate bank account with the Land Bank of the Philippines (LBP) and a separate book of accounts to properly and timely manage the receipt and distribution of the TES financial assistance funds transferred by CHED.</p>		<p>The Management has distributed the unreleased TES funds.</p> <p>None</p>	<p><b>Implemented</b></p> <p>Liquidated as of March 29, 2023</p> <p><b>Not Implemented</b></p> <p>The College still does not maintain separate bank account for the TES funds received from CHED, contrary to the IRR of RA 10931.</p>
<b>CY 2019 AAR</b>			
<p>16. Expenses amounting to P71,739.00 incurred in the conduct of "Salamat - Mabuhay Program" were deemed unnecessary and irregular, as contemplated in COA Circular 2012-003 dated October 29, 2012, and was not in consonance with the Civil Service Commission (CSC) Memorandum Circular No. 7, series of 1998, which cast doubts on the propriety and validity of the said disbursements.</p> <p><b>We recommended that Management hold the disbursing officer and the approving officials accountable for the unauthorized, irregular, and extravagant disbursements of government funds by having them and the payees refund the corresponding amounts paid and received, respectively.</b></p>	AAR 2019, Par.11	<p>The Director of HRMSD submitted justification to the PhilSCA COA Audit Team.</p>	<p><b>Not Implemented</b></p> <p>The Audit Team followed up with the Management on the action taken to refund the expenses incurred in the "Salamat Mabuhay Program."</p> <p>For issuance of ND by the Audit Team.</p>
<p>17. Other Receivables amounting to P926,307.75 which remained dormant for more than nine to 17 years are of doubtful collectability and rendered the account balance</p>	AAR 2017, pages 53 – 58		

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<p>unreliable, contrary to International Public Sector Accounting Standards (IPSAS) No. 1 on the fair presentation of the FSs. Moreover, only a minimal amount of P4,000.00 out of P883,000.00 Loans Receivables–Others was collected and the remaining amount of P879,000.00 remained outstanding for more than nine years.</p> <p><b>We recommended that the Management:</b></p> <p><b>a. exhaust all efforts to recover the cash shortage from former employees who incurred cash shortage;</b></p> <p><b>b. send final demand letters to settle Unliquidated cash advances made to concerned officials and submit a copy thereof to the Audit Team; and</b></p> <p><b>c. send demand letters to the last known address of the grantees of (SAFE-4-SR) to enforce collection thereof.</b></p>		<p>The Management has sought the assistance of the Office of the Solicitor General (OSG) to make the final demand letter to Ms. Palado and/or to take appropriate legal action against her to recover the cash shortage she incurred.</p> <p>The Management has sent the final demand letters.</p> <p>The Management has sent the demand letters.</p>	<p><b>Not Implemented</b></p> <p>No collection of cash shortage to date.</p> <p>The Management has sent demand letters and contacted former employees through social media platforms.</p> <p><b>Implemented</b></p> <p>The Audit Team has been furnished copies of demand letters sent by Management.</p> <p><b>Implemented</b></p> <p>The Audit Team has been furnished copies of demand letters sent by Management.</p>
<p>18. The accountabilities/ cash shortages of the two former Cashiers of PhilSCA were not properly booked up resulting in the overstatement of Cash-Collecting Officer account by P107,504.05, misstatement of</p>	<p>AAR 2012, Par. 24-31, pages 25-27</p>		



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<p>Prior Year Adjustments Account by P51,477.27 and understatement of the Other Receivables Account by P158,981.32, which represents the total accountability, and which has not yet been settled to date, thus may result in loss of government funds.</p> <p><b>We recommended that Management initiate immediately legal remedies to recover the funds from Ms. Palado and from the heirs of the late Ms. Daligdig to protect the interest of the government.</b></p>	<p>AAR 2011</p> <p>AAR 2007</p>	<p>The Management is still in the process of requesting the write-off for the relief of accountability of the late Ms. Daligdig, and the preparation of a final demand letter or appropriate legal action against Ms. Palado.</p>	<p><b>Not Implemented</b></p> <p>No settlement as of to date. The Management has sent a demand letter dated May 13, 2024, addressed to Ms. Palado for the settlement of the amount.</p> <p>For issuance of ND by the Audit Team.</p>