

Philippine Council for Industry, Energy and Emerging Technology Research and Development (PCIEERD)
4&5/F Science Heritage Bldg., DOST Cmpd., Bicutan, Taguig City
AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2020
As of December 31, 2021

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION									
Ref.	Audit Observation	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken/ Action to be taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
CY 2020									
2020 AAR Par. 4-7 pages 46-47	1. Erroneous classification of fund transfers to private entities and HEIs; GOCC; and SUCs totaling to ₱19,924,412.68 and ₱475,313,779.56 as at December 31, 2020, under the <i>Due from National Government Agencies (NGAs)</i> and <i>Due from Non-Government Organizations/Civil Society Organizations (NGOs/CSOs)</i> account, respectively.	We recommended and Management agreed to require the Accountant to prepare the necessary adjusting entries debiting <i>Other Receivables</i> and <i>Due from GOCC</i> account in the amount of ₱489,208,192.24 and ₱100,000.00, respectively, and crediting <i>Due from NGAs</i> and <i>Due from NGOs/CSOs</i> account by ₱13,994,412.68 and ₱475,313,779.56, respectively	The concerned accountant to prepare the necessary adjusting entries debiting <i>Other Receivables</i> and <i>Due from GOCC</i> account in the amount of ₱489,208,192.24 and ₱100,000.00, respectively, and crediting <i>Due from NGAs</i> and <i>Due from NGOs/CSOs</i> account by ₱13,994,412.68 and ₱475,313,779.56, respectively.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		Adjustments: JEV-20214)6-000572 JEV-2021-06-001290 JEV-2021-06-001293 JEV-2021G-001373 JEV-20214)6-001374 JEV-2021-06-001375 JEV-2021-06-001376 JEV-2021-06-001377 JEV-2021-06-001389 JEV-2021-06-001390

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2020 AAR Par. 8-10 pages 47-48	2. Duplicate recording of liquidation amounting to ₱804,053.58 under the <i>Due from NGAs</i> account	We recommended and Management agreed to require the Accountant to prepare the necessary adjusting entries debiting <i>Due from NGAs</i> account and crediting <i>Accumulated Surplus/(Deficit)</i> account by ₱804,053.58.	The concerned Accountant to prepare the necessary adjusting entries debiting <i>Due from NGAs</i> account and crediting <i>Accumulated Surplus/(Deficit)</i> account by ₱804,053.58.	FAD-Accounting	March	July 31, 2021	Fully Implemented		Adjusted per JEV No. 2021-04-001203
2020 AAR Par. 11-14 pages 48	3. Erroneous recognition of undelivered inventory items of ₱163,235.40 as outright expense	We recommended and Management agreed to require the Accountant to prepare the necessary adjusting entries for the undelivered items amounting to ₱163,235.40.	The concerned Accountant to prepare the necessary adjusting entries for the undelivered items amounting to ₱163,235.40.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		Adjusted per JEV-2021-06-000540
2020 AAR Par. 15-20 pages 48-50	4. Erroneous recognition of materials purchased for the fabrication of six (6) thermal scanners overstated the <i>Other Professional Services</i> and <i>Other Supplies and Materials Expenses</i> by ₱363,375.00 and ₱180,840.00, respectively, and the accounts <i>Other PPE</i> and <i>Accumulated Depreciation</i>	We recommended and Management agreed to require the Accountant to effect the necessary adjusting entries reclassifying the cost of the six (6) thermal scanners into its appropriate <i>PPE</i> account and accordingly recognizing the corresponding depreciation	The concerned Accountant to effect the necessary adjusting entries reclassifying the cost of the six (6) thermal scanners into its appropriate <i>PPE</i> account and accordingly recognizing the corresponding depreciation amounting to	FAD –Property FAD-Accounting;	March	Dec. 31, 2021	Fully Implemented		Property Section to submit revised Property Acknowledgment Receipt (PAR) of the six (6) thermal scanners

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	were understated by ₱544,215.00 and ₱51,700.43, respectively	amounting to ₱544,215.00 and ₱51,700.43, respectively.	₱544,215.00 and ₱51,700.43, respectively.						
2020 AAR Par. 21-27 pages 50-51	5. Failure to recognize semi-expendable items upon delivery resulted in negative balance for <i>Semi-Expendable ICT Equipment</i> account under Trust Fund amounting to ₱58,000.00	We recommended and Management agreed to require the Accountant to effect the necessary adjusting entries debiting <i>Semi-Expendable ICT Equipment</i> and crediting <i>Other Receivables</i> account, both by ₱58,000.00.	The Accountant to effect the necessary adjusting entries debiting <i>Semi-Expendable ICT Equipment</i> and crediting <i>Other Receivables</i> account, both by ₱58,000.00.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		Already Adjusted: JEV-2021-02-000189 Validation of the adjusting entry under JEV-2021-02-000189 dated Feb 1, 2021 revealed that negative SL balances still exist for the two (2) semi-expendable items, as follows:
2020 AAR Par. 28-32 pages 51-52	6. Non-reclassification of Other PPE of ₱52,040.00 which are below the capitalization threshold of ₱15,000.00 to semi-expendable property	We recommended and Management agreed to require the Accountant to reclassify the PPE below the capital threshold of ₱15,000.00 by debiting <i>Accumulated Depreciation-Other PPE</i> and <i>Accumulated Surplus/(Deficit)</i> account in the amount of ₱609.56 and ₱51,430.44, respectively, and crediting <i>Other PPE</i> account in	The Management to require the Accountant to reclassify the PPE below the capital threshold of ₱15,000.00 by debiting <i>Accumulated Depreciation-Other PPE</i> and <i>Accumulated Surplus/(Deficit)</i> account in the amount of ₱609.56 and ₱51,430.44, respectively, and crediting <i>Other PPE</i> account in the	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		Adjustment is effected

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		the amount of ₱52,040.00 in accordance with Section 10, Chapter 8 the GAM, Volume I.	amount of ₱52,040.00 in accordance with Section 10, Chapter 8 the GAM, Volume I.						
2020 AAR Par. 33-39 pages 52-53	7. Non-provision of depreciation for <i>ICT Equipment</i> and <i>Other PPE</i> accounts amounting to ₱651,733.25 and ₱61,536,924.37, respectively.	We recommended and Management agreed to require the Accountant to: (a) refrain the aggregate recording of equipment outlay during the liquidation of the implementing agencies; and	The Management to require the Accountant to: (a) refrain the aggregate recording of equipment outlay during the liquidation of the implementing agencies; and	FAD- Accounting; Technical Division Project Accountants	March	Dec. 31, 2021	Fully Implemented	CY 2021 is cleared with the aggregate recording of equipment outlay in liquidating the implementing agencies' advances/ project funds releases. The previously recorded equipment outlay were not yet itemized and no provision of depreciation was provided as of this writing.	

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		(b) effect the necessary adjustments and henceforth, ensure the provision of depreciation on all PPE being used in the operation.	(b) effect the necessary adjustments and henceforth, ensure the provision of depreciation on all PPE being used in the operation.	FAD-Accounting; project Accountants	March	Dec. 31, 2021	Partially Implemented		Various adjustments have been taken reversing the inbulk PPE recording. Continuous reviewing for reversal entries to zero out in bulk PPE entries entered in prior years.
2020 AAR Par. 40-46 pages 53-54	8. Erroneous provision for depreciation amounting to ₱1,223,340.90 resulting in carrying amount not equal to zero or residual value at the end of estimated useful life of PPE	We recommended and Management agreed to require the Accountant to strictly comply with Section 27, Chapter 10 of the GAM, Volume I on the provision for depreciation of PPE.	The Management to require the Accountant to strictly comply with Section 27, Chapter 10 of the GAM, Volume I on the provision for depreciation of PPE.	FAD-Accounting; Technical Division Project Accountants	March	Dec. 31, 2021			The accountant concerned is strictly complying with the GAM on the provision of depreciation.
2020 AAR Par. 47-50 pages 54-55	9. Inconsistency in the application of estimated useful life for various PPE accounts amounting to ₱11,767,695.94 resulting in overstatement of	50. We recommended and Management agreed to require the Accountant to:	the Accountant to: (a) to effect the necessary adjusting entries through debiting the related <i>Accumulated</i>	FAD-Accounting;	March	Dec. 31, 2021	Fully Implemented		Adjusted already

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	the related <i>Accumulated Depreciation</i> and <i>Depreciation Expense</i> account by ₱800,634.64 and ₱450,951.36, respectively, and understatement of <i>Accumulated Surplus/(Deficit)</i> account by ₱349,683.28	(a) to effect the necessary adjusting entries through debiting the related <i>Accumulated Depreciation</i> account and crediting <i>Accumulated Surplus/(Deficit)</i> account, both by ₱800,634.64;	<i>Depreciation</i> account and crediting <i>Accumulated Surplus/(Deficit)</i> account, both by ₱800,634.64;	Technical Division project accountants					
(b) ensure consistency in the assignment/application of estimated useful life for PPE in accordance with the agency's policy as disclosed in the Notes to Financial Statements; and		(b) ensure consistency in the assignment/application of estimated useful life for PPE in accordance with the agency's policy as disclosed in the Notes to Financial Statements; and	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		Adjusted already	
(c) ensure that the Accounting personnel-in-charge has an updated list of PPE classification and its useful life.		(c) ensure that the Accounting personnel-in-charge has an updated list of PPE classification and its useful life.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		The concerned accounting personnel-in-charge was given/informed of the updated list of PPE classification and its useful life (M. Dasalla)	
2020 AAR Par. 51-55 pages 55-56	10. Failure to derecognize accumulated depreciation of	We recommended and Management agreed to require the Accountant to:	the Accountant to: (a) ensure that the related <i>Accumulated</i>	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		All related Accumulated Depreciation account

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	₱51,018.34 for transferred PPE	(a) ensure that the related <i>Accumulated Depreciation</i> account is appropriately derecognized with the PPE account; and (b) effect the necessary adjustments by debiting <i>Accumulated Depreciation-Other PPE</i> account and crediting <i>Accumulated Surplus/(Deficit)</i> account in the amount of ₱51,018.34.	<i>Depreciation</i> account is appropriately derecognized with the PPE account; and (b) effect the necessary adjustments by debiting <i>Accumulated Depreciation-Other PPE</i> account and crediting <i>Accumulated Surplus/(Deficit)</i> account in the amount of ₱51,018.34.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		will be derecognized with the PPE account appropriately; Adjusted as per JEV No. 2021-02-000523
2020 AAR Par. 56-62 pages 56	11. Recognition of equipment/Other PPE acquisition by IAs amounting to ₱164,523,138.78	We recommended that Management require the Accountant to record the liquidation of inter-agency transfer fund in strict compliance with the illustrative accounting entries shown in Annex M of the GAM, Volume I.	The concerned Accountant to record the liquidation of inter-agency transfer fund in strict compliance with the illustrative accounting entries shown in Annex M of the GAM, Volume I.	FAD-Accounting Technical Division Project accountants	March	Dec. 31, 2021	Fully Implemented		Liquidation entries per GAM is strictly followed except for Other Receivables.
2020 AAR		We reiterated our prior year's recommendations and	The accountant to:	FAD-Accounting	March	July 31, 2021	Fully		The accounting ensured that starting

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Par. 63-75 pages 56-59	12. Recognition of not yet due and demandable obligations amounting to ₱72,940,299.76	Management agreed to require the Accountant to: a. stop the practice of recording of payables for NYDDO; and	a. stop the practice of recording of payables for NYDDO; and				Implemented	CY 2021, there will be no more recording of payables which are not yet due	
		b. prepare necessary adjusting entries for the outstanding receivables amounting to ₱26,679,187.13.	b. prepare necessary adjusting entries for the outstanding receivables amounting to ₱26,679,187.13.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		
2020 AAR Par. 76-80 pages 59-61	13. Erroneous recording of liquidation and reversion of unexpended balances to the SAs resulted in the understatement of the <i>Due to NGAs</i> account by ₱2,135,235.94 and existence of negative balances amounting to ₱(3,045,317.96)	We recommended and Management agreed to require the Accountant to review/correct/update the project individual SL and ensure that the balances appearing in the SL are properly supported by information traceable to original documents to avoid accumulation of negative SL balances.	The Accountant to review/correct/update the project individual SL and ensure that the balances appearing in the SL are properly supported by information traceable to original documents to avoid accumulation of negative SL balances.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented	Validated the adjusting entries under JEV-2021-02-000192 dated February 28, 2014 and JEV-2021-06-000523 to JEV-2021-06-000527 dated June	

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									30, 2021 and found in order.
2020 AAR Par. 83-91 pages 61-66	14. Unreliable <i>Due from NGAs</i> and <i>Due from NGOs/CSOs</i> account balances amounting to ₱1,772,069,359.32 and ₱517,358,812.30, respectively, due to: (a) reported discrepancies of book balances with the confirmed balances of ₱143,744,940.89 and ₱3,279,603.56 of several NGAs and NGOs/CSOs/private entities, correspondingly; (b) unexpended balances of completed projects in the amount of ₱1,016,310,225.36 and ₱189,413,183.79, which are outstanding from one (1) year to over 10 years in the accounts; and (c) occurrence of negative SL balances amounting to ₱(2,935,900.70) for <i>Due from NGAs</i> account as well as for <i>Due from</i>	We reiterated our prior year's recommendations and Management agreed to require: a. The Project Managers (PMs) and the Accountant to: i. perform periodic reconciliation with the Accountants and Project Leaders (PL) of the IAs for the immediate submission of the complete documents to PCIEERD for review and recording, in strict compliance with COA and DOST guidelines;	to require: a. The Project Managers (PMs) and the Accountant to: i. perform periodic reconciliation with the Accountants and Project Leaders (PL) of the IAs for the immediate submission of the complete documents to PCIEERD for review and recording, in strict compliance with COA and DOST	Division Project Managers; FAD-Accounting; Division Project Accountants	March	Dec. 31, 2021	Fully Implemented		Meetings and Group discussions with accountants from IAs and PCIEERD accountant were conducted to facilitate reconciliation of the agency book balance with the IAs outstanding balance and request for the immediate return of UB/savings, if any. Emails and letters were sent to the IAs for the liquidation of funds. No new funds will be release to IAs with pending obligations with PCIEERD.

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	NGOs/CSOs account amounting to ₱(69,578.18).								
		ii. revisit all completed projects with outstanding balances and coordinate with the IAs for the immediate submission of LRs, and refund of any unexpended balances;	ii. revisit all completed projects with outstanding balances and coordinate with the IAs for the immediate submission of LRs, and refund of any unexpended balances;	Division Project Managers; FAD-Accounting; Division Project Accountants	March	Dec. 31, 2021	Fully Implemented		Demand letters to implementing agencies are prepared to submit required documents need and return of UN, if any. Aside from meetings and Group discussions with accountants from IAs and PCIEERD accountant were conducted to facilitate reconciliation of the agency book balance with the IAs outstanding balance and request for the immediate return of UB/savings, if any. Emails and letters were sent to the IAs for the liquidation of funds. No pending obligations with PCIEERD.new

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									funds will be released to IAs with pending obligation with PCIEERD.6.30.21
		iii. submit status report on research outputs for completed projects to ensure that funds transferred to IAs were translated into project deliverables; and	iii. submit status report on research outputs for completed projects to ensure that funds transferred to IAs were translated into project deliverables; and	Division Project Managers	March	Dec. 31, 2021	Fully implemented		Project reports and research outputs for completed are inputted/uploaded by the concerned project managers in the PCIEERD PMIS
		b. The Accountant to: i. return the unexpended balance of Malayan Colleges Laguna amounting to P26,421.46 to DOST;	b. The Accountant to: i. return the unexpended balance of Malayan Colleges Laguna amounting to P26,421.46 to DOST;	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		
		ii. ensure that the SLs and JEVs be reviewed thoroughly prior to posting of transactions in the SL to avoid accumulation of	ii. ensure that the SLs and JEVs be reviewed thoroughly prior to posting of transactions in the SL to avoid accumulation of	FAD-Accounting/Project accountants	March	Dec. 31, 2021	Fully Implemented		SLs used are reviewed thoroughly before approving.

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		negative balances in the future transactions; and	negative balances in the future transactions; and	Project Accountants					
		iii. record the necessary adjustments to reflect the correct balances of the affected SL.	iii. record the necessary adjustments to reflect the correct balances of the affected SL.	FAD-Accounting	March	Dec. 31, 2021	Partially Implemented		Ongoing review and adjustments
2020 AAR Par. 92-106 pages 66-68	15. <i>Inventory</i> account balance of ₱1,668,985.99 was unreliable due to: (a) recognition of trust funded supplies as an outright expense, and (b) reported variance of ₱2,819.59 between the books and the Report on the Physical Count of Inventories (RPCI). Moreover, supplies purchased under the trust fund and semi-expendable property were not reported/included in the submitted RPCI.	We recommended and Management agreed to require: a. The Property personnel to submit RPCI for all inventory accounts under the regular and trust funds duly reconciled with the Accounting records; and b. The Accountant to implement the Perpetual Inventory Method for supplies and other related materials under the trust fund in accordance with Section 9, Chapter 8 of the GAM, Volume I by recording the remaining unissued supplies to its appropriate Inventory account.	To require: a. The Property personnel to submit RPCI for all inventory accounts under the regular and trust funds duly reconciled with the Accounting records; and b. The Accountant to implement the Perpetual Inventory Method for supplies and other related materials under the trust fund in accordance with Section 9, Chapter 8 of the GAM, Volume I by recording the remaining unissued supplies to its	FAD- Property Section FAD-Accounting FAD-Accounting FAD-property	March	Dec. 31, 2021	Partially Implemented		The Property Section To submit the Office Supplies Inventory Report under Trust Funds not later than Dec. 31, 2021. The eNGAS is automatically using the perpetual Inventory Method.

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			appropriate Inventory account.						
2020 AAR Par. 107-113 pages 69-71	16. The balance of <i>PPE</i> account of ₱798,979,035.31 as at December 31, 2020 was not reliable due to a net discrepancy between the balances in the books and the RPCPPE amounting to ₱16,584,874.99, which resulted from: (a) recorded <i>PPE</i> not found in the RPCPPE; (b) <i>PPE</i> listed in the RPCPPE but not found/counted; (c) <i>PPE</i> in the RPCPPE not recorded in the books of accounts; (d) duplicate entries in the RPCPPE; and (e) <i>PPE</i> with different amounts recorded in the books and the RPCPPE.	113. We recommended and Management agreed: a. for serviceable <i>PPE</i> included in the RPCPPE but not recorded in the books, to require the Property Officer to submit to the Chief Accountant the documents required for recording in the books; and	113. The Management agreed: a. for serviceable <i>PPE</i> included in the RPCPPE but not recorded in the books, to require the Property Officer to submit to the Chief Accountant the documents required for recording in the books; and	FAD- Property Section FAD- Accounting	March	Dec. 31, 2021	Fully Implemented		On April 27, 2021, the Property Section transmitted Property Acknowledgement Receipt (PAR) to the Accounting Section amounting to P4,786,055.70 to support the taking up of serviceable <i>PPE</i> included in the RPCPPE but not recorded in the books. This August 2021, there will be another batch of PAR transmittal for unrecorded <i>PPE</i> . As of 6.30.21

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		b. for PPE recorded in the books but not included in the RPCPPE, to require the concerned personnel to present the PPE for verification as to existence and condition and propose inclusion in the RPCPPE.	b. for PPE recorded in the books but not included in the RPCPPE, to require the concerned personnel to present the PPE for verification as to existence and condition and propose inclusion in the RPCPPE.	FAD- Property Section FAD- Accounting	March	Dec. 31, 2021	Partially Implemented		FAD-property to submit RPCPPE inclusive of PPE with PAR submitted
2020 AAR Par. 114-119 pages 71-73	17. The accuracy of the <i>Due to NGAs</i> account balance of ₱347,411,978.41 was unreliable due to: (a) inclusion of completed projects and non-moving SL balances amounting to ₱132,328,000.64 and ₱1,323,262.57, respectively, remained outstanding from one (1) year to more than 10 years in the account balances and not returned to the SAs, which is inconsistent with Section 63 (f) & (g) of Chapter 6, Volume I of the GAM,; (b) variance of ₱171,472,208.29 per	116. We reiterated our prior year's recommendations and Management agreed to require: a. The Project Managers to: i. regularly monitor the projects' status/implementation;	Management agreed to require: a. The Project Managers to: i. regularly monitor the project status	Technical division – Project Managers	March	Dec. 31, 2021	Fully implemented		Emails and demand letters were sent to IAs for the liquidation of project funds. It is the policy of the management and stipulated in the DOST guidelines that no new funds will be released to IAs with pending obligations to the Funding Agency. During pandemic, virtual project monitoring is an alternative approach to

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	confirmation with SAs; and (c) unreconciled balances of ₱878,383.14 from the merger of PCIERD and PCASTRD to PCIEERD in 2010.								check the progress of the project implementation. For new projects, the project leaders are enjoined to input the financial details (receipt of project funds and disbursements) in the Project Financial Monitoring Information System
		ii. ensure timely submission of financial reports with the return of unexpended balances for completed projects; and	ii. ensure timely submission of financial reports with the return of unexpended balances for completed projects; and	Technical division – Project Managers	March	Dec. 31, 2021	Partially Implemented		Account Trust Funds project personnel are diligently submitting liquidation reports to funds sources. As of this date, 254 completed projects have an outstanding balance of ₱133,964,668.24.

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		iii. ensure the attainment of the project objectives/deliverables; and	iii. ensure the attainment of the project objectives/deliverables; and	Technical Division – Project Managers	March	Dec. 31, 2021	Fully Implemented		Status of project implementation is being uploaded in the PMIS; follow-up on the report from the project leader is done through e-mails and virtual project monitoring.
		b. The Accountant to: i. submit the liquidation reports and return/remittance the outstanding balance to the concerned SAs upon completion of the project;	b. The Accountant to: i. submit the liquidation reports and return/remittance the outstanding balance to the concerned SAs upon completion of the project;	FAD-Accounting	March	Dec. 31, 2021	partially Implemented		
		ii. evaluate the non-moving SL balances and facilitate the necessary liquidation of those projects;	ii. evaluate the non-moving SL balances and facilitate the necessary liquidation of those projects;	FAD-Accounting	March	Dec. 31, 2021	Partially implemented	On-going	Constant follow-up (thru e-mail) with the concerned project managers is being done by the Accounting personnel for the submission of liquidation reports to determine the non-moving SL balances

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					From	To			
									and will facilitate liquidation of those projects.
		iii. ensure regular reconciliation with the SAs and analyze project SLs and effect the necessary adjustments; and	iii. ensure regular reconciliation with the SAs and analyze project SLs and effect the necessary adjustments; and	FAD-Accounting Project Accountants	March	Dec. 31, 2021	Not implemented	On-going	The PCIEERD Accounting personnel is in close coordination with the SA accounting personnel (through group chat and online platform) to address any adjustments as necessary.
		iv. analyze the <i>Due to NGAs</i> and <i>Cash-TAD</i> , <i>Trust</i> accounts of PCIERD in order to revert the remaining funds to the BTr and effect the necessary adjustments.	iv. analyze the <i>Due to NGAs</i> and <i>Cash-TAD</i> , <i>Trust</i> accounts of PCIERD in order to revert the remaining funds to the BTr and effect the necessary adjustments.	FAD-Accounting Project Accountants	March	Dec. 31, 2021	not Implemented	On-going	The Accounting personnel has ongoing reconciliation of Due to NGAs and Cash-TAD account.

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					From				To
period	18. Payment of <i>Hazard Pay</i> , <i>Subsistence Allowance</i> , and <i>Laundry Allowance</i> to employees working-from-home (WFH) resulted in overpayments amounting to ₱658,467.56; ₱1,356,099.81; and ₱232,840.88, respectively, contrary to the provisions of DBM-DOST Joint Circular (JC) No. 1, dated 25 June 2013.	We recommended and Management agreed to submit a valid explanation why the overpayments of <i>Hazard Allowance</i> , <i>Subsistence Allowance</i> , and <i>Laundry Allowance</i> should not be refunded by concerned employees, otherwise, a Notice of Disallowance will be issued.	Management to submit a valid explanation why the overpayments of <i>Hazard Allowance</i> , <i>Subsistence Allowance</i> , and <i>Laundry Allowance</i> should not be refunded by concerned employees, otherwise, a Notice of Disallowance will be issued	FAD Chief	March		Fully Implemented	Please refer to the attached letter dated Sept 22, 2021 relative to the Audit Team's rejoinder on the Management's response to the observation. In response to COA's observation, the management submitted an explanation why the overpayment of Hazard Allowance, Laundry Allowance should not be refunded by concerned employees.	
2020 AAR Par. 131-146 pages 76-79	19. Documentary and procedural requirements as set forth in Presidential Decree (PD) No. 1445, and COA Circular Nos. 2007-001, 2012-001 and 2016-002 were not complied with by the PCIEERD in the grant and liquidation of research funds to	We recommended and Management agreed to: a. ensure strict compliance with the documentary and counterpart funding requirements set forth under DOST and COA guidelines in the approval of	Management to: a. ensure strict compliance with the documentary and counterpart funding requirements set forth under DOST and COA guidelines in the approval	Technical Division-Project Managers;	March	Dec. 31, 2021	Fully Implemented	The Budget Officer ensured that the GIA LIB should reflect the required counterpart of the grants as set forth in PD 1445, COA Circulars 2007-001,	

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	various NGAs, NGOs/CSOs and private entities, and in the transfer/donation of assets to IAs.	project proposals, the grants and liquidations of financial assistance, and the transfers/donations of assets to IAs; and	of project proposals, the grants and liquidations of financial assistance, and the transfers/donations of assets to IAs; and	FAD- Budget Officer ; FAD- Accounting FAD- Property					2012-001 and 2016-002 and DOST guidelines 011, including the liquidation requirements attaching the ROD, RoCI among others and the transfer/donation of assets to IAs.
		b. oblige the Accountant to exercise due diligence in certifying that funds/cash advances previously transferred/granted to IAs have been liquidated and properly taken up in the books.	b. oblige the Accountant to exercise due diligence in certifying that funds/cash advances previously transferred/granted to IAs have been liquidated and properly taken up in the books.	FAD- Accounting Technical Divisions-PMs	March	Dec. 31, 2021	Fully Implemented		The Accountant exercised due diligence in certifying that funds cash advances previously transferred/granted to IAs have liquidation submitted and taken up in books. As of 6.30.21

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2020 AAR Par. 147-158 pages 79-82	20. The Agency's non-compliance with Republic Act (RA) No. 656 and COA Circular No. 2018-002 dated May 31, 2018 on the timely preparation and submission of the Property Inventory Form (PIF) resulted in the lack of insurance coverage for <i>Technical and Scientific Equipment, Other PPE, and ICT Equipment</i> amounting to ₱449,000.00, ₱683,921,298.66, and ₱224,938.40, thus, denying adequate protection against any damage or loss of its properties.	We recommended and Management agreed to require the responsible officials to: a. ensure the timely preparation and submission of the PIF to the Audit Team in compliance with COA Circular No. 2018-002 dated May 31, 2018; and	The Management to require the responsible officials to: a. ensure the timely preparation and submission of the PIF to the Audit Team in compliance with COA Circular No. 2018-002 dated May 31, 2018; and	FAD- Property Section	March	Dec. 31, 2021	Fully Implemented	ok	The Property Inventory Form for CY 2021 was submitted to the GSIS and COA on April 27, 2021.
		b. ensure that all insurable properties, particularly those properties under the custody of the IAs, are appraised; insured against all insurable risks with the GIF of the GSIS, or if not acceptable to the GIF, with a private insurance company included in the PIF; and disclosed in the PIF; and	b. ensure that all insurable properties, particularly those properties under the custody of the IAs, are appraised; insured against all insurable risks with the GIF of the GSIS, or if not acceptable to the GIF, with a private insurance company included in the PIF; and disclosed in the PIF; and	FAD- Property Section Technical Divisions – Project Managers	March	Dec. 31, 2021	Fully Implemented		Application of insurance for project's equipment is being discussed during pre-implementation meeting with the proponent. They are being encouraged to secure applicable insurance to safeguard government properties. The budget for insurance premiums should be included in

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									the LIB if possible. As of 6.30.21
		c. refrain from recording properties that are still at the custody of the implementing agencies in strict compliance with the illustrative accounting entries shown in Annex M, GAM Volume I.	c. refrain from recording properties that are still at the custody of the implementing agencies in strict compliance with the illustrative accounting entries shown in Annex M, GAM Volume I.	FAD - Accounting	March	Dec. 31, 2021	Fully Implemented	The previously recorded equipment outlay were not yet itemized and no provision of depreciation was provided as of this writing.	Starting CY 2021, the Accounting will refrain from recording properties that are still in the custody of the implementing agencies in strict compliance with GAM Vol. 1. As of 6.30.21
2020 AAR Par. 159-166 pages 82-83	21. Unnecessary purchases of tables and chairs amounting to P21,054.28 were made for workfrom-home (WFH) purposes, contrary to Office of the President AO No. 6 dated September 19, 2017, and COA Circular No. 2012-	We recommended and Management agreed to require the concerned personnel to submit their authority for the purchase of tables and chairs intended to be used for WFH purposes. Otherwise, a Notice of Disallowance (ND) will be issued for the concerned personnel to	Management to require the concerned personnel to submit their authority for the purchase of tables and chairs intended to be used for WFH purposes. Otherwise, a Notice of Disallowance (ND) will be issued for the concerned personnel to refund the	FAD- property Concerned personnel	March	Dec. 31, 2021	Fully implemented		Purchases were supported by approved Purchase Request, although ICS were issued late to support that the purchases are agency's property merely used for WFH

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	003 dated October 29, 2012	refund the disbursed amount of ₱21,054.28.	disbursed amount of ₱21,054.28.					3 to 4 days a week working at least 10 hours a day attending to daily work routine, meetings and webinars.	
2020 AAR Par. 170-182 pages 85-90	22. Deficiencies noted in the implementation of COVID-19-related projects included: a. Equipment deployed have inadequate accessories and were not working as intended for the Swab Testing Stations and AI Thermal Scanner, respectively. b. Failure to provide recipients of the necessary documents such as Property Transfer Report (PTR) and/or Deed of Donation that show information on the cost, technical specification,	We recommended and Management agreed to require the responsible personnel to: a. furnish a justification for the undelivered accessories;	Management to require the responsible personnel to: a. furnish a justification for the undelivered accessories;	RITTD	March	Dec. 31, 2021	Partially Implemented	Initial meeting with FAME Inc, was conducted on April 27, 2021. It was mentioned in the meeting that FAME Inc. Should submit proof of deliveries and checklist which account the completeness of the accessories per swab testing station.	

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	etc. of the swab testing station resulted in difficulty of the recipients in recording the donated equipment in their books. Moreover, no available documents to validate the actual deployment of disinfecting chamber system to recipient	b. provide documents that proves the deployment of the swab testing station and disinfecting chamber to EAMC and PGH, respectively;	b. provide documents that proves the deployment of the swab testing station and disinfecting chamber to EAMC and PGH, respectively;	RITTD FAD-Property	March	Dec. 31, 2021	Fully Implemented		The Resident Auditor was also furnished with the submitted documents of FAME Inc. regarding deployment of swab testing stations for their reference on July 14, 2021. The submitted documents include Bill of Materials for the swab testing station. The Property Section will still be needing LEP and PAR for the conduct of virtual inventory.
		c. provide the lacking accessories and documents such as PTR and/or deed of donation to the respective recipients; and	c. provide the lacking accessories and documents such as PTR and/or deed of donation to the respective recipients; and	RITTD FAD- Property Section	March	Dec. 31, 2021	Partially Implemented		RITTD/FAD-Property The Swab Testing Stations, one (1) unit Disinfecting Chamber System is still for inventory before we

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								can process the donation to various hospitals. Two (2) units of Thermal Scanner were already donated to the DOST-ITDI ADMATEL and Municipality of Pasig. We are awaiting for the submission of signed PTR and JEV from the two (2) recipients.	
		d. ensure that the deployed equipment is operational as intended.	d. ensure that the deployed equipment is operational as intended.	RITTD FAD-Property	March	Dec. 31, 2021	Not implemented	RITTD and property Condition of equipment will be verified during conduct of virtual /physical inventory.	

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2020 AAR Par. 183-189 pages 90-91	(c) receivables from FAME Inc. amounting to ₱9,990,000.00 remained outstanding due to the non-submission of liquidation reports or terminal accomplishment report with supporting documents within two months after project completion on the deployment of swab testing stations; and;	We recommended and Management agreed to direct the Project Manager and Accountant to facilitate the liquidation of FAME Inc. outstanding receivables and ensure that liquidation reports be submitted with complete and original supporting documents such as official receipts (ORs), delivery receipts (DRs) and the covering research projects deliverables/output or terminal report duly acknowledged and accepted by the Research Information and Technology Transfer Division (RITTD).	Management to direct the Project Manager and Accountant to facilitate the liquidation of FAME Inc. outstanding receivables and ensure that liquidation reports be submitted with complete and original supporting documents such as official receipts (ORs), delivery receipts (DRs) and the covering research projects deliverables/output or terminal report duly acknowledged and accepted by the Research Information and Technology Transfer Division (RITTD).	RITTD FAD- Accounting	March	Dec. 31, 2021	Fully Implemented Return of UB	Validation of JEV No. 2021-05-011029 revealed that the said entry does not exist in the eNGAs. However, verification of the SL balance that JEV-2021-05-00102 dated May 30, 2021 was recorded relative to the liquidation of FAME Inc. amounting to ₱7,812,000.00 which	RITTD Partial liquidation with JEV#2021-05-011-029 Please note that the invoices/receipts have figures that are for the 132 specimen collection booths - 66 funded thru PCIEERD and the other 66 funded thru PCHRD. As such, most of the figures in the Summary of Disbursements are 50% of the amounts in the corresponding invoices/receipts. With Sales Invoices and summary of Disbursement (attached)

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									pertains to the MOOE related expenses of the project..
2020 AAR Par. 190-194 pages 91-92	(d) net overpayment of salary of Job Order amounting to ₱3,150.00 due to possible laxity in the payment process	We recommended and Management agreed to require the concerned personnel to refund the overpayment of ₱3,150.00.	Management to require the concerned personnel to refund the overpayment of ₱3,150.00.	FAD- HR; FAD- Accounting	March	Dec. 31, 2021	Fully Implemented		A JEV was prepared to record the overpayment. A letter to require the concerned personnel to refund the overpayment.
2020 AAR Par. 195-212 pages 92-97	23. Gender and Development (GAD) a) Partial compliance with the guidelines in the preparation of the Annual GBP and GAD AR	We reiterated our prior year's recommendation and Management and GFPS agreed to ensure compliance with the guidelines provided in the PCW Memorandum Circular to print the GMMS authenticated GBP and GAD AR for signature of the agency head and submit signed copies to PCW and COA within five (5) working days from endorsement.	Management and GFPS to ensure compliance with the guidelines provided in the PCW Memorandum Circular to print the GMMS authenticated GBP and GAD AR for signature of the agency head and submit signed copies to PCW and COA within five (5) working days from endorsement.	GAD	March	Dec. 31, 2021	Fully Implemented		The Annual accomplishment report for 2020 was already submitted and in fact PCW already provided their comments on the matter. The GDPB is already submitted as well. The management has reconstituted the

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									composition of the GFPS to ensure compliance with the guidelines provided in the PCW Memorandum Circular.6.30.21
	b) Partially implemented GBP as indicated by the partial achievement of the performance indicators/targets indicated therein	We recommended and Management agreed to require: a. The GFPS to ensure proper and full implementation of the GAD plans; and	Management to require: a. The GFPS to ensure proper and full implementation of the GAD plans; and	GAD	March	Dec. 31, 2021	Fully Implemented		ensured full implementation of the GAD's plans and programs, periodic reporting of the accomplishments will be done semi-annually, one is during the planning and another will be at the start of the year.
		b. The CODI to prioritize the creation of the rules and regulations on sexual harassment to ensure compliance with the RA No. 7877 and CSC Resolution 01-0940.	b. The CODI to prioritize the creation of the rules and regulations on sexual harassment to ensure compliance with the RA No. 7877 and CSC Resolution 01-0940.	CODI	March	Dec. 31, 2021	Fully Implemented		The CODI has been reconstituted per PCIEERD Special Order No. 2021-0014 along with its rules and regulations in

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									compliance with the RA 7877 and CSC resolution 01-0940
2020 AAR Par. 213-219 pages 97-98	24. Failure to allocate at least one percent (1%) of its agency funds and to formulate plans, programs and projects which aim to address the concerns of senior citizens and differently-abled persons are contrary to Section 31 of Republic Act (RA) No. 10964.	We reiterated our previous year's recommendation and Management agreed to provide sufficient budget that would address the concern of senior citizens and differently-abled persons.	Management to provide sufficient budget that would address the concern of senior citizens and differently-abled persons.	GAD	March	Dec. 31, 2021	Fully Implemented		The GAD plan includes programs and projects for senior citizens as well as participation of senior leaders and experts in the research and development activities, which are compensated thru payment of honoraria.
2020 AAR Par. 220-221 pages 98	25. For CY 2020, the status of compliance by the Agency on the withholding and remittances of taxes and premiums as well as the government share on various contributions within the prescribed period to the concerned institutions or agencies	We reiterated our previous year's recommendation and Management agreed to require the responsible personnel to facilitate the reconciliation of the prior years' balances and remit immediately the amount due to BIR/GOCCs, and strictly comply with the stipulated timeline of remittances, as necessary.	Management to require the responsible personnel to facilitate the reconciliation of the prior years' balances and remit immediately the amount due to BIR/GOCCs, and strictly comply with the stipulated timeline of remittances, as necessary	FAD-HR FAD-Accounting	March	Dec. 31, 2022	Partially Implemented		Accounting section is in the process of hiring a personnel to assist the accountant in correcting/reconciling these accounts as one of the functions).

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2019 AAR Par. 4 - 11, Pages 46- 47	26. Unrecorded deliveries and recognition of undelivered items amounting to ₱30,525.56 and ₱55,964.81, respectively.	Management agreed to require: a. the Accountant to: i. prepare an adjusting entry by debiting the Office Supplies Inventory and Due from NGAs account by ₱30,525.56 and ₱25,439.25, respectively, and crediting Other Prepayment account by ₱55,964.81;	Management to require: a. the Accountant to: i. prepare an adjusting entry by debiting the Office Supplies Inventory and Due from NGAs account by ₱30,525.56 and ₱25,439.25, respectively, and crediting Other Prepayment account by ₱55,964.81;	FAD-Procurement FAD-Property FAD-Accounting	March	Dec. 31, 2021	Fully implemented		Adjusted
2019 AAR Par. 12 - 19, Pages 47- 49	27. Erroneous recording of project liquidations totaling to ₱1,309,019.92	Management agreed to require: b. the Accountant to: i. prepare and effect the necessary adjusting entry; and	Management to require: b. the Accountant to: i. prepare and effect the necessary adjusting entry; and	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		adjusted
2019 AAR Par. 29 - 34, Pages 50- 51	28. Derecognition of vehicle before disposal - ₱1,200,000.00	Management agreed to require the Accountant to: a. effect the necessary adjusting entries through debiting Motor Vehicles account by ₱1,200,000.00 and crediting Accumulated Depreciation - Motor Vehicles and Accumulated	Management to require the Accountant to: a. effect the necessary adjusting entries through debiting Motor Vehicles account by ₱1,200,000.00 and crediting Accumulated Depreciation - Motor Vehicles and	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		adjusted

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		Surplus/ (Deficit) account by ₱751,410.57 and ₱448,589.43, respectively; and	Accumulated Surplus/ (Deficit) account by ₱751,410.57 and ₱448,589.43, respectively; and						
		b. refrain from the derecognition of assets unless there is an actual disposal, in accordance with Section 39 (d), Chapter 10 of the GAM, Volume I.	b. refrain from the derecognition of assets unless there is an actual disposal, in accordance with Section 39 (d), Chapter 10 of the GAM, Volume I.	FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		Vehicle is recorded back to PPE
2019 AAR Par. 58-67, Pages 56- 59	29. Inaccurate Cash and Cash Equivalents account due to: (a) existence of negative SL balances of <i>Cash - Treasury/Agency Deposit, Trust</i> account amounting to ₱13,601,292.16; and (b) unreconciled <i>Cash in Bank, Local Currency, Current Account (LCCA)</i> account with the bank	Management agreed to require: b. the Accountant to: i. reconcile and record those unaccounted transactions and unsettled prior year variance;	Management to require: b. the Accountant to: i. reconcile and record those unaccounted transactions and unsettled prior year variance;	FAD-Accounting	March	Dec. 31, 2021	Not Implemented To fully implement TF Jev for debit and credit memo		Adjustments will be reported in the 3rd Quarter updates of AAPSI as of 6.30.21

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	balance amounting to ₱1,062.18	ii. analyze SLs with negative balances and prepare necessary adjustments to reflect correct balances of the affected SL, as necessary; and	ii. analyze SLs with negative balances and prepare necessary adjustments to reflect correct balances of the affected SL, as necessary; and	FAD-Accounting	March	Dec. 31, 2021	Not implemented	Adjustments will be reported in the 3rd Quarter updates of AAPSI as of 6.30.21	
		iii. conduct a regular monitoring/analysis of SL balances for any red flags such as existence of negative balances to prevent accumulation of accounting errors.	iii. conduct a regular monitoring/analysis of SL balances for any red flags such as existence of negative balances to prevent accumulation of accounting errors.	FAD-Accounting'	March	Dec. 31, 2021	Fully Implemented	Regular monitoring is every end of the quarter	

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2019 AAR Par. 74-81, Pages 64- 66	30. Unreliable <i>Due from NGAs (PS-DBM)</i> account balance of ₱4,238,916.28 due to: (a) unreconciled difference between the books and SOA balances; (b) non-moving SL balances for two (2) to five (5) years; and (c) the non-submission of official receipts (ORs) as an acknowledgement of payments by PS-DBM	Management agreed to require the Accountant to: a. trace all deliveries/billed air fares on the Monthly Report of Deliveries submitted by the Property Officer and effect the necessary adjustments particularly the current transactions;	Management to require the Accountant to: a. trace all deliveries/billed air fares on the Monthly Report of Deliveries submitted by the Property Officer and effect the necessary adjustments particularly the current transactions;	FAD- Budget Section FAD- Procurement FAD- Property	March	Dec. 31, 2021	Partially Implemented	Partial receipt of travel documents - but still for review and classification if under general or trust funds. PCIEERD submitted to PS-DBM six (6) GFA Fund Replenishment Forms with the total amount of Php 1,063,190.00. An equivalent amount under six (6) Official Receipts were issued by the PS-DBM.as of 6.30.21	
			b. reconcile the beginning balances using the Notice of Deliveries/Inspection and Acceptance Reports/air fares sales invoices submitted for prior years transactions;	b. reconcile the beginning balances using the Notice of Deliveries/Inspection and Acceptance Reports/air fares sales invoices	FAD- procurement	March			Dec. 31, 2021

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			submitted for prior years transactions;	FAD- Property				Notice of Delivery received and the issued RSMI previously.	
2019 AAR Par. 106-114, Pages 73-75	31. Circuitous transfers of trust funds to various IAs amounting to ₱109,759,150.50	Management agreed to ensure compliance with the provisions of COA Circular No. 94-013 that funds for the implementation of the projects be released by the Source Agencies directly to the Implementing Agencies, to avoid the circuitous transfer of trust funds, confusion in the implementation of the provisions of the agreement, and prompt the implementation of the project.	Management to ensure compliance with the provisions of COA Circular No. 94-013 that funds for the implementation of the projects be released by the Source Agencies directly to the Implementing Agencies, to avoid the circuitous transfer of trust funds, confusion in the implementation of the provisions of the agreement, and prompt the implementation of the project	Management	March	Dec. 31, 2021	Not Implemented	For Management action to discuss with the funding source on this AOM received on circuitous transfer as this also implicates liquidation of said circuitous transfer.	
2019 AAR Par. 115-130, Pages 75-79	32. Laxity in the approval of overtime pay and non-submission of complete supporting documents	Management agreed to: b. require approval of authorized official prior to payment for overtime/extra services to ensure that: i. the request to render OT services was filed and approved;	Management to: b. require approval of authorized official prior to payment for overtime/extra services to ensure that: i. the request to render OT services was filed and approved;	Division Chief	March	Dec. 31, 2021	Fully Implemented	Overtime/extra services payment are duly supported by the approved authority to render overtime by the authorized official Approved Authority to OT is required prior the	

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					From	To			
								rendering of OT services. As of 6.30.21	
		iii. complete supporting documents such as approved request to render OT services, overtime work program, and accomplishment reports were properly attached;	iii. complete supporting documents such as approved request to render OT services, overtime work program, and accomplishment reports were properly attached;	FAD HR; FAD- Accounting	March	Dec. 31, 2021	Fully Implemented	ok	The FAD-HR and Accounting are diligently working to complete the supporting documents needed prior to payment of overtime services rendered- Approved request to Render overtime, overtime work program, and accomplishment Reports are properly attached. Validation of vouchers relating OT payment showed that approved request to render OR services, DTR, and accomplishment reports were attached.

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					From	To			
		c. submit to the DBM and the CSC the "Report on Overtime Services With Pay" using the template provided in CSC-DBM JC on or before March 31 of every year to determine priority activities for which an OT pay was authorized, and to determine the total expenditures and fund sources; and	c. submit to the DBM and the CSC the "Report on Overtime Services With Pay" using the template provided in CSC-DBM JC on or before March 31 of every year to determine priority activities for which an OT pay was authorized, and to determine the total expenditures and fund sources; and	FAD- HR; FAD- Budget	March	Dec. 31, 2021	Fully implemented	ok	Reports were already submitted to DBM (see attached) Report on Overtime Services with Pay for FY 2019 and 2020 was submitted to DBM on May 24 2021 .as of 6.30.21
		d. require the submission of the complete supporting documents on the application of overtime pay, in compliance with COA Circular No. 2012-001.	d. require the submission of the complete supporting documents on the application of overtime pay, in compliance with COA Circular No. 2012-001.	FAD- HR;	March	Dec. 31, 2021	Fully implemented	.	Supporting documents were already transmitted to COA
2019 AAR Par. 131-138, Pages 79-80	33. Non-submission of financial reports and other pertinent documents as required.	Management agreed to require the concerned personnel to immediately submit the unsubmitted financial reports in compliance with existing regulations, and ensure that all are submitted to COA within the prescribed period; otherwise, the provisions of Section 122 of PD1445 on the automatic	Management to require the concerned personnel to immediately submit the unsubmitted financial reports in compliance with existing regulations, and ensure that all are submitted to COA within the prescribed period; otherwise, the provisions of Section 122 of PD1445 on the automatic	FAD- Accounting	March	Dec. 31 2021	Fully implemented		Submitted

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION									
Ref.	Audit Observation	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/ Action to be taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
		suspension of the salary and other emoluments of the concerned officials/personnel shall be imposed;	suspension of the salary and other emoluments of the concerned officials/personnel shall be imposed;						
2018 AAR Par. 49-55, Pages 57-59	34. Non-provision of allowance for impairment loss for Other Receivables account - ₱32,853,915.59	Management agreed to exhaust all possible remedies to collect all receivables and assess the financial assets of the agency and if evidence of impairment exists and consequently provide provision of allowance for impairment loss for inactive receivables as provided in Paragraphs 67 and 72 of PPSAS No. 29.	Management to exhaust all possible remedies to collect all receivables and assess the financial assets of the agency and if evidence of impairment exists and consequently provide provision of allowance for impairment loss for inactive receivables as provided in Paragraphs 67 and 72 of PPSAS No. 29.	HRIDD FAD-Accounting	March	Dec. 31, 2021	Fully Implemented		Allowance for Impairment Loss has been prepared
2018 AAR Par. 70-81, Pages 61-63	35. Failure to renew PARs every three (3) years and update the PIS	Management agreed to direct the created Inventory Team or current Property Officers to: b. renew the PAR of all PPE every three (3) years or every time there is a change in custodianship/user of the property; and	Management to direct the created Inventory Team or current Property Officers to: b. renew the PAR of all PPE every three (3) years or every time there is a change in custodianship/user of the property; and	FAD-Property	March	Dec. 31, 2021	Fully Implemented		The Special Order for the Inventory Committee was already prepared on August 5, 2021 and routed to authorized signatories for their signatures. The PAR is being updated every time there is a change in the custodianship/user. As of 6.30.21

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION

Ref.	Audit Observation	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken/ Action to be taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
		c. frequently update the PIS database.	c. frequently update the PIS database.	FAD-Property Section	March	Dec. 31, 2021	Partially Implemented) The Property Management System was already installed in one of the servers of PCIEERD and the workshop and orientation on how to use the system has already been coordinated with PCMD-ITMU and DOST-CO IT Group.	
2017 AAR Par. 1-15, Pages 42-46	36. Accounting errors due to: (a) incorrect recording of deposits of collections of bid documents, refund of scholarship grant, fund transfer and adjustments; and (b) erroneous entry made in setting-up receivables from defaulting scholars	Management agreed to direct the Chief Accountant to effect the necessary adjustments in the books of accounts to correct all accounting errors noted	Management to direct the Chief Accountant to effect the necessary adjustments in the books of accounts to correct all accounting errors noted (a) incorrect recording of deposits of collections of bid documents, (b) (b) erroneous entry made in setting-up receivables from defaulting scholars refund of scholarship grant, fund transfer and adjustments;	FAD- Accounting	March	Dec. 31, 2021	Not Implemented	FAD-Accounting has pending request to hire for an accountant to assist in addressing this concern as one of the functions.	

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION									
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			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
2017 AAR Par. 77-103, Pages 59-66	37. BCDA Fund utilization not in accordance with the provisions of R.A. No. 7917	Management agreed to: b. require the Accountant to re-compute the DSA upon arrival and departure;	Management to: b. require the Accountant to re-compute the DSA upon arrival and departure;	HRIDD FAD- Accounting	March	Dec. 31, 2021	Fully Implemented		Recomputation is submitted.
		c. demand from the grantees refund of excessive payment of DSA and living allowances, if any;	c. demand from the grantees refund of excessive payment of DSA and living allowances, if any;	HRIDD FAD- Accounting	March	Dec. 31, 2021	Fully Implemented		FAD prepared a letter to HRIDD to send demand letters to grantees for return of excess payment.
2016 AAR Observation #3, Par. 45-47	38. CY 2016 expenditures totaling P307.321 million incurred out of fund transfers for the implementation and monitoring of GIA projects were directly charged to the Due to NGAs instead of recognizing the appropriate asset and expense accounts,	Management agreed to: a) Coordinate with the Property Officer and record in the books of accounts the PPE procured in CYs 2015 and 2016 amounting to P6,024,483.00 out of IATFs	The concerned personnel to a) Coordinate with the Property Officer and record in the books of accounts the PPE procured in CYs 2015 and 2016 amounting to P6,024,483.00 out of IATFs	FAD-Procurement FAD- Property Section FAD- Accounting	March	Dec. 31, 2021	Not implemented		Waiting for the EO documents from Property Section as basis of recording in the books. The Accounting and Property Sections agreed to conduct reconciliation of the identified projects and prepare the necessary adjusting entries if applicable.

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION									
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			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
2015 AAR Observation #5, Pages 51 to 54	39. Erroneous computation of longevity pay (LP)	Management agreed to require the Accountant to recompute the amount of monthly LP for each employee in accordance with the pertinent provisions of JC No. 1, s. 2013, computed at 5 percent of the monthly basic salary at the end of the 5th year, 10th year, 15th year, 20th year, and so on.	Management to require the Accountant to recompute the amount of monthly LP for each employee in accordance with the pertinent provisions of JC No. 1, s. 2013, computed at 5 percent of the monthly basic salary at the end of the 5th year, 10th year, 15th year, 20th year, and so on.	FAD-HR			Fully Implemented	With the issuance of the DBM-DOST Joint Circular No. 1, s of 2013, the PCIEERD is implementing the provision of the circular, contrary to the observation of the COA, The Council adheres to the principle of no diminution of salaries and benefits of the employees, hence implementation of the circular commenced upon its effectivity. Appeal Memorandum and Petition for Review were already filed with the COA proper.	

Agency sign-off:


DR. ENRICO C. PARANGIT
 Executive Director
 PCIEERD

Date : _____

Note: Status of Implementation may either be (a) Fully Implemented, (b) Partially Implemented, or (c) Not Implemented