

Philippine Carabao Center
Science City of Muñoz, Nueva Ecija



AGENCY ACTION PLAN and STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2023
As of June 30, 2024

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
No. 1	<i>Deficiencies were noted on the accounting and management of Biological Assets of the PCC Regional Centers such as (a) non-derecognition of disposed animals totaling P22,804,856.00; (b) unreconciled variance of P5,788,850.00 between Accounting and Property records; (c) unsubstantiated derecognition of dispersed and culled animals totaling P2,330,050.00; (d) non-</i>	We recommended and the Executive Director instruct the Center Directors to: a) Advise the Accounting Section of PCC at NHGP, CLSU, CMU, CSU, LCSF, MLPC and UPLB to derecognize from their respective records the value of animals that were either dead, sold, slaughtered or dispersed upon securing the necessary supporting documents;	The concerned personnel were instructed to secure and complete the supporting documents that will be used as basis in the recognition and derecognition of identified animals from their respective records. Also, PCC at UPLB, CLSU and USF will review its records and to consistently apply the proper	Accounting and Property Sections of PCC at NHGP, PCC at CLSU, CMU, CSU, LCSF, MLPC, UPLB and USF	March 2024	Dec. 2024	a) Not Implemented	The concerned offices were in the process in securing the necessary supporting documents that will be used as attachment in derecognition of animals.	As of June 30, 2024, for PCC at CLSU, 122 out of 124 heads have been derecognized as per JEV nos. 2024-03-000230, 000231, 000232 and JEV-2024-05-000470.

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	<p>recognition of 63 heads of buffaloes valued at ₱579,075.00; (e) non-valuation of animals resulting to understatement of Biological Assets and Accumulated Surplus/(Deficit) accounts by ₱370,625.00; and (f) non-preparation of Quarterly Report of Biological Assets (QRBA) and non-maintenance of Biological Assets Property Card (BAPC), inconsistent with the pertinent provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I.</p>	<p>b) Direct the PCC at UPLB to conduct reconciliation to eliminate the variance amounting to ₱5,788,850.00 between Accounting and Property records; c) Instruct the Accounting Section of PCC at NHGP and CLSU to secure and submit the necessary documents to support derecognition of animals with aggregate book value of ₱2,330,050.00; d) Require the Accounting Section of PCC at CLSU, CMU and USF to prepare necessary adjusting entries to recognize the value of 63 heads buffaloes amounting to ₱579,075.00; e) Advise the Accounting and Property Units of PCC at CLSU and USF to consistently apply the</p>	<p>valuation of animals. Likewise, PCC-NHGP and USF will regularly update the Biological Assets Property Card (BAPC) and coordinate the regular submission and update of Quarterly Report of Biological Assets.</p>				<p>b) Fully Implemented</p> <p>c) Not Implemented</p> <p>d) Not Implemented</p> <p>e) Not Implemented</p>	<p>PCC at NHGP will recognize in the books the identified animals due to erroneous derecognition made at year-end.</p> <p>Preparation of necessary adjusting entries will be made after securing necessary supporting documents.</p>	<p>PCC at CLSU was able to recognize 9 heads of animals in the amount ₱243,100.00 as per JEV nos. 2024-04-000364 and 000365.</p>

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		<p>valuation policy established on Biological Assets to eliminate undervaluation of animals; and</p> <p>f) Instruct the Property Unit/Farm Supervisors of PCC at NHGP and USF to regularly update the Biological Assets Property Card (BAPC) and prepare and submit the required Quarterly Report of Biological Assets (QRBA).</p>					f) Not Implemented	<p>PCC at USF is in the process of preparation of BAPC and QRBA.</p> <p>Likewise, PCC at CLSU recognized the adjustment in valuation of animals as per JEV no. 2024-04-00351.</p> <p>Property Section of PCC-NHGP conducted an online orientation to PC regional centers last May 28, 2024 on the preparation and submission of QRBA and BAPC. PCC-NHGP already submitted the QRBA for 1st and 2nd qtr of 2024.</p>	

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No. 2	<i>Intangible Assets account of the Center was understated by ₱11,001,634.09 as of December 31, 2023, due to: (a) non-capitalization of various Computer Software and Websites; and (b) non-valuation of registered Intellectual Properties (IPs), inconsistent with Sections 4 and 5, Chapter 12 of the Government Accounting Manual (GAM) for National Government Agencies (NGAS), Volume I.</i>	<p>We recommended and the Executive Director instruct the Center Directors to:</p> <p>a) Instruct the Head of Information, Communication, and Technology Section (ICTS) to maintain an inventory of all outsourced and internally generated computer system and websites for timely monitoring of the status of implementation or development;</p> <p>b) Direct the Accountant to (i) check the related Contract Agreements and collaborate with the ICTS on the status of</p>	<p>The Head of ICTS section was instructed to create file/system to maintain an inventory of outsourced and internally generated computer system and websites that includes the status of implementation or development and contract amount. This system will be the basis of the Accounting and Property in proper recognition of it in the books of accounts. Likewise, the Head of IP-TBM and its team were instructed to enhance the level of training on areas of patent search and basic</p>	Head of ICTS and IP-TBM and Accountant of PCC at NHGP	June 2024	Dec. 2024	<p>a) Fully Implemented</p> <p>b.i) Fully Implemented</p>	<p>The Head of ICTS section created a file/system through google drive for the inventory and monitoring of status of outsourced and internally generated computer system and websites. The google drive can be used by Property and Accounting Office as reference in proper recognition of it in the books of accounts.</p>	

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		<p>software or website development including analysis of research and development costs for proper recognition in books of accounts; (ii) coordinate with the Intellectual Property and Technology Business Management (IP-TBM) Office for proper recognition of registered IP assets; and iii) prepare the necessary adjusting entries to recognize the Computer Software and Websites in the books of accounts; and</p> <p>c) Advise the Head of IP-TBM Office to (i) initiate the creation of an interdisciplinary team for the conduct of IP valuation; and (ii) enhance their level of training on areas of</p>	claim drafting by attending training workshops spearheaded by the IPOPHIL.				<p>b.ii) Not Implemented</p> <p>b.iii) Not Implemented</p> <p>c.i) Fully Implemented</p> <p>c.ii) Not Implemented</p>	<p>Accountant of PCC-NHGP coordinated to IP-TBM office for proper recognition of registered IP assets, however, proper review and evaluation should be made as basis in the recognition of it in the books of accounts.</p> <p>The remaining items will be reviewed to determine the details for issuance of PAR. This will serve as reference in recognition of computer software and</p>	<p>As of June 30, 2024, 10,156,634.09 or 92.32% was already recorded in the books as per JEV nos. 2024-02-000526, 2024-02-000535, JEV-2024-04-001369, and JEV-2024-04-001481.</p> <p>Series of training were attended, however, there is still remaining training that scheduled until third quarter of 2024.</p>

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		patent search and basic claim drafting by attending training workshops spearheaded by the Intellectual Property Office of the Philippines (IPOPHL).						websites in the books of accounts.	
No. 3	<i>Deficiencies were noted on the accounting and management of Property, Plant and Equipment (PPE) accounts with carrying amount totaling ₱930,179,698.69 of the PCC Regional Centers at NHGP, CLSU, DMMMSU, LCSF, MLPC, MMSU, UPLB, USM and WVSU such as (a) non-recognition of PPE items totaling ₱2,322,616.99; (b) incorrect provision of depreciation for PPE items resulting to understatement of PPE accounts by ₱2,466,307.85; (c) non-derecognition of donated or transferred equipment and</i>	We recommended and the Executive Director instruct the Center Directors to: a) Require the Accounting Unit of the PCC at NHGP, DMMMSU, LCSF and UPLB to recognize the corresponding value of equipment and buildings totaling ₱2,322,616.99; b) Direct the Accounting Unit of the PCC at NHGP and UPLB to (i) revisit the Schedule of PPEs to ensure the accuracy of recognized depreciation for each PPE item; and (ii) draw the necessary	The concerned personnel were instructed to institute measures on how to address the audit recommendations regarding PPE. Also, proper scheduling of physical count and reconciliation of PPE accounts will be made to give time to Accounting Section to take up necessary adjustments in the books at year-end.	Accounting and Property Units of PCC at NHGP, DMMMSU, LCSF, UPLB, WVSU, MMSU, CLSU and MLPC	June 2024	Dec. 2024	a) Not Implemented b.i) Fully Implemented b.ii) Fully Implemented	PCC at LCSF and DMMMSU will review and adjust the entries accordingly. As of June 30, 2024, PCC at UPLB was already recognized PPE in the amount of 2,075,892.63 or 89% in the books as per JEV no. 2024-01-000022. Adjusting entries for depreciation were made under JEV nos. 2024-04-000535, 2024-04-000536, 2024-04-000028, 2024-04-001189, 2024-04-001192 and 2024-02-000012.	

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	<p>vehicles totaling ₱1,214,400.00; (d) uninsured properties totaling ₱76,900,376.31; (e) existence of idle/unutilized structures amounting to ₱6,450,582.13; and (f) non-disposal of unserviceable properties valued at ₱6,634,247.84, which is not in harmony with the standards called for under certain provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume 1, COA Circular No. 2020-006 dated January 31, 2020 and the Property Insurance Law.</p>	<p>adjusting entries in the books of accounts;</p> <p>c) Advise the Accounting Unit of the PCC at CLSU and WVSU to draw necessary adjusting entry to derecognize the value of donated or transferred equipment and vehicles amounting to ₱1,214,400.00;</p> <p>d) Instruct the Property Office of PCC at MMSU and UPLB to include in the Property Inventory Form (PIF) the insurable properties totaling ₱76,900,376.31 and submit the same to the GSIS and to the Office of the Resident Auditor, not later than April 30 of each year, pursuant to COA Circular No. 2018-002;</p> <p>e) Advise the Center Directors of PCC at NHGP and DMMMSU to</p>					<p>c) Not Implemented</p> <p>d) Not Implemented</p> <p>e) Not Implemented</p>	<p>PCC at WVSU will gather the supporting documents to support the adjusting entries to be made.</p> <p>PCC at UPLB already emailed to GSIS the PIF to estimate the amount to be paid in insurance for budget allocation.</p> <p>Concerned personnel will check and</p>	<p>PCC at CLSU derecognize the donated/transferred equipment as per JEV nos. 2024-04-000455 and 2024-04-000360.</p> <p>PCC at MMSU already insured their properties with the GSIS La Union and Laoag Branch offices.</p> <p>Funds have been allotted from the 2024 Expanded ALAB Karbawan Project.</p>

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		<p>formulate plan of actions to utilize idle facilities and structures in order not to put into waste the resources invested for the purpose; and</p> <p>f) Instruct the Property Unit and Disposal Committee of the PCC at NHGP, CLSU, LCSE, MLPC, UPLB and USM to (i) expedite the request for the timely disposal of unserviceable PPE items to prevent further loss and deterioration of the same; and (ii) prepare the Inventory and Inspection Report of Unserviceable Property (IIRUP) for the said unserviceable properties carried in the PPE accounts and submit the same together with necessary supporting documents</p>					<p>inspect the idle facilities and structures to formulate plan of actions for the utilization of it to its intended purpose.</p> <p>f.i) Not Implemented</p> <p>f.ii) Not Implemented</p> <p>Disposal of the remaining unserviceable PPE items will be inspected and check alternative courses of action to dispose it accordingly until end of this year.</p>	<p>The Property Unit and Disposal committee were able to dispose 2.2M or 34% as of June 30, 2024.</p> <p>Request for the timely disposal of the remaining unserviceable PPE items will be expedite until end of the year and preparation of IIRUP will made and submitted to COA.</p>	

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		for review and verification of the Audit Team.							
No. 4	<i>Deficiencies in inventory management were observed during the review of control records and validation of the Report on the Physical Count of Inventories (RPCI) of the PCC National Headquarters and Gene Pool (NHGP) and Regional Centers at Central Mindanao University (CMU) and Mariano Marcos State University (MMSU) as of December 31, 2023 such as (a) non-recognition of inventories and animal stocks totaling P4,376,578.81; (b) unreconciled variance of P3,235,858.93 noted between the Accounting</i>	We recommended and the Executive Director instruct the Center Directors to: a) Advise the Accounting Unit of PCC at NHGP and MMSU to (i) see to it that purchases of inventories shall be accounted under the Perpetual Inventory Method; and (ii) prepare the appropriate adjusting entries to reflect the unrecognized supplies and animal stocks; b) Direct the Accounting and Property Units of the PCC at NHGP and CMU to reconcile the balances of their	The concerned units will strategize the needed actions to fully implement the audit recommendations on Inventories account. PCC NHGP will assist the PC center's property and accounting officers/staffs through online discussion or coaching on the inventory guidelines in taking up physical count, reconciliation, recording of inventory under Perpetual method and derecognition based on Reports of Supplies and	Accounting and Property Units of PCC at NHGP, MMSU and CMU	June 2024	Dec. 2024	a.i) Not Implemented a.ii) Not Implemented b) Not Implemented	PCC at MMSU will review and strategize on how the purchases of inventories will be accounted under Perpetual Inventory Method. Reconciliation of balances of each respective records on a periodic basis will be done this year.	PCC at NHGP will continuously ensure the recognition of inventories under Perpetual Inventory Method. Appropriate adjusting entries will be made after thorough review of the affected accounts.

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	<i>records and the RPCI; and (c) existence of expired inventories totaling P577,425.00, inconsistent with the related provisions under the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volumes I and II and the cardinal principles of internal control.</i>	respective records on a periodic basis; and c) Instruct the Supply Officer of the PCC at MMSU to ensure that the quantity of feed concentrates for procurement must be in accordance with the expected monthly requirements of the Center to avoid expiration of feed supply for animals.	Materials Issued. Likewise, strict monitoring of supplies will be made in accordance with the operating unit's requirements to avoid expiration of it.				c) Fully Implemented	Review of monthly requirements of the center was made as well as the timely procurement of needed supplies.	
No. 5	<i>The reported balances of the Receivables account of PCC Regional Centers at NHGP, CSU, MMSU and UPLB with carrying amount of P19,042,293.17 was not fairly presented in the year-end financial statements due to (a) non-derecognition of receivables collected totaling P7,091,223.00; (b) unliquidated fund transfers</i>	We recommended and the Executive Director instruct the Center Directors to: a) Instruct the Bookkeeper of PCC at MMSU to draw necessary adjusting entries for the derecognition of receivables totaling P7,091,223.00 already collected from customers;	The Accounting Units of PCC at NHGP, CSU and MMSU were instructed to review and implement the audit recommendations pertaining to Receivables account.	Accounting Unit of PCC at NHGP, MMSU, CSU and UPLB	June 2024	Dec. 2024	a) Fully Implemented	Receivables amounting to P7,091,223.00 was derecognized as per JEV-2024-01-000080.	

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	<i>of ₱3,846,520.61 despite expiration of project duration; (c) dormant receivables totaling ₱1,658,050.61 which remained outstanding for 11 to 20 years; and (d) unrecognized receivables totaling ₱552,830.00, inconsistent with pertinent provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume 1 and the Diary Buffalo Dispersal Agreement.</i>	<p>b) Advise the Accounting Unit of PCC-NHGP to (i) coordinate regularly with the Implementing Agencies (IAs) for the submission of liquidation reports to determine the status of project implementation; and (ii) issue request/demand letters to gather information on the reason(s) for the noted delay or non-submission of the required reports;</p> <p>c) Direct the Accounting Unit of PCC at CSU to expedite the preparation and completion required documents to support the request for authority to write-off dormant receivable accounts, and thereafter, file the request for the approval of COA, pursuant to the</p>					<p>b.i) Fully Implemented</p> <p>b.ii) Fully Implemented</p> <p>c) Not Implemented</p> <p>PCC at CSU encountered difficulty in issuing demand letters to the recipient because their address cannot be located.</p>	<p>Request for submission of liquidation reports and/or refund was immediately requested to IAs thru request letters.</p>	

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		provisions COA Circular No. 2023-008; and d) Require the designated Accountant/Bookkeeper of PCC at MMSU and UPLB to draw necessary adjusting entries to recognize receivables totaling ₱387,080.00 and ₱165,750.00, respectively.					d) Fully Implemented		PCC at MMSU and UPLB prepared the adjusting entries to recognize receivables totaling ₱387,080.00 (as per JEV-2024-01-000079) and ₱165,750.00 (as per JEV-2024-01-000002 and JEV-2024-01-000018), respectively.

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No. 6	<i>The unexpended or unobligated balances of fund transfers totaling ₱12,469,699.70 were not returned to the respective Source Agencies (SAs) or the Bureau of the Treasury (BTr), inconsistent with Section 63(g), Chapter 6 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume 1 and National Budget Circular (NBC) No. 587 dated January 3, 2022.</i>	We recommended and the Executive Director instruct the Center Directors to: a) Instruct the Accounting Unit of the PCC-NHGP to (i) strictly comply with Section 63 of the GAM for NGAs, Volume 1, and the terms and conditions of the MOA; (ii) expedite the updating and reconciliation of Accounting and Budget records to facilitate the preparation of liquidation reports; (iii) coordinate with the concerned Project Leaders for the submission of Project Terminal Reports; and (iv) immediately remit the unexpended fund balances of completed projects to Source Agencies (SAs); b) Advise the Accounting Unit of the PCC at MMSU to facilitate reversion to the Bureau of the Treasury	The concerned personnel were instructed to strictly comply with the terms and conditions of the MOA and to expedite the updating and reconciliation of records to facilitate the preparation of liquidation reports and/or refund of unexpended balance to Source Agency.	Accounting Section of PCC-NHGP, MMSU and MLPC	June 2024	Dec. 2024	a.i) Not Implemented a.ii) Not Implemented a.iii) Not Implemented a.iv) Not Implemented b) Not Implemented	To facilitate the liquidation and/or refund of unexpended balance of completed projects, reconciliation of accounts should be made. Some projects should be reviewed thoroughly since some were completed last 2015-2016. Further review of affected subsidiary ledger is on-going	There is on-going reconciliation of completed projects. Some of the reported balances are unpaid obligations and unexpended balance of which reports needs to be validated before refund will be made. PCC at NHGP disbursed 2.1M or 21% for the unpaid obligations reported in the accounting records of the completed projects.

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		(BTr) of unused/unutilized balance of funds received for the implementation of the Milk Feeding Program (MFP) amounting to ₱353,488.16; and c) Direct the Accountant and Bookkeeper of the PCC at MLPC to facilitate the reversion of unobligated funds totaling ₱1,766,610.00 to the Unappropriated Surplus of the General Fund pursuant to National Budget Circular No. 587 dated January 3, 2022.					c) Not Implemented	before remittance of unutilized balance to BTr.	
No. 7	<i>Payments amounting to ₱1,209,226.05 in calendar year (CY) 2023 were made for Laundry Allowance, Hazard Pay, Monetization of Leave Credits and Administrative Cost despite incomplete documentation, inconsistent with Section 4(6) of Presidential Decree</i>	We recommended and the Executive Director instruct the Center Directors to: a) Require the Accountant and Bookkeeper of PCC at VSU to submit the required documents in compliance with Section 4(6) of PD. No. 1445 and	The Accounting Units of PCC at VSU and CMU were instructed to secure and submit the required documents of the affected transactions. Likewise, documentary requirements under COA Circular no. 2012-	Accounting Units of PCC at VSU and CMU	July 2024	Dec. 2024	a) Not Implemented	There is on-going review and completion of supporting documents.	Documentary requirements in payment of Laundry Allowance and Hazard Pay was discussed to PCC hazard committee and they already informed the S&T

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No. 8	<i>The accuracy and reliability of the Cash in Bank-Local Currency, Current Account balance totaling ₱131,431,210.49 as of December 31, 2023 could not be fully ascertained due to (a) unrecognized reconciling items totaling ₱3,083,484.26; (b) non-adjustment of unreleased and stale checks totaling ₱278,928.02; and (c) non-preparation and non-submission of Bank Reconciliation Statement (BRS), inconsistent with pertinent provisions under Chapters 19 and 21 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I.</i>	<p>We recommended and the Executive Director instruct the Center Directors to:</p> <p>a) Require the Accountant and Bookkeeper of PCC at USF to reconcile accounting records and the amounts reflected in the Bank Statements and subsequently prepare adjusting entries, as warranted; and</p> <p>b) Direct the Cashier and Bookkeeper of PCC at MMSU and USF to (i) prepare and submit to the Accounting Office the List of Unreleased Checks as at year-end; and (ii) strictly observe the required adjustments relative to the restoration of unreleased checks including the cancellation of stale</p>	<p>The concerned personnel were instructed to observe prudence in preparation of bank reconciliation statements. Also, they should investigate the reconciling items and look for adequate documentation to adjust the balance of Cash in Bank and other affected accounts in the books so that the necessary adjustments could be made. Likewise, deadline of the submission of bank reconciliation statements should be strictly observed.</p>	Accounting Unit of PCC at USF, MMSU, VSU	July 2024	Dec. 2024	<p>a) Not Implemented</p> <p>b.i) Fully Implemented</p> <p>b.ii) Fully Implemented</p>	<p>The concerned staff reconciles the accounting records and the amounts reflected in the BRS on a regular basis.</p>	<p>This August, the accounting section of PCC-NHGP will conduct online orientation to bookkeepers and accounting staffs in-charged in the preparation of BRS. Proper reconciliation and documentation to support the adjusting entries concerning stale and unreleased checks at year-end will be discussed.</p>

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		commercial checks as at year-end; and c) Advise the Accounting Unit of PCC at MMSU, VSU and USF to expedite the preparation of unsubmitted Bank Reconciliation Statements (BRSs) and henceforth, strictly comply with the prescribed deadline of submission thereof.					c) Not Implemented	The concerned staff requested copy of bank statements to their respective banks to start the review and preparation of BRS.	
No. 9	<i>Notwithstanding the continuous commitment of PCC towards attaining good animal husbandry practices, gaps were still noted in the herd management such as (a) mortality of 28 heads of buffaloes with book value totaling ₱456,250.00; (b) unsubstantiated culling of animals amounting to ₱65,000.000; and (c) inadequacy of mortality pit</i>	We recommended and the Executive Director instruct the Center Directors to: a) Instruct the Gene Pool/Farm Coordinator of PCC at NHGP and WVSU to (i) continuously introduce specific solutions to optimize the animals' well-being and minimize mortality rate; and (ii)	The GenePool/Farm Coordinator of PCC at NHGP and WVSU were instructed to intensify the implementation of disease recognition for prompt treatment and quarantine measures when necessary. Furthermore, collaboration with the nutrition team to strengthen feeding resources and the	GenePool/Farm Coordinator of PCC at NHGP and WVSU, Property Unit of PCC at CLSU, PCC-NHGP Inspectorate Team	June 2024	Dec. 2024	a.i) Fully Implemented a.ii) Fully Implemented		Coordination with the animal health and nutrition focal to further strengthens the identification of sick animals, diagnostic coverage of potential pathogen associated with the cause of the mortality and

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	<p>for proper disposal of animal carcass, inconsistent with the pertinent provisions of the PCC Dairy Buffalo Production Handbook and the Good Animal Husbandry Practices for Beef Cattle and Buffalo Code of Practice issued in CY 2023 by the Department of Agriculture (DA)-Bureau of Agriculture and Fisheries Standards (BAFS).</p>	<p>conduct thorough review of the animal care practices to identify areas that need improvement especially the provision of clean and safe forages and water to be given to animals to avoid or at least minimize incidence of liver fluke infestation;</p> <p>b) Advise the Property Unit of PCC at CLSU to (i) ensure sufficient documentation to support the stated reason/s for culling of animals and submit copy of the same to the Audit Team for reference in audit; and (ii) implement necessary controls on the requests for culling based on the approved Authority to Release of animals; and</p>	<p>animal health team for in-house training in detecting early signs of sick animals.</p> <p>The Gene Pool management will closely coordinate with</p>				<p>b.i) Not Implemented</p> <p>Documentation is still in process to support the stated reason/s for culling of animals.</p> <p>b.ii) Not Implemented</p>	<p>nutrition-related service were made.</p> <p>The farm submitted quarterly fecal samples to the laboratory to monitor Fasciola infestation in the farm and treat those animals found positive. Silage has already been implemented on the farm.</p> <p>Installation of the roofing and proper sealing of cover has already been coordinated with the General Service Section and Livestock Engineering Section.</p>	

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		c) Direct the PCC-NHGP Inspectorate Team to implement alternative courses of action to facilitate the immediate utilization of mortality pit.	the General Services Section to fix the additional items needed to facilitate the immediate utilization of mortality pit.				c) Not Implemented	Request of additional works to facilitate the immediate utilization of mortality pit is on-going.	
No. 10	<i>Various Disbursement Vouchers (DVs), Journal Entry Vouchers (JEVs) and other financial reports totaling ₱225,304,681.13 were not submitted within the prescribed period, inconsistent with Sections 7.1.1 and 7.2.1 of COA Circular No. 2009-006 dated September 15, 2009 and Section 111 of Presidential Decree (P.D.) No. 1445. Moreover, some DVs and their supporting documents were not yet submitted for audit, thereby hindering the timely audit</i>	We recommended that the Executive Director and Center Director of PCC Regional Center at CMU, MMSU and VSU instruct the Accounting/Property Unit to (a) strictly comply with the guidelines set forth under Sections 7.1.1 and 7.2.1 of COA 2009 Revised Rules and Regulations on Settlement of Accounts (RRSA) to ensure the timely submission of accounts; and (b) revisit the existing internal control system in the monitoring and custody of all records of the Agency and establish additional	Accounting units of PCC at NHGP, CMU, MMSU and VSU were instructed to strictly comply with the guidelines set forth under Sections 7.1.1 and 7.2.1 of COA 2009 RRSA. Review the existing internal controls of recording and submission of financial transactions to improve the controls/policies needed to fully implement the audit recommendations.	Accounting Units of PCC at NHGP, MMSU, CMU and VSU and Property Unit of PCC at CMU	June 2024	Dec. 2024	a) Not Implemented	The concerned staffs conduct thorough review of the transactions and reports to submit the required reports on a regular basis.	

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	<i>of the accounts and transactions of the Agency.</i>	compensating controls, if necessary, in compliance with P.D. No. 1445.					b) Not Implemented		
No. 11	<i>Utilization and outcome of the Gender and Development (GAD) Budget totaling P78,729,000.00 or 6.52% of the Agency's Total Budget of P1,206,717,000.00 for the Fiscal Year (FY) 2023 could not be fully ascertained due to (a) non-preparation of the GAD Agenda Progress Report; (b) non-submission of the GAD Accomplishment Report; and (c) non-adoption of the Harmonized Gender and Development Guidelines (HGDG) tool for budget attribution, inconsistent with the pertinent provisions of the Philippine Commission on Women (PCW) Memorandum Circular Nos. 2018-04, 2022-03 and</i>	We recommended and the Executive Director instruct the PCC GAD Focal Point System (GFPS) to: a) Prepare a three (3)-year Progress Report on the GAD Agenda and submit the same to the PCW in accordance with Section 7 of the PCW Memorandum Circular (MC) No. 2018-04 dated September 19, 2018; b) Review the existing GAD Agenda to ensure that pertinent entries such as Gender Issues are being reflected in the annual GPB; c) Ensure timely submission of the GAD AR in accordance with the guidelines on the	The PCC GAD Focal Point System (GFPS) was instructed to ensure that the report includes all necessary details and adheres to the guidelines specified in the PCW MC no. 2018-04. Likewise, they will institute measures on how to fully comply with the audit recommendations related to GAD.	GFPS	Sep. 2024	Dec. 2024	a) Not Implemented b) Not Implemented c) Fully Implemented	The preparation is ongoing to ensure that the report is accurate, and fully complies with the guidelines specified in PCW Memorandum Circular (MC). We are currently conducting a review of the existing GAD Agenda to ensure that all relevant entries, including Gender Issues, are accurately reflected in the Annual Gender and	

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	<i>2023-05 dated September 19, 2018, August 31, 2022 and December 19, 2023, respectively.</i>	<p>submission of GAD AR in the ensuing years;</p> <p>d) Enhance their level of training on the use of the Harmonized Gender and Development Guidelines (HGDG) tool; and</p> <p>e) Assess other major programs, activities and projects (PAPs) of the Agency using the HGDG tool in obtaining more comprehensive inputs or bases in GAD planning and reporting.</p>					<p>d) Not Implemented</p> <p>e) Not Implemented</p>	<p>Development Budget (GPB). HGDG training will be scheduled in October 2024.</p> <p>Assessment of PAPs of the agency using the HGDG tool will be done after the HGDG training scheduled in October.</p> <p>We are scheduled to conduct HGDG training this October. This training will enhance our staff's proficiency in using the HGDG tool.</p> <p>Following the HGDG training scheduled in October, we will integrate the HGDG tool into our evaluation processes. This will enable us to assess major programs, activities, and projects (PAPs) more effectively, ensuring that gender considerations are</p>	

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								thoroughly incorporated across all relevant initiatives.	
No. 12	<i>Twenty infrastructure projects with a total contract amount of ₱46,455,125.37 were not completed within the specified contract period due to inadequate monitoring of their implementation, inconsistent with Items 8 and 9 of Annex E of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (R.A.) No. 9184 thus, preventing Management from ensuring the efficiency of operations and depriving the intended beneficiaries of the timely utilization of the projects.</i>	We recommended and the Executive Director instruct the Center Directors to: a) Instruct the Project Monitoring Committee (PMC) to strictly monitor the progress of the construction of all Dairy Processing Plants and Product Outlets; b) Submit pertinent documents showing the actions taken against the defaulting Contractors including the approved time extensions, suspensions and variation orders or other related documents that will determine that the projects are not delayed. Otherwise,	The Project Monitoring Committee was instructed to strictly monitor the progress of the construction of all Dairy Processing Plants and Product Outlets. Also, review regularly the progress reports that will determine that projects are on-track and not delayed. In addition, the monitoring team should adhere strictly to the guidelines in the suspension of construction works and granting of time extension for infrastructure projects.	Project Monitoring Committee	June 2024	Dec. 2024	a) Fully Implemented b) Not Implemented	Reports are currently being prepared indicating the progress of the projects.	Project Monitoring Committee conducted series of meetings to check and review the progress of the construction of all Dairy Processing Plants and Product Outlets. Appropriate actions such as but not limited to imposition of liquidated damages to the suppliers/contractors for the delayed projects will be made.

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		<p>impose liquidated damages against the contractors for every day of delay and sanctions set forth under Item 9 of Annex E of the 2016 RIRR of RA No. 9184 (Updated as of July 2022); and</p> <p>c) Adhere strictly to the guidelines in the suspension of construction works and granting of time extension for infrastructure projects provided under Annex E of the 2016 RIRR of RA No. 9184.</p>					c) Fully Implemented		

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No. 13	<p>Deficiencies were noted in the implementation of the Carabao-based Business Improvement Network (CBIN) project such as (a) non-compliance with the Technical Specifications on the delivered buffaloes valued at ₱6,077,700.00; (b) non-utilization of various structures, machinery and equipment with aggregate cost of ₱11,939,912.83; and (c) non-compliance with some provisions of the Buffalo Dispersal Agreement, thus, potentially posing challenges on the sustainability of the project and the enjoyment of optimum benefits by the beneficiaries thereof.</p>	<p>We recommended and the Executive Director instruct the Center Directors to:</p> <p>a) Instruct the CBIN Project Coordinator of PCC at CLSU and MMSU to (i) initiate discussions among the concerned Agency officials and stakeholders for the procurement of animals that are ready for breeding in accordance with the Technical Specifications stated in the procurement documents; and (ii) enjoin project staffs at the field for the provision of technical support towards enhancing breeding capability of animals;</p> <p>b) Direct the Project Coordinator of PCC at DMMMSU, LCSF and MMSU to (i) exercise</p>	<p>CBIN Project Coordinators were instructed to review and check the audit observations and institute measures and internal controls to fully implement the audit recommendations to prevent the recurring of it on the similar projects that will be implemented by the agency in the ensuing years.</p>	<p>CBIN Project Coordinator of PCC at CLSU, MMSU, DMMMSU, LCSF, VSU and CSU</p>	<p>June 2024</p>	<p>Dec. 2024</p>	<p>a.i) Fully Implemented</p> <p>a.ii) Fully Implemented</p> <p>b.i) Fully Implemented</p>		

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		<p>prudence in selecting facilities/equipment for its programs; and; (ii) formulate plans to utilize the processing area and equipment in order not to put into waste the resources invested for the purpose;</p> <p>c) Advise the Project Coordinator of PCC at VSU to conduct the necessary seminars and trainings for the farmer-beneficiaries such as social preparation, proper handling and milking of buffaloes, recordkeeping and marketing;</p> <p>d) Direct the Project Coordinator of PCC at CSU to (i) enforce compliance by the Cooperatives with their obligations to execute a MOA with farmer-</p>					<p>b.ii) Not Implemented</p> <p>c) Fully Implemented</p> <p>d.i) Fully Implemented</p>	<p>The Project Coordinators currently reviewing and formulating plans to utilize the processing area and equipment for agency's programs.</p>	<p>Project Coordinator of PCC at VSU already conducted the necessary seminars and trainings for the farmer-beneficiaries.</p>

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		<p>members; and (ii) implement viable solutions or remedies to address hard breeders/unproductive buffaloes; and</p> <p>e) Immediately issue a directive to the concerned Cooperatives under the PCC at MMSU and VSU requiring them to:</p> <p>(i) provide adequate housing and forage area;</p> <p>(ii) secure insurance coverage of dairy buffaloes;</p> <p>(iii) maintain Individual Animal Record or reports on buffalo mortality; and</p> <p>(iv) strictly comply with their obligations under the DBDA to avoid</p>					<p>d.ii) Fully Implemented</p> <p>e.i) Not Implemented</p> <p>e.ii) Not Implemented</p> <p>e.iii) Not Implemented</p> <p>e.iv) Not Implemented</p>	<p>A directive will be issued to the concerned cooperatives regarding their obligations under the Dairy Buffalo Dispersal Agreement (DBDA).</p>	


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		conditions which would warrant the repossession of the dispersed buffaloes and termination of the Agreement.							
No. 14	<i>Lapses in the planning and implementation of the Dairy Herd Build-Up of Genetically Improved Buffaloes (DHBU) Project by the PCC at Cagayan State University (CSU) resulted to losses totaling ₱825,000.00 due to animal mortality, thereby posing risk of inability to the project goals and objectives of increasing the national dairy buffalo herd that will boost local milk production, and thereby contributing to food security and economic development.</i>	We recommended and the Executive Director instruct the Center Director of PCC at CSU to: a) Direct the concerned PCC at CSU officials to execute a (i) Memorandum of Agreement between the PCC and partner Cooperatives; and (ii) written agreement with the supplier relative to the terms agreed upon for the temporary postponement of the delivery of carabaos to protect the interest of both parties;	The Center Director and concerned officials of PCC at CSU were instructed to review the lapses that emanated in the planning and implementation of Dairy Herd Build-up of Genetically Improved Buffaloes project. All cited observations and recommendations will be discussed to the coordinators of the said project to ensure the attainment of DHBU goals and objectives.	Concerned officials of PCC at CSU	March 2024	June 2024	a.i) Fully Implemented a.ii) Fully Implemented	There is already signed MOA between PCC and partner Cooperatives last June 14, 2024. Letter of postponement was issued to supplier last March 11, 2024.	

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		<p>b) Advise the Project Coordinators to consider revisiting the project's targets and timeline to be able to set a more realistic goal and schedule taking into consideration the current state of the center; and</p> <p>c) As a way forward, ensure adequate infrastructure facilities and food supply prior to procurement and delivery of buffaloes to prevent the increasing number of animal mortality and to ensure the attainment of the DHBU goals and objectives.</p>					<p>b) Fully Implemented</p> <p>c) Fully Implemented</p>		

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No. 15	<i>The PCC has substantially complied with pertinent provisions of the Bureau of Internal Revenue (BIR) Regulations, Government Service Insurance System (GSIS) Act of 1997, Home Development Mutual Fund (HDMF) Law of 2009 and National Health Insurance Act of 2013 in the proper withholding and timely remittance of taxes due to the BIR and premiums/contributions, including government share due to the GSIS, Pag-IBIG and PhilHealth for the Calendar Year (CY) 2023.</i>	We recommended that the Executive Director instruct the Administrative and Financial Management Division (AFMD) to continue complying with pertinent laws, rules and regulations on the proper withholding and timely remittance of taxes due to the BIR and premiums/contributions, including government share due to the GSIS, Pag-IBIG and PhilHealth to assure all its members of the benefits due them.	The PCC will continue to consistently comply with pertinent laws, rules and regulations on the proper withholding and timely remittance of taxes due to the BIR and premiums/contributions, including government share due to the GSIS, Pag-IBIG and PhilHealth to assure all its members of the benefits due them.	AFMD of PCC NHGP and concerned personnel of PC regional centers	June 2024	Dec. 2024	Fully Implemented		
No. 16	<i>The PCC National Headquarters and Gene Pool (NHGP) and eight Regional Centers reported no unsettled balances of audit suspensions, disallowances and charges as of December 31, 2023.</i>	We recommended that the Executive Director instruct the Center Directors concerned to (a) enforce the immediate settlement of the audit suspensions to avoid the same from maturing into	The concerned PC centers were instructed to strictly monitor and immediately settle the audit suspensions and disallowances.	PCC at CMU, DMMMSU, USF and MLPC	June 2024	Dec. 2024	a) Not Implemented b) Not Implemented	PCC at DMMMSU, MLPC and CMU will continuously monitor the submission of needed documents to fully settle the	For Notice of Suspensions, P2,780,741.39 or 17.2% was already settled as of June 30, 2024. On the other hand, for Notice of

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	<i>However, the Regional Centers at Central Mindanao University (CMU), Don Mariano Marcos Memorial State University (DMMMSU), Mindanao Livestock Production Center (MLPC) and Ubay Stock Farm (USF) had outstanding suspensions totaling ₱16,185,926.51 and audit disallowances of ₱104,225.87 as reflected in the submitted Management Letters (MLs).</i>	disallowances; and (b) require persons liable to settle the audit disallowances in the manner prescribed under the RRSA.						Notice of Suspensions. The remaining Notice of Disallowance of PCC at MLPC pertains to retired/resigned employees of the center. Request of refund will be made thru demand letter.	Disallowances, P37,381.30 or 35.9% was already refunded as of June 30, 2024. PCC at USF submitted the evidence of payment to COA for the issuance of notice of settlement of their disallowance.

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