

Philippine Carabao Center
Science City of Muñoz, Nueva Ecija

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION

Audit Observations and Recommendations for the Calendar Year 2020

As of July 15, 2021

PHILIPPINE CARABAO CENTER
Office of The AUDITOR
RECEIVED
8/11/2021
DATE
BY: *[Signature]*

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken
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No. 1	The reported balances of the Cash and Cash Equivalents account were not fairly presented in the year-end financial statements due to (a) accumulation of unrecorded and unadjusted reconciling items by the Philippine Carabao Center at Visayas State University (PCC at VSU) resulting in an understatement of the Cash account by ₱9,188,862.72; (b) unrecorded variance of ₱406,476.00 between the Bank's and Agency's records as reported by the Central Mindanao University (CMU); and (c) non/late preparation of Bank Reconciliation Statements	We recommended and the OIC - Executive Director agreed to (a) instruct the Center Directors of PCC at VSU and CMU to require the Accountant/Bookkeeper to (i) look into the details of the unrecorded reconciling items totaling to ₱9,711,818.77; (ii) effect proper adjustment of the identified reconciling items and errors in the books of accounts; (iii) henceforth, observe prudence in the recording of transactions to avoid errors; (iv) coordinate with the VSU Cashier's Division for the release of the RCI together with the paid vouchers, and a report	The concerned personnel were instructed to observe prudence in preparation and submission of bank reconciliation statements and recording of identified reconciling items and errors in the books of accounts to avoid errors. Likewise, consider to inquire to LBP for the enrollment procedure of LBP weAccess which allows clients to make selected banking transactions online like generation of bank statement to	Designated accountant and staffs of PCC at UPLB, VSU and CMU	June 2021	Dec. 2021	a.i) Partially Implemented a.ii) Partially Implemented a.iii) Partially Implemented a.iv) Partially Implemented	There is on-going checking for the other details of reconciling items to properly adjust it in the books of accounts.	This year, PCC NHGP Accounting Unit will schedule to conduct online coaching/seminar to its 12 regional center's bookkeepers regarding preparation of BRS and recognition of reconciling items, unrecorded deposits, and disbursements.

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	(BRSs) by three PC Centers; namely, VSU, CMU, and University of the Philippines – Los Baños (UPLB).	<p>on the unreleased checks still at the Cashier's Office to ensure the completeness and accuracy in the booking up of the transactions; and</p> <p>(v) request a copy of the tax remittances from the VSU Accounting Office for their proper recording in the books;</p> <p>(b) direct the Center Director of PCC at CMU to instruct the Accounting Office to validate and reconcile the variance of ₱406,476.00;</p> <p>(c) direct the OIC-Center Director of the PCC at UPLB and Center Directors of PCC at CMU and VSU to</p> <p>(i) advise their respective Bookkeeper/Accountant to strictly observe the provision on the preparation and submission of monthly BRS and immediately submit the December 2020 Bank Reconciliation Statements; and</p> <p>(ii) enroll in LBP weAccess which allows clients to make selected banking transactions online; and</p> <p>(d) direct the OIC-Center Director of PCC at UPLB to</p>	<p>minimize the unrecorded deposit and to avoid late submission of BRS.</p> <p>Moreover, PCC at VSU bookkeeper will closely coordinate with the VSU Cash Division for the monthly RCI together with supporting documents as basis of recording of disbursement to ensure the completeness and accuracy in the booking up of transactions.</p>					<p>a.v) Partially Implemented</p> <p>b) Fully Implemented</p> <p>c.i) Fully Implemented</p> <p>c.ii) Partially Implemented</p> <p>d) Fully Implemented</p>	<p>PCC UPLB and VSU will coordinate to their university and LBP branch to process the enrollment in LBP weAccess.</p>	<p>PCC at UPLB was already updated the authorized</p>

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No. 2	The losses of animals thru death were valued and recognized based on the replacement cost instead of their values at the time of death, understating the recorded balance of the Other Receivables account by ₱79,539,221.99, thus, affecting the Management's assertion on the fair presentation of the Statement of Financial Position as of December 31, 2020.	We recommended and the OIC – Executive Director agreed to instruct the Accounting Unit to determine and recognize the correct amount of receivables in the books of accounts.	The Accountant will have her final review of the guidelines in derecognizing biological assets thru death. If needed, another representation will be made to COA to address the concerned observations. Otherwise, proper recognition of the amount of receivables in the books of account will be effected until Nov. 2021.	Accountant of PCC NHGP	June 2021	Nov. 2021	On-going	Make final representation/inquiry to COA on the effect of the possible adjustment of the value of receivables account to account to officers/farmer recipients/cooperatives.	
		the instruct Bookkeeper/Accountant to make representation with the LBP depository branch for the documentary requirements in updating the authorized signatory.					However, while waiting for it, they will regularly request a copy of monthly bank statement/snap shot from their respective AGDB.	signatories with the LBP depository branch.	

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No. 3	The reliability of the reported balances of the Inventories account was not ascertained due to accounting deficiencies and departure from the regulations embodied in the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume II, such as (a) unadjusted variances of ₱751,796.66 and ₱253,657.05 between the Accounting records and the physical count conducted by the Philippine Carabao Center-National Headquarters at Gene Pool (NHGP) and PCC at VSU, respectively; (b) non-recognition of 174 items worth ₱284,581.68 under the Animal/Zoological Supplies and Inventory Held for Consumption of the PCC-NHGP. Meanwhile, the PCC-UPLB had unrecorded 281 units with undetermined value; and (c) erroneous recognition and unsubstantiated inventory issuances of the PCC at VSU and unreconciled difference between the RSMI and	We recommended that the OIC - Executive Director direct the respective Center Director concerned to instruct the (a) Accounting and Property Units to (i) reconcile the actual physical inventory of every inventory item with noted variances against the actual count at year-end and effect the necessary adjustment in the books, if warranted; (ii) recognize in their respective records all inventory items found at the storage area following the Perpetual Inventory Method; and (b) Property and Supply Officer of PCC NHGP to constantly remind the personnel concerned at the Gene Pool storage area on the proper manner of handling animal/zoological supplies for stock to prevent or at least minimize losses from damaged inventories.	The concerned units will strategize the needed actions to fully implement the audit recommendations with regards to 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 using RSMI. Also, proper maintenance of Supplies Ledger Cards and Stock Cards will be instructed.	Accounting and Property Units of PCC NHGP, UPLB and VSU	June 2021	Dec. 2021	a.i) Partially Implemented a.ii) Partially Implemented b) Fully Implemented	Reconciliation of some of the affected accounts will be made during semi-annual/annual physical inventory this year. Likewise, corresponding adjusting entries will be effected.	The Accounting and Property Units of PC NHGP should conduct an online coaching/seminar to its 12 regional centers to address the audit observations. Attendance to trainings related on the Inventory account is also encourage to help the concerned staffs to fully understand the process and guidelines of inventory.

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	accounting records in the amount of ₱1,342,873.92 and ₱149,847.61, respectively.	PCC at VSU to instruct the Accountant to (i) review the pertinent accounting records with reference to the RSMI summarizing the issued inventories in CY 2020 in order to determine the actual amount of the issued items so that proper corrections shall be made for the noted unreconciled difference of ₱149,847.61; and (ii) update regularly the SLCs by recording promptly the receipt and issuances of inventory items.							
No. 4	The recorded balances with carrying amount of ₱821,320,391.15 of the Property, Plant and Equipment (PPE) accounts of the Philippine Carabao Center National Headquarters and Gene Pool (NHGP) and three other Regional Centers were overstated by a net amount of ₱11,783,587.53 due to deviations from various regulations of the Government Accounting Manual (GAM) for	We recommended that the OIC - Executive Director direct the PC Center Directors concerned to instruct the respective Accountant/Bookkeeper to (a) provide allowance for depreciation on PPE items; (b) derecognize the donated machineries and equipment; (c) recognize PPE items erroneously treated as supplies in their respective records; (d) draw the necessary journal entry vouchers (JEVs) to correct	The concerned personnel were instructed to review the audit recommendations and effect the necessary adjustments in the books. Regular checking of the PPE Schedule in the eNGAS will be made to ensure that allowance for depreciation will be provided.	Accounting and Property Units of PCC NHGP, CLSU, CSU, UPLB and VSU	June 2021	Dec. 2021	a) Partially Implemented b) Fully Implemented c) Fully Implemented	Regular manual checking of depreciation in the system will be made while waiting for the system update.	PCC NHGP and its 12 regional centers will have the system update of eNGAS on July 19-21, 2021. On this event, we will inquire and ask for assistance on how to avoid the under and/or overdepreciated PPE accounts.

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	National Government Agencies (NGAs), such as: (a) non-provision of depreciation for some PPE items which overstated the Assets account by ₱9,702,730.77 (b) non-derecognition of donated machineries and equipment worth ₱5,131,070.35; (c) erroneous recognition of procured properties costing ₱714,994.00; (d) non-reclassification of unserviceable properties amounting to ₱616,637.36 from Other Assets account to proper PPE accounts and non-disposal of the same; (e) overstatement of intra-agency transferred PPEs of ₱70,792.52; (f) non-reclassification of completed infrastructure project of ₱3,116,480.76 from the Construction in Progress (CIP) to Other Structures account; and (g) non-provision of depreciation of ₱197,377.11 for completed CIP.	the affected accounts in the books to present fairly in the financial statements; and (e) PCC Inspectorate Team to (i) conduct follow-up inspection of the deep well drilling project to determine its status; and (ii) seek consultation with the National Irrigation Administration (NIA) Office to explore viable alternative courses of action relative to the constructed deep well.	PCC at CLSU will make follow-up on the previous request and seek consultation with the NIA Office to explore viable alternative courses of action relative to the constructed deep well.						Likewise, the Accounting and Property Units of PC NHGP should conduct an online coaching/seminar to its 12 regional centers to address the audit observations. Attendance to trainings related on the PPE account is also encourage to help the concerned staffs to fully understand the process and guidelines of PPE.		

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No. 5	The Agency's non-compliance with the provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, on the proper valuation and recognition of breeding stocks and biological assets resulted in the net understatement of Assets and Income by ₱122,600.00 and ₱1,677,000.00, respectively, and net understatement of Expenses by ₱1,554,400.00.	We recommended that the Executive Director instruct the respective Center Directors to direct the offices/units concerned to (a) consistently apply the valuation policy established by the PCC on Biological Assets; (b) recognize the calves produced and animals acquired in their respective records; (c) draw the necessary Journal entry voucher (JEV) correcting the undervaluation of the animals; and (d) derecognize the dead animals in the books of accounts.	PCC NHGP will assist the PC center's property and accounting officers/staffs through online discussion or coaching on the proper recognition and derecognition of Biological assets. These two concerned units should need to strategize the process that they will undertake to minimize or avoid the cited audit observations.	Accounting and Property Units of PCC at CLSU, DMMSU, and VSU	June 2021	Dec. 2021	a) Fully Implemented b) Partially Implemented c) Fully Implemented d) Partially Implemented	Monthly follow-up from the Property Units will be made to recognize and derecognize the affected accounts.	PCC NHGP Accounting Unit will conduct online coaching/seminar this last quarter in preparation for the year-end closing. One of the topic to be discussed is the recognition of Accounts Payable at year-end.	
No. 6	The accuracy and validity of some items reported under Financial Liabilities accounts were uncertain due to (a) unsubstantiated recognition of payables amounting to ₱5,088,349.39; (b) unrecognized liabilities for delivered/accepted supplies and materials worth ₱305,394.26; and (c)	We recommended that the Executive Director instruct the Accountant concerned to (a) submit to the Audit Team the documents to support the recognition of payables as at year-end for verification; (b) record as payables those obligations which have become due and demandable based on complete documentary requirements to warrant the	The Accountant of PCC NHGP will assist the bookkeepers of the regional centers to minimize and/or avoid the recurrence of the audit observations. The concerned personnel should ensure the compliance and submission of the required documents to	Accounting Units of PCC at DMMSU and VSU	June 2021	Dec. 2021	a) Partially Implemented b) Partially Implemented	There is on-going completion of some of the documentary requirements. Also, once available it will be submitted immediately to their Audit team.	PCC NHGP Accounting Unit will conduct online coaching/seminar this last quarter in preparation for the year-end closing. One of the topic to be discussed is the recognition of Accounts Payable at year-end.	

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	unsupported adjustments reducing Accounts Payable by ₱823,713.66. In sum, Financial Liabilities was overstated by a net amount of ₱3,959,241.47.	validity and legality thereof; and (c) henceforth, ensure the submission of the required Journal Entry Vouchers (JEVs) and supporting documents to substantiate the adjusting/correcting entries made on Accounts Payable.	fully settle the issued findings.						
No. 7	Unexpended fund balances of the completed projects totaling to ₱5,814,954.74 were not remitted to the Source Agencies (SAs) contrary to Section 63(g), Chapter 6 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, and the related Memorandum of Agreement (MOA) entered by and between the Philippine Carabao Center (PCC) and the Source Agencies (SAs).	We recommended and the Executive Director agreed to instruct the Administrative and Financial Management Division (PCC-NHGP) to (a) strictly comply with Section 63 (g) of the GAM for NGAs, Volume I and the terms and conditions of the MOA; (b) expedite the (i) updating of records to facilitate the preparation of liquidation reports; (ii) perform reconciliation of the Budget and Accounting records; and (iii) immediately remit unexpended fund balances of completed projects to Source Agencies (SAs).	The concerned personnel to strictly comply with Section 63 (g) of the GAM for NGAs, Volume I and the terms and conditions of the MOA and to fast-track the updating, reconciliation and liquidation and/or refund of unexpended balances of completed projects to Source Agencies.	Accountant and Budget Units and Project Leaders of PCC NHGP	June 2021	Dec. 2021	a) Partially Implemented b.i) Partially Implemented b.ii) Partially Implemented b.iii) Partially Implemented	Review and reconciliation of completed projects were started last May 2021. The agency will fast-track the immediate refund of the unexpended balance to Source Agencies.	

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No. 8	Lapses in the GAD planning, budgeting and reporting of programs, activities and projects (PAPs) were noted in CY 2020, such as (a) non-reconstitution of the existing GAD Focal Point System (GFPS); and (b) failure to use the Harmonized Gender and Development Guidelines (HGDDG) tools in the preparation of GAD Plan and Budget (GPB) and GAD Accomplishment Report (GAD AR), inconsistent with Section 5 of the Philippine Commission on Women (PCW) Memorandum Circular No. 2011-01 dated October 21, 2011 and Paragraph 3.4 of Philippine Commission on Women-National Economic and Development Authority-Department of Budget and Management (PCW-NEDA-DBM) Joint Circular (JC) No. 2012-01.	We recommended that the OIC-Executive Director instruct the GAD officers concerned to (a) reconstitute the structure and composition of the Agency's GFPS to conform with the PCW Memorandum Circular No. 2011-01 dated October 21, 2011;	The OIC-Executive Director instructed the GAD officers concerned to review the agency's composition of GFPS committee and facilitate the applicable trainings and any similar interventions to implement the audit recommendations related to Gender and Development.	GAD Focal Point System	June 2021	Nov. 2021					
		(b) enhance their knowledge on the attribution of the costs of GAD-related accomplishments through trainings and similar interventions;					a) Fully Implemented		The OIC-Executive Director issued SO no. 49 dated March 30, 2021 for the reconstitution of the structure and composition of the PCC's GFPS.		
		(c) use the Harmonized Gender and Development Guidelines (HGDDG) assessment tool in the attribution of programs, activities and projects; and (d) furnish the Audit Team with a copy of the PCW-endorsed GAD Accomplishment Report after approval by the Agency Head.					b) Partially Implemented	Other GAD-related trainings and similar interventions will be scheduled until October, 2021.	The agency will schedule the training for the use of Harmonized Gender and Development Guidelines (HGDDG) assessment tool this September, 2021.		
							c) On-going				
							d) On-going	GAD Accomplishment Report is currently being reviewed by PCW.			

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No. 9	The procurement of ₱16,100,200.00 worth of fresh carabao's milk sourced from the local dairy farmers and cooperatives was successfully undertaken by the Philippine Carabao Center-National Headquarters Gene Pool (PCC NHGP) during calendar year 2020, benefiting 90,020 undernourished children enrolled under the DepEd Milk Feeding Program. Nonetheless, deficiencies and flaws were noted in the contract preparation and implementation phases, thus, contrary to relevant laws, rules and regulations.	We commended the management of PCC NHGP and PCC at UPLB for the smooth implementation of the Milk Feeding Program in its first year of operation, and recommended that the Executive Director instruct the BAC and other officials and employees concerned to (a) ensure complete documentation of the transactions in compliance with the Contract Agreement; (b) strictly comply with the prescribed period of contract execution or the issuance of Notice of Award and Notice to Proceed; and (c) see to it that the publication of the necessary information and procurement documents relative to the Milk Feeding Program is carried out in all required avenues within seven working days from the date of acceptance of the award.	The concerned personnel will ensure that complete documentation, strict implementation with the prescribed period of contract execution and needed publication of the necessary information and procurement documents relative to the Milk Feeding Program will be complied in the ensuing program implementation.	BAC and program implementors of PCC NHGP and PCC at UPLB	June 2021	Dec. 2021	a) Partially Implemented b) Fully Implemented c) Fully Implemented	Completion of documentary requirements are on-going. Some documents were already available but unfortunately it was not attached in the DV submitted.	The requested documents will be submitted to the office of the resident auditor on or before July 31, 2021. To comply with the contract execution, PO was issued to supplier to lessen the processing time of procurement process and to avoid the conflict of dates from issuance of NOA and NTP.

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No. 10	The Modified "Paiwi" or Trusteeship Scheme of the Dairy Buffalo Module Program (DMBP) of the Philippine Carabao Center (PCC) has substantially attained its objective of providing additional income to the farmer-beneficiaries for the last two years covering CYs 2018 to 2019, realized from the milk produced and calves born, with a total amount of ₱200,029,594.15. However, for the same period, 102 instances of deaths and 167 cases of culling of buffaloes occurred due to health issues, thus, hindering the efficient implementation and attainment of optimum program results. Similarly, measures undertaken to mitigate the loss of buffaloes thru death at the NGP Center were fairly effective as manifested by the (a) decrease in mortality of three heads; (b) the decline in the number of deaths caused by ruminal tympany/bloat from nine to two heads during the year	We recommended and the OIC –Executive Director agreed to undertake the following courses of action: (a) reassess workloads as well as the duties and responsibilities of the veterinarians and personnel responsible for the monitoring of the 7,657 buffaloes entrusted to the different farmer-beneficiaries of different cooperatives in Nueva Ecija; (b) consider hiring additional veterinarians/staff or revision of their duties and responsibilities if the result of reassessment requires for it; (c) encourage the farmer-beneficiaries to immediately report the health condition of their animals for immediate medical attention; (d) if possible, revisit the policies and guidelines of the "PAIWI" Scheme and institute safeguards to prevent numerous deaths and culling of animals; and (e) consider the statement under the dispositive	The concerned personnel were instructed to review and consider the audit recommendations regarding the Modified "Paiwi" Scheme. In previous years, some action taken by the NIZ Team was to rectify and instituted improvement in the monitoring of dairy buffaloes at the cooperative level, this is manifested in the result of decreasing number of mortality from 5.65% in 2018 that dropped down to 0.15% in 2019. Moreover, although the animals were culled due to illness and other reasons as stated in the audit report, upon analysis on the age of the animals it ranges from 6 to 19 years old. Hence, the process of culling is an intervention to recover the salvaged value of the animals. In addition, with regards to the Gene Pool,	PCC NHGP NIZ and Genepool	June 2021	Dec. 2021	a) Partially Implemented b) Partially Implemented c) Fully Implemented d) Partially Implemented e) Partially Implemented	Aside from the programs implemented last 2020, additional improvement in the health management will be done. Improvement of management practices and facilities were also on-going that may contribute in the general well-being of the animals. These are as follows: 1) Improvement of farm practices and facilities in preparation for registration for Animal Welfare Act compliance and Good Animal Husbandry Practices Certification 2) Review, re-evaluation and redesign of Herd	

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	2020; and (c) culling of animals with poor body condition dropped from 23 heads to four. The mortalities and culling of animals, regardless of cause, still posed a threat to the preservation of the animals that would otherwise contribute to the sustainability of the Agency's Genetic Improvement Program.	portion of COA Decision No. 2018-450 dated December 21, 2018 encouraging the PCC to conduct thorough investigation on the deaths of the buffaloes to prevent further loss of government property. We further recommended and the OIC –Executive Director agreed to (a) evaluate the circumstances and causes of the diseases which led to death and culling among the herd in spite of the interventions observed in the NGP; and (b) conscientiously observe the routine activities in the Herd Health Program to attain the objectives of preventing and minimizing the occurrence of diseases for the optimum performance of the animals.	information was gathered during the treatment of some animals with illness, this will be used as future reference should the same disease manifestation was observed.						Health Management Program 3) Prohibition of entry of private vehicles in the farm 4) Repair of House no. 4 that will be used as Pregnant Animals and Maternity Barn
						a) Partially Implemented b) Fully Implemented			

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No. 11	Audit of the implementation of the Province-Wide Carabao-Based Business Improvement (CBIN) of the different Philippine Carabao Centers (PCCs) disclosed observations, such as (a) delayed project implementation; (b) late dispersal of animals to intended beneficiaries; (c) unsubstantiated distribution of buffaloes; (d) no provision in the Memorandum of Agreement (MOA) on the acquisition and disposition of motor vehicles/equipment turned over to a Cooperative; (e) breach of contract resulting in undelivered buffaloes while animal/zooological supplies were distributed to a non-legitimate recipient; and (f) absence of list of intended farmer-beneficiaries. Such lapses hindered the full attainment of the objectives of the Program and the enjoyment of the benefits by the beneficiaries thereof.	We recommended and the Center Director agreed to instruct the Program Coordinator and other officials/personnel concerned of PCC CLSU to (i) formulate physical plans for future programs that are attainable within the target period considering the constraints encountered in the implementation of existing programs; and (ii) ensure the attainment of optimum expected benefits from the program to the advantage of the intended beneficiaries thru effective planning.	PC Center Directors were instructed to strictly monitor and comply the cited audit recommendations. The action plan per centers are enumerated below: (i) Timeline of activities for the next CBIN programs were already planned, and for strict implementation within the time-frame. Continuous monitoring of activities and conduct of regular meetings to get an updates on the accomplishment of physical and financial target. (ii) Assess the coop-conduits in terms of their needs to ensure the attainment of expected benefits/output of the program. Continuous communication and coordination with the project partners will be done.	Center Director, CBED Coordinator and staffs	June 2021	Dec. 2021	i) Partially Implemented ii) Partially Implemented	Due to COVID-19 pandemic, travel restrictions and mass gathering were being imposed by areas of coverage.	The PC Center Director's, CBIN overall coordinator and Operations group will undertake and consider the audit recommendations in the ensuing CBIN programs to ensure full implementation of the program to its target beneficiaries. Fast track the preparation of required necessary documents and continuous coordination with partner LGUs and stakeholders; already hired a staff designated to focus on the procurement, administrative, and monitoring works.

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		<p>The respective Audit Team recommended that the Management of PCC at CMU</p> <p>(a) make constant follow ups with the PCC Headquarters for the early conduct of bidding to catch up with the implementation schedule of the project and maximize the utilization of funds; and</p> <p>(b) fast track the implementation of the identified projects as planned (dispersal of buffalos to the targeted beneficiaries, installation of the milk processing equipment and construction of the required structures) for the benefit of the farmers as well as the general public.</p>	<p>a) PC Center will coordinate to PCC Headquarters with regards to early conduct of bidding. Likewise, conduct of market study of the items for bidding will be made by the center to avoid failure of bidding in the next program implementation.</p> <p>b) Ensure the immediate completion of the improvement of containerized milk processing plant and fast track the implementation of the projects. Likewise, the center created timeline as basis for the distribution of dairy animals to the recipients. While the animals are being impregnated, the recipients were already identified and being</p>					<p>a) Fully Implemented</p> <p>b) Partially Implemented</p>	<p>Based on past experiences, if the animals entrusted to farmers are not pregnant, some farmers get discouraged in taking care the animals which results to surrender of their animals. To avoid this, the center</p>	<p>The central office facilitated the re-bidding process and awarded to the JRA Livestock Buyer and Supply. They were already completed the delivered last December, 2020.</p> <p>Construction of improvement of containerized milk processing plant was 100% accomplished. The installation of the equipment in milk processing was already finished and scheduled to conduct a dry-run on the 1st week of August 2021.</p>	

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		The Audit Team of <u>PCC</u> at <u>DMMSU</u> recommended that Management retrieve the MOA duly signed by the recipients in order to fully support the distribution of the buffaloes and at the same time relieve the Center from liability in cases of losses or deaths of the animals.	PC center will strategize on how to timely secured the MOA with the conduit cooperative and farmer beneficiaries/recipients during the release of the animals.					Partially Implemented	Due to COVID-19 pandemic; travel and entry to barangay levels are prohibited.	The center is currently collecting copy of contract/MOA (between the farmer-beneficiaries) for filing and submission to COA.	
			prepared for the entrustment of animals.						opted to impregnate the animals prior to entrustment so that the farmer-beneficiaries can immediately engage in milking activities that will provide them additional income and encourage them to take care of their animals better.	Conducted fixed-time Artificial Insemination (AI) and Pregnancy Diagnosis to the purchased animals. Close monitoring of animals to be impregnated before the dispersal. The target date of dispersal will start on the 2 nd day of August, 2021 and onwards.	

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		<p>The Audit Team of <u>PCC</u> at <u>LCSE</u> recommended and Management, thru the Center Director, agreed to revisit the existing MOA and prepare amendments thereto so that the responsibilities and obligations of both parties pertaining to the assets purchased and turned over to the Cooperative will be clearly specified therein.</p>	<p>PC Center will coordinate to PCC NHGP for the preparation of Amendments of MOA and if possible, separate guidelines will be included to clearly specified therein the responsibilities and obligations of both parties for the assets that was transferred to cooperative.</p>					<p>Submitted amended MOA to COA but they still have comments on the guidelines for transfer of accountability. The MOA will still be amended to include the guidelines and transfer of accountability on the equipment and will be re-submitted to COA for approval.</p>	
		<p>The Audit Team of <u>PCC</u> at <u>MMSU</u> recommended that Management (a) bestow to the center autonomy in the procurement of its projects, goods and services for timely enjoyment and effective implementation of the program for the benefit of its clientele; and</p>	<p>Public bidding of 30 animals and other goods were already conducted/procured at the center.</p>					<p>a) Fully Implemented</p>	
								<p>PO No. 07308603-2020-12-573 dated 12/15/2020 was awarded to a local supplier, St Ruiz Agro Supply and Gen Mdse. Thirty carabaos were delivered on Feb. 19, 22 and March 5, 2021 (10 carabaos per batch) with</p>	

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		(b) ensure that the funds of the aforesaid Program/Project be utilized and spent exclusively for legitimate/targeted beneficiaries so as not to deprive them of the intended support and benefits under the Program.	Value chain approach involving multi-LGU and/or multi-coop participation to stimulate dairy development in the province as envisioned.					inspection report no. 118-21-184. These were already received by the intended cooperatives/beneficiaries. To ensure that budget goes to targeted beneficiaries, Memorandum of Agreement with participating cooperatives, which invested in housing, forage development and other facilities for dairy carabao production, were put in place. Close monitoring and supervision of cooperatives is being done by the Carabao-based Enterprise Development Coordinator and all	

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		<p>The Audit Team of <u>PCC at UPLB</u> recommended Management that</p> <p>(a) strictly enforce the delivery of buffaloes within the approved extension period given to the contractor;</p> <p>(b) submit the list of intended farmer-beneficiaries in Palawan of the said buffaloes; and</p>	<p>Close coordination with the supplier for delivery terms stated in the contract to ensure timely implementation of the project.</p> <p>The center will ensure that list of intended farmer-beneficiaries in Palawan and succeeding projects will be submitted to COA.</p>					<p>a) Fully Implemented</p> <p>b) Partially Implemented</p>	<p>Because of travel and transport restrictions due to the Covid 19 pandemic, approved Letters of Extension of Delivery to Albay and Palawan were issued based on requests of supplier.</p>	<p>inputs and other forms of assistance provided are properly documented/recorded.</p> <p>Initial list of farmer-beneficiaries was submitted to COA last March 22, 2021. Final list of farmer-beneficiaries was secured after field validation.</p>

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No. 12	The PCC NHGP did not secure a clearance from the Office of the Solicitor General (OSG) that his prior written conformity and acquiescence for the hiring of a private lawyer as technical consultant is not required, thus, not harmonized with the standard called for under Section 3 of the Revised Guidelines on the Deputation of Private Lawyers and Special Attorneys dated December 15, 2015.	We recommended and the OIC - Executive Director agreed to instruct the personnel concerned from the Administrative and Financial Management Division to secure a clearance from the Office of the Solicitor General (OSG) that his prior written conformity and acquiescence for the hiring of a private lawyer to act as technical consultant is not required pursuant to Section 3 of the Revised Guidelines on the Deputation of Private Lawyers and Special Attorneys dated December 15, 2015.	The concerned personnel was instructed to prepare the needed requirements in securing clearance from the Office of the Solicitor General (OSG) pursuant to Section 3 of the Revised Guidelines on the Deputation of Private Lawyers and Special Attorneys dated December 15, 2015.	AFMD personnel	June 2021	Dec. 2021	On-going		PCC was already submitted a letter to OSG last July 9, 2021 to request for the hiring of a private lawyer.
		(c) comply strictly with the prescribed period on the submission of copies of Purchase Orders and perfected contracts and their supporting documents pursuant to COA Circular No. 2009-001 dated February 12, 2009.	The center will strictly comply with the prescribed period on the submission of copies of Purchase Orders and perfected contracts and all of its supporting documents pursuant to COA Circular No. 2009-001.					Full original copy of procurement documents was received from PCCNHQ by PCC-UPLB only last November 2020, and submitted to COA.	

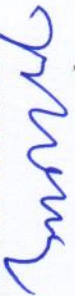
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No. 13	Several accounting practices in the operation of different Centers of the PCC were unsound and contrary to various laws, rules and regulations set forth under Presidential Decree (P.D.) No.1445, International Public State Accounting Standards (IPSAS) 1 and COA Circular No. 12-001.	We recommended that the Center Director instruct the Accounting Unit to (a) ensure that appropriations are available before obligations are incurred and that all expenditures which could not be paid in the year these were incurred are recognized as Accounts Payable before the close of the year; and (b) comply with the accrual basis of accounting for complete reporting of all financial transactions in the financial statements. We recommended that Management require the Accountant to cause the submission of the lacking documents and, henceforth, review and verify the completeness and validity of the documentary requirements prior to payment of expenses in order to ensure the validity and propriety of the Center's disbursements.	The concerned personnel were instructed to take appropriate actions to ensure the compliance on the audit observations. Likewise, implementation of accrual basis of accounting will be diligently observed.	Accountant and accounting staffs of PCC at CLSU and DMMSU	June 2021	Dec. 2021	a) Fully Implemented b) Partially Implemented Partially Implemented	Almost 80% of the transactions were completed and submitted to COA. The target date of completion of all documents will be on August 31, 2021.	Summary of various COA/DBM and other related guidelines will be issued to its regional centers through memorandum order. This will be used as their guide prior to processing and approval of payment of expenses in order to ensure the validity and propriety of the Center's disbursements.

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No. 14	Remittance of taxes of ₱27,730,563.02 withheld from the payments of goods and services to suppliers/contractors, and compensation/honoraria of employees was effected in CY 2020 in consonance with the provisions under BIR Revenue Regulations Nos. 2-98, 10-2008, and 1-2013 dated April 17, 1998, July 8, 2008, and January 23, 2013, respectively, thereby, contributing to the financing of various public services of the government. However, under remittance was observed in the consolidated schedule of taxes withheld and the corresponding remittances.	We recommended that the OIC - Executive Director instruct the (a)Accountants/Bookkeepers of the Centers: (i) to continuously adhere to the revenue regulations on the withholding and timely remittance of taxes to the BIR; and (ii) to keep the recording in the RCI and eNGAS updated to ensure full remittance of taxes withheld.	The OIC-Executive Director instructed the Accountants/Bookkeepers of the centers to continuously adhere to the BIR revenue regulations on the withholding and timely remittance of taxes. Also, ensure the full remittance of taxes withheld monthly as reflected in the recorded financial transactions of ENGAS and RCI.	Accountants/Bookkeepers of PCC NHGP and PC centers	June 2021	Dec. 2021	a.i) Fully Implemented a.ii) Partially Implemented		
No. 15	The PCC NHGP complied with R.A. No. 8291 or the Government Service Insurance System Law on the withholding of GISIS monthly premiums/contributions for retirement and life insurance policies (RLIP) from employees' compensation and in the remittance thereof together	We recommended that the OIC - Executive Director instruct the Accounting Unit of all PC Centers to continue to be compliant with the deduction of GISIS premium contributions and the remittance thereof including the government share within the prescribed period.	The concerned personnel of Accounting Unit of all PC centers were instructed to continue to be compliant with the deduction of GISIS premium contributions and the remittance thereof including the	Accountants/Bookkeepers of all PC centers	June 2021	Dec. 2021	Fully Implemented		

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	with the government share and loan amortizations within the prescribed period, thus, allowing ready access of members to benefits and privileges provided by the System.		government share within the prescribed period.							
No. 16	The contributions and other amounts due to Pagtutulungan sa kinabukasan: Ikaw, Bangko, Industriya at Gobyerno (Pag-IBIG) deducted from the compensation of employees together with the government share thereto were fully remitted to the Pag-IBIG within the prescribed period pursuant to Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9679, otherwise known as the Home Development Mutual Fund (HDMF) Law of 2009, thus, assuring members of unhampered benefits and privileges therefrom.	We recommended that the Executive Director instruct the Accounting Unit of all PC Centers to continually adhere to the timely remittance thereof including the government share within the prescribed period. We also recommended that the whole amount of withheld monthly contributions be remitted intact.	The concerned personnel of Accounting Unit of all PC centers were instructed to continually adhere to the timely and intact remittance thereof including the government share within the prescribed period.	Accountants/ Bookkeepers of all PC centers	June 2021	Dec. 2021	Fully Implemented			

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No. 17	The PCC NHGP and five PC Centers reported no unsettled balances of audit suspensions, disallowances and charges as of December 31, 2020. However, the PC Center at VSU, LCSF and MLPC had outstanding suspensions of ₱11,231,203.04 and audit disallowances of ₱57,659,67 as reflected in the submitted Management Letters (MLs) and Status of Suspensions, Disallowances, and Charges (SASDC).	The respective Audit Team recommended that the Management (a) enforce the immediate settlement of the audit suspensions to avoid the same from maturing into disallowances; and (b) require persons liable to settle the audit disallowances in the manner prescribed under the RSA.	The concerned PC centers were instructed to strictly monitor and immediately settle the audit suspensions and disallowances.	Accountants/Bookkeepers/concerned personnel of PCC at LCSF, VSU, CMU and MLPC	June 2021	Dec. 2021	a.) Partially Implemented a.) Partially Implemented	Monitoring and compliance for the settlement of audit suspensions and disallowances will be made until Dec. 2021	

By:



RONNIE D. DOMINGO
OIC, Executive Director

Date: July 15, 2021