

BASES CONVERSION AND DEVELOPMENT AUTHORITY
AGENCY ACTION PLAN and STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For CY 2023 and Prior Years
As of 20 December 2024

AOM No./ Date	Audit Observations	Recommendations	Agency Action Plan				Status of Implementation	Action Taken/ Action to be Taken																																										
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CY 2023 Observation No. 1 Results of confirmation of various receivables	The faithful representation of the balance of various Receivables accounts amounting to P14.432 billion as of December 31, 2023, was not established due to variances in the total amount of P57.766 million between the balance per books of accounts and the confirmed balances from various government agencies and private customers/clients of BCDA.	Require the Accounting and Comptrollership Department (ACD) to reconcile records with various government and private customers/clients of BCDA, ensure that all variances are promptly investigated, cleared, and reconciled, and prepare necessary adjusting journal entries if warranted.	Reconcile with the concerned government and private agencies the variances in the amount of P57.766 million and submit the reconciliation reports and necessary adjusting journal entries to COA, if necessary.	ACD	June 2024	Aug 2024	100% Implemented	Reconciled the full amount of P57.5 million. Submitted the following reconciliation statements to COA: <table><thead><tr><th>Government Agency / Private customers</th><th>Amount (in millions)</th><th>Date of Submission</th></tr></thead><tbody><tr><td>DICT</td><td>11.559</td><td>06 Jun 2024</td></tr><tr><td>GSIS</td><td>10.397</td><td>06 Jun 2024</td></tr><tr><td>PPMC</td><td>10.495</td><td>10 Jun 2024</td></tr><tr><td>FBDC</td><td>0.407</td><td>29 May 2024</td></tr><tr><td>BESC</td><td>0.926</td><td>28 Jun 2024</td></tr><tr><td>JHMC</td><td>19.17</td><td>16 Aug 2024</td></tr><tr><td>Shi Lin</td><td>1.829</td><td>07 Oct. 2024</td></tr><tr><td>8 Cuts</td><td>1.809</td><td>04 Oct 2024</td></tr><tr><td>Toyota</td><td>0.327</td><td>01 Oct 2024</td></tr><tr><td>Subtotal</td><td>56.919</td><td></td></tr></tbody></table> Submitted the adjusting journal entries to reverse the following receivables due to error: <table><thead><tr><th>Government Agency</th><th>Amount (in millions)</th><th>Date of Submission</th></tr></thead><tbody><tr><td>SBMA</td><td>0.034</td><td>10 Jun 2024</td></tr><tr><td></td><td>0.371</td><td>28 Oct 2024</td></tr></tbody></table>	Government Agency / Private customers	Amount (in millions)	Date of Submission	DICT	11.559	06 Jun 2024	GSIS	10.397	06 Jun 2024	PPMC	10.495	10 Jun 2024	FBDC	0.407	29 May 2024	BESC	0.926	28 Jun 2024	JHMC	19.17	16 Aug 2024	Shi Lin	1.829	07 Oct. 2024	8 Cuts	1.809	04 Oct 2024	Toyota	0.327	01 Oct 2024	Subtotal	56.919		Government Agency	Amount (in millions)	Date of Submission	SBMA	0.034	10 Jun 2024		0.371	28 Oct 2024
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BCDA

Accounting and Comptrollership Department
Bases Conversion and Development Authority
CD2024-2245

OFFICE OF THE SUPERVISING AUDITOR
Bases Conversion and Development Authority



Received by:

Manila S. Mung
Date / Time: 12/27/24 11:20 AM

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CY 2023 Observation No. 2 Guaranty/ Security Deposits Payable	The lack of monitoring and proper maintenance of the Guaranty/Security Deposits Payable account resulted in outstanding balances remaining dormant or non-moving for five to 14 years, totaling P19.195 million; thereby, its validity could not be ascertained.	a. Instruct the ACD and SAPMD or other concerned departments to determine the validity of the dormant accounts relative to the retention money and facilitate its prompt release to the contractors or derecognize the same in the books if already forfeited in favor of BCDA, whichever is applicable; and	Reconcile the amount of PhP 19.195 million for abnormal/ negative balances and prepare necessary adjusting entries, if warranted.	ACD	Jul 2024	Aug 2024	100% Implemented	<p>Submitted the reconciliation of P10.408 million Guaranty/Security Deposits Payable under JV No. 018843 to COA on 02 Aug 2024.</p> <p>Submitted the reconciliation report of Php 8.786 million Guaranty/ Security Deposits Payable as follows:</p> <table><tr><th>Particulars</th><th>Amount (in millions)</th></tr><tr><td>Valid/active account</td><td>5.754</td></tr><tr><td>Reverted to R/E</td><td>1.892</td></tr><tr><td>Reclassified to Proper Accounts</td><td>1.141</td></tr><tr><td>Subtotal</td><td>8.786</td></tr></table> <p>The negative balances in the total amount of Php 44,174,372.80 were debit transactions of the subsidiary account: Retention (1125RET) and no need to adjust the entries made in JV018843.</p> <p>Submitted the revised Schedule of List of Payables – Unliquidated Obligations in the amount of Php 225,203,667.33 as of October 31, 2024 on 05 Dec 2024. (Annex B)</p>	Particulars	Amount (in millions)	Valid/active account	5.754	Reverted to R/E	1.892	Reclassified to Proper Accounts	1.141	Subtotal	8.786				
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		b. Henceforth, require the ACD to ensure the proper monitoring and maintenance of the Guaranty/Security Deposit Payable account and establish compensating or additional control in the recording/posting of transactions in the accounting system/books of accounts.	Conduct quarterly reconciliation with TPDF and SAPMD of the guarantee/security deposit payable account to identify any incorrect entries in the books and make necessary adjustments, if warranted.	ACD	Jul 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)															
CY 2023 Observation No. 3 Due to Subsidiaries/ Joint Ventures/ Associates/ Affiliates	The verifiability of the balance of Due to Subsidiaries/ Joint Ventures/ Associates/ Affiliates account amounting to P250.716 million was not established due to variances amounting to P18.784 million between the balance per book and the amount confirmed by creditors.	a. Require the ACD to reconcile records with its subsidiaries and affiliates to ensure that all variances are promptly investigated and cleared and prepare necessary adjusting journal entries if warranted.	Reconcile with subsidiaries and affiliates the amount of PhP 18.784 million and prepare necessary journal entries, if warranted.	ACD	Jul 2024	Aug 2024	100% Implemented	Submitted the status of the following reconciling items to COA: (Annex D) <table><thead><tr><th>Subsidiary/ Affiliate</th><th>Amount (in millions)</th><th>Date of submission</th></tr></thead><tbody><tr><td>FBDC</td><td>2.415</td><td>03 Oct. 2024</td></tr><tr><td>PPMC</td><td>0.970</td><td>04 Oct. 2024</td></tr><tr><td>JHMC</td><td>15.399</td><td>01 Oct 2024</td></tr><tr><td>Total</td><td>18.784</td><td></td></tr></tbody></table>	Subsidiary/ Affiliate	Amount (in millions)	Date of submission	FBDC	2.415	03 Oct. 2024	PPMC	0.970	04 Oct. 2024	JHMC	15.399	01 Oct 2024	Total	18.784	
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		b. Instruct the ACD to fulfill its commitment to the quarterly reconciliation of accounts and records.	Conduct reconciliation of accounts with BCDA's subsidiaries every quarter starting June 30, 2024.	ACD	Jul 2024	Jan 2025	100% Implemented	Implemented per COA Validation. (Annex C)															
CY 2023 Observation No. 4 Other Deferred Credits - Deferred Output Tax - ASEAN Villas	The non-reversal of the Output Value-Added Tax (VAT) from the monthly collections on the lease of ASEAN Villas for the CYs 2021 to 2023 resulted in the overstatement of the Other Deferred Credits-Deferred Output Tax-ASEAN Villas account by P23.584 million.	a. Properly and timely recognize in the books of accounts the output taxes from monthly lease payments on the lease of ASEAN Villas upon receipt of cash from lessees.	Submit the reconciliation of the VAT returns filed from 2021 to 2023.	ACD	Jun 2024	Jul 2024	100% Implemented	Submitted the reconciliation reports and JVs for CY 2021 to 2023 of the Output Tax of Asean Villas and the proof of remittances to BIR on 03 June 2024. Submitted the JVs indicating the monthly recognition of Output VAT from lease of ASEAN Villas and the remittances to BIR for 1Q 2024 to COA on 26 Sep 2024. Re-submitted the Journal Vouchers indicating the monthly recognition of Output VAT (Jan - Apr 2024) from monthly collection															

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								of revenues, including the income from the lease of ASEAN Villas with summary list of sales for CY 2024 to COA on 02 Dec 2024. (Annex E)
		b. Submit the documents showing the correct filing of Output VAT from the lease of ASEAN Villas in the VAT Returns from CY 2018 to 2020.	Submit the VAT Returns for 2018 to 2020.	ACD	Jun 2024	Jul 2024	100% Implemented	Implemented per COA Validation. (Annex C)
		c. Prepare the necessary adjusting journal entries to bring the following accounts to their correct balances as of December 31, 2023: <ul style="list-style-type: none">Other Deferred Credits - Deferred Output Tax (2050104000)Other Deferred Credits - Deferred Output Tax - ASEAN Villas (2050104010)Output Tax (2050103000)	Provide the journal vouchers for the adjustment of the following balances as of 31 December 2023: <ul style="list-style-type: none">Other Deferred Credits - Deferred Output Tax (2050104000)Other Deferred Credits - Deferred Output Tax - ASEAN Villas (205010410)Output Tax (2050103000)	ACD	Jun 2024	Q4 2024	100% Implemented	Submitted the reconciliation reports and JVs for CY 2021 to 2023 of Output Tax of Asean Villas and the proof of remittances to BIR on 03 June 2024. Submitted the JV019372 indicating the adjustment of Other Deferred Credits - Deferred Output Tax - ASEAN Villas (205010410) as of December 31, 2023 on 01 August 2024. Adjusted the following accounts and submitted to COA on 17 Dec 2024: (Annex F) Deferred Output Tax (2050104000) <ul style="list-style-type: none">JV025318 dated 16 November 2024JV025776 dated 25 November 2024 Output Tax (2050103000) <ul style="list-style-type: none">JV025491 dated 30 June 2024JV019256 dated 30 June 2024
		d. Use the appropriate accounts to record the transactions as a sound internal control.	Adopt the appropriate accounts in the recording of Output VAT for ASEAN Villas	ACD	Jun 2024	Dec 2024	100% Implemented	Recorded the following accounts in relation to the Output VAT for ASEAN Villas: 1. Other Deferred Credits-Deferred Output Tax-ASEAN Villas (202010410) will be used in the recognition of Output Tax for ASEAN Villas under the Finance Lease 2. Other Deferred Credits - Deferred Output Tax (2050104000) will be used for Output Tax related to ASEAN Villas under Operating Lease. Submitted the JVs indicating the monthly recognition of Output VAT from lease of ASEAN Villas and the remittances to BIR for 1Q 2024 to COA on 26 Sep 2024. Re-submitted the Journal Vouchers indicating the monthly recognition of Output VAT (Jan - Apr 2024) from monthly collection of revenues, including the income from the lease of ASEAN Villas

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								with summary list of sales for CY 2024 to COA on 02 Dec 2024. (Annex E)
CY 2023 Observation No. 5 Investment Properties- Land	The faithful representation of the balance of the Investment Properties account could not be ascertained due to the following:							
	a. unreconciled records between ACD and Land and Assets Development Department (LADD) where the three parcels of lots amounting to P6.624 million per ACD records were not found in LADD record; and	Require the ACD and LADD to continuously reconcile their records to identify any inconsistencies, to ensure that all land assets of BCDA are correctly accounted for, and to prepare the necessary adjusting journal entries if warranted.	Submit the reconciled 3 parcels of lots amounting to PhP6.6 million	LADD	Jun 2024	Aug 2024	100% Implemented	Implemented per COA Validation. (Annex C)
	b. one lot amounting to P1.022 million per ACD records lacks the corresponding Transfer Certificate of Title (TCT) number or any relevant information, precluding the Audit Team from establishing the ownership and validity of these lots.		Provide information on the lot amounting to Php1.022 million in the books of accounts.	ACD	Jun 2024	Jul 2024	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 6 New Clark City (NCC) Sports Complex	The breakdown and basis of the Approved Budget of the Contract (ABC), Terms of Reference (TOR), and manpower requirements for the Operations and Maintenance (O&M) Services for the New Clark City (NCC) Sports Complex were not adequately documented and clearly defined, which is not in compliance with the Manual of Procedures for the Procurement of Goods and Services and indicates lack of proper planning.	a. Submit the breakdown and basis of amounts for the Approved Budget of the Contract for the O&M;	Submit the detailed breakdown and basis of amounts of ABC of the O&M of the NCC Sport Complex.	PPMD	Jun 2024	Jul 2024	100% Implemented	Implemented per COA Validation. (Annex C)
		b. Perform proper planning and improve the Terms of Reference for subsequent biddings for the Operations and Maintenance of the New Clark City Sports Complex to adequately substantiate the ABC; provide the appropriate	Conduct the market sounding and submit the Terms of Reference (TOR) for the procurement of the interim O&M Services.	PPMD	Jun 2024	Jul 2024	100% Implemented	Conducted the market sounding to properly establish the Terms of Reference for the Interim O&M of NCC Sports Facilities under a Fifteen (15)-Month Service Contract with appropriate breakdowns and a copy of the Secretary's Certificate on 03 May 2024. Submitted the Notice of Award issued to Atalian Global Services (new O&M) Philippines, Inc. to COA on 08 July 2024. (Annex G)

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		manpower requirements for the contract; and distinguish other services that would be outsourced or performed by contractual employees; and						
		c. Further, we recommended that Management explain why the Athletes' Village was not yet turned over to Philjaya despite its inclusion in the contract for the O&M Services for the NCC Sports Complex.	Submit a justification for the non-turnover of the AV to the O&M Service Provider.	PPMD PMT	Jun 2024	Jul 2024	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 7 New Clark City (NCC) Sports Complex	Payments amounting to P12.831 million for Maintenance Services not outsourced by Philjaya were not adequately substantiated and may result in overpayments by the government.	a. Review previous billings paid by BCDA and require Philjaya to provide additional supporting documents to justify the cost of Maintenance Services/Contracts that were not outsourced, such as the submission of proof that Philjaya actually augmented their personnel or incurred expenses for supplies other than those listed in the Maintenance Supplies component of the ABC, and	Submit the supporting documents and justification related to the progress billing paid.	PPMD PMT	Jun 2024	September 2024	100% Implemented	BCDA submitted the Detailed Accomplishment Report undertaken by the manpower deployed by Philjaya in addition to their listed key personnel without any additional cost to BCDA to COA on 30 May 2024. This augmentation covers preventive maintenance and technical services in the Sports Facilities. BCDA in its letter dated 06 June 2024 submitted the supporting documents and justification. Submitted the following additional documents/proof that Philjaya augmented their personnel at no cost to BCDA for the period covering January 2022 to September 2023 to COA on 26 Sep 2024: (Annex H) <ul style="list-style-type: none">• Work Accomplishments,• Attendance Sheet/Daily Time Records; and• Photo Documentation of various works accomplished
		b. Improve validation procedures for the billing of the Operations and Maintenance of the NCC Sports Complex, and submit the validation documents such as Inspection Reports and	Comply the recommendation to improve the validation of the process billing of the incoming service provider.	PPMD PMT	Aug 2024	Dec 2024	100% Implemented	The management continues to improve the process validation of billings of the O&M for the NCC Sports Complex and submitted a copy of the policy to COA on 15 December 2024. (Annex I)

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		worksheets, to the Audit Team for evaluation and verification.						
		c. Consider formulating a policy regarding validation procedures for reviewing outputs and billings provided by service providers like Philjaya. If this policy already exists, submit it to the Audit Team for review.	Submit the Policy on the validation procedures related to the review of process billings submitted by the service provider for the operations and maintenance of NCC Sports Complex.	PPMD	Jul 2024	Oct 2024	100% Implemented	Submitted a copy of the policy for the validation procedures for reviewing outputs and billings provided by the service provider for the operations and maintenance for the NCC Sports Complex to COA on 15 December 2024. (Annex I)
CY 2023 Observation No. 8 New Clark City (NCC) Sports Complex	The total revenue earned from the NCC Sports Facilities in the amount of P28.695 million was less than the costs incurred for its Operations and Maintenance amounting to P34.462 million, resulting in a loss of P5.767 million.	a. Conduct a study to determine the expected recoupment period for the investment property.	No recoupment is expected since the investment of the National Government was intended for sports development.	BDD	Jun 2024	Aug 2024	100% Implemented	Not Applicable.
		b. Further, we recommended that Management strictly monitor the activities undertaken in pursuance of the Marketing Plan and copy furnish the Audit Team of the periodic reviews conducted therein.	Submit the marketing plan and report accomplishment reports.	IPMD	Dec 2023	Dec 2024	100% Implemented	Submitted the periodic review of the Marketing Plan for the New Clark City sports facilities for the period January to June 2024 to COA on 03 Oct 2024. On a letter dated 26 Nov 2024, BCDA informed COA that the periodic review of the marketing plan for the NCC sports facilities intends to be on a semester basis. (Annex J)
CY 2023 Observation No. 9 Lease of ASEAN Villa Nos. 14 and 20	Private individuals were allowed to occupy ASEAN Villa Nos. 14 and 20 without a perfected lease agreement and no rental payments, resulting in a loss of income for the government of P16.875 million.	a. Collect rental payments from the tenant starting from the date the unit was turned over/occupied by the private individual. Otherwise, a Notice of Charge will be issued.	Collect rental payments from the tenant effective from the date the unit was turned over.	LSD BDD	Apr 2024	Onwards	On-going Implementation	Submitted to COA on 27 Sep 2024 the Certification by the Makati Post Office indicating that the final demand letter to the ASEAN Villa lessee was unclaimed. On a letter dated 08 Oct 2024, BCDA endorsed the matter to OGCC for immediate filing of a case against the concerned lessee. (Annex K)

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		b. Provide the Audit Team the Inspection Report by the BCDA Property Management Department on the vacancy of Villa No. 14 and proof of turnover thereof by the tenant/s to BCDA; and	Provide the Inspection Report on Villa No. 14.	PPMD BDD	Apr 2024	May 2024	100% Implemented	Implemented per COA Validation. (Annex C)
		c. Provide the Audit Team updates/actions taken by Management to resolve the issues on Villa Nos. 14 and 20.	Shall promptly provide the Audit Team with the updates/actions taken relative to observation on Villa Nos 14 and 20.	BDD LSD	Apr 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 10 Declaration and Remittances of Dividends	The dividend declared by BCDA for CY 2023 was erroneously computed based on the Net Earnings per unaudited financial statements instead of the amount per annual income tax return, which is not in compliance with Section 3.i of the 2016 Revised Implementing Rules and Regulations of Republic Act (RA) No. 7656, resulting in under declaration and under-remittance of dividend to the Bureau of the Treasury (BTr) amounting to P647.831 million.	a. If there is an increase in Net Earnings based on the audited FS, file an amended AITR and recompute the dividend due to the NG based on the AITR and remit deficiency, if any; and	Remit the variance in the dividend based on the unaudited Financial Statements to BTr.	ACD	May 2024	Jun 2024	100% Implemented	Implemented per COA Validation. (Annex C)
		b. Submit the final computation and supporting documents for the dividend due for DY 2023 to the Audit Team.	Remit the additional dividend to BTr based on the audited 2023 FS.	ACD	June 2024	Jul 2024	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 11 Personnel Services - Salaries	The retrospective application of the Compensation and Position Classification System (CPCS) under Executive Order (EO) No. 150, s. 2021, effective October 5, 2021, was not considered and observed in determining the appropriate salary rates of 13 incumbents of BCDA upon earning their step increment, which is not in accordance with Section 3 of the said EO and the Rules on Salary Adjustment prescribed under CPCS Implementing Guidelines No. 2021-01 issued by the Governance Commission for Government-Owned	Immediately seek clarification from the GCG relative to the proper conversion of rates of employees with step increments earned from the retrospective date of application of the CPCS to the date of receipt of the authority to implement the CPCS and cause the recovery/refund from the BCDA incumbents for the overpayment of salaries.	Secure GCG clarification on the proper conversion rates, including step increments earned between the CPCS's retroactive application date and the date of authorization. Cause the recovery/ refund from the employees for the overpayment of salaries in the amount of PhP 1.052 million, if there are any.	HRMD	May 2024	Dec 2024	On-going Implementation	The August 30, 2024, meeting with the CPCS Secretariat focused on addressing outstanding CPCS concerns related to: Proper conversion rates for employees with step increments earned before the CPCS implementation date. Appropriate reckoning date for the Service Obligation requirement, as outlined in GCG CPCS Circular No. 2021-09. The CPCS Secretariat directed BCDA to refer to CPCS Implementation Nos. 2021-01 and 2021-09 for specific guidelines on salary adjustments, step increments, and the Service Obligation requirement. Due to the unique circumstances, BCDA is advised to submit a formal request to the GCG for clarification on these matters

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	and Controlled Corporations (GCG), resulting in an overpayment of salaries amounting to P1.052 million which might be considered possible irregular expenditure.							The HRMD has already sent a letter dated 13 Sept 2024 requesting the Commission's opinion regarding the retrospective application of the CPCS. Copy of the said letter was submitted to COA last September 26, 2024. (Annex L)
CY 2023 Observation No. 12 Discontinued Allowances, Benefits and Incentives	The salary rates used in the computation of the three-year present value (PV) for the 13 BCDA incumbents were not in accordance with CPCS Implementing Guidelines No. 2021-01 dated January 12, 2022, issued by the GCG, resulting in an overpayment of discontinued ABIs such as Educational Subsidy, Mid-Year Economic Improvement Allowance, Gift Check, and Housing Provident Fund in the total amount of P0.562 million for the two tranches payout, which can be considered an irregular expenditure.	Immediately seek clarification from the GCG relative to the proper conversion of rates of employees with step increments earned from the retrospective date of application of the CPCS to the date of receipt of the authority to implement the CPCS and cause the recovery/refund from the BCDA incumbents for the overpayment of discontinued ABIs if warranted.	Secure GCG clarification on proper conversion of rates of employees with step increments. Cause recovery/refund in the amount of PhP 562,000 from the concerned employees for any overpayments that might have been made, if warranted.	HRMD	May 2024	Dec 2024	On-going Implementation	The August 30, 2024, meeting with the CPCS Secretariat focused on addressing outstanding CPCS concerns related to: Proper conversion rates for employees with step increments earned before the CPCS implementation date. Appropriate reckoning date for the Service Obligation requirement, as outlined in GCG CPCS Circular No. 2021-09. The CPCS Secretariat directed BCDA to refer to CPCS Implementation Nos. 2021-01 and 2021-09 for specific guidelines on salary adjustments, step increments, and the Service Obligation requirement. Due to the unique circumstances, BCDA is advised to submit a formal request to the GCG for clarification on these matters The HRMD has already sent a letter dated 12 Sept 2024 requesting the Commission's opinion regarding the salary rates used in the computation of the three-year present value. A copy of the said letter was submitted to COA last September 26, 2024. (Annex M)
CY 2023 Observation No. 13 Service Obligation Requirement for Payment of Discontinued Allowances, Benefits and Incentives	The reckoning period used by BCDA on the service obligation required to be rendered by incumbents who received the 1st and 2nd Tranches payout of the discontinued ABIs was the date of receipt of the authority to implement the CPCS on May 10, 2022, and a year thereafter, respectively, instead of the actual date of payout, which is not in accordance with Item 9 of CPCS Circular No. 2021-009, resulting in net over-refund of payments from eight employees who resigned/retired in the total amount of P127,389.	a. Cause the recovery/refund from the four retired/resigned employees the amount amounting to P480,123 representing the remaining correct prorated balance of the required service obligation, return to the four employees the over deductions made amounting to P0.608 million pertinent to the refund of discontinued ABIs, and ensure that the balance of service obligation amounting to P0.575 million will be deducted from the final pay of the remaining three retired/resigned	Secure GCG clarification on the application of the service obligation relating to the payment of 3-year present value of lost ABI. Cause the refund and/or return of payments based on the GCG clarification letter, if there is any.	HRMD	Jun 2024	Dec 2024	On-going Implementation	The August 30, 2024, meeting focused on addressing outstanding CPCS concerns related to: Proper conversion rates for employees with step increments earned before the CPCS implementation date. Appropriate reckoning date for the Service Obligation requirement, as outlined in GCG CPCS Circular No. 2021-09. The CPCS Secretariat directed BCDA to refer to CPCS Implementation Nos. 2021-01 and 2021-09 for specific guidelines on salary adjustments, step increments, and the Service Obligation requirement. Due to the unique circumstances, BCDA is advised to submit a formal request to the GCG for clarification on these matters The HRMD has already sent a letter dated 18 Sept 2024 requesting the Commission's opinion regarding the reckoning period used for the service obligation for the 1st and 2nd Tranches' payout. A copy of the said letter was submitted to COA last September 26, 2024. (Annex N)



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		employees before releasing the payment to them; and						
		b. Henceforth, use the appropriate reckoning date of the service obligation requirement, which is from the actual date of payout pursuant to Item 9 of GCG CPCS Circular No. 2021-009.	Same as above	HRMD	Jun 2024	Dec 2024	On-going Implementation	Same as above.
CY 2023 Observation No. 14 Representation and Transportation expenses of the Board of Directors	The monthly limit of P20,000 for the total allowable representation and transportation allowance for each of the members of the BCDA BOD set forth under Financial Policy No. 303-1 issued by BCDA to implement EO No. 24 dated February 10, 2011, and GCG Memorandum Circular (MC) No. 2012-02, was not strictly enforced resulting in excess allowance received by one Director in the total amount of P12,171 for CYs 2022 and 2023, which is deemed irregular pursuant COA Circular No. 2012-003 dated October 29, 2012.	Cause the recovery/refund from the Director who was paid in excess of the P20,000 limit per month for representation and transportation allowance and henceforth, strictly observe the pertinent provisions of the BCDA Revised Policy and Guidelines on the Reimbursable Expenses of the BOD, EO No. 24 dated February 10, 2011, and relevant issuances by the GCG.	Recover the excess of the P20K limit per month for representation and transportation allowance from the concerned Board of Directors.	ACD	May 2024	Oct 2024	91% Implemented	Informed COA on a letter dated 30 Sep 2024 that the remaining Php12,170.51 will be deducted from the CY 2022 PBI of the concerned Director. Ongoing processing of application to GCG for the grant of PBB FY 2022. (Annex O)
CY 2023 Observation No. 15 Performance Agreements with BCDA Subsidiaries	BCDA did not execute Performance Agreements (PAs) with Clark Development Corporation (CDC) and Clark International Airport Corporation (CIAC), its subsidiaries, as required under the provisions of Executive Order (EO) No. 62, series of 1993, which could result in conflicts on the obligations, roles, and functions of BCDA as the owner and governing body while CIAC and CDC as Implementing Arms in the development of Clark Special Economic Zone (CSEZ) and Clark Freeport Zone (CFZ).	a. Execute Performance Agreements with CDC and CIAC and its Financial Policy; and provide the Audit Team with copies upon execution. b. Provide the Audit Team written management plans on the revision of the BCDA Charter; and	Prepare and revise the draft Performance Agreement with CDC and CIAC for renegotiations. Submit the written management plan on the revision of the BCDA Charter.	CPD CPD	May 2024 May 2024	After the amendment of RA 7227 May 2024	Not yet Implemented 100% Implemented	BCDA communicated with CIAC and CDC to express its intent to resume negotiations on the PAs once the draft has been appropriately revised. Submitted the receiving copy of the transmittal letters for the draft PAs with CDC and CIAC to COA on 25 Sep 2024. (Annex P) Implemented per COA Validation. (Annex C)

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		c. Provide the Audit Team regular updates on any action taken by Management to comply with the audit recommendations.	Provide the audit team with regular updates.	CPD	May 2024	Jun 2024	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 16 Repairs and Maintenance-Transportation Equipment	The General Services Division (GSD) did not regularly monitor and document the repairs and maintenance of BCDA's motor vehicles. Thus, the required report on each vehicle's history of repair was not timely prepared and submitted to the Audit Team, which is not in compliance with Item 9.1.3.4 of COA Circular No. 2012-001 dated June 14, 2012.	Require the GSD to regularly monitor and maintain a repair and maintenance record/history for each of the vehicles owned by BCDA by ensuring the timely preparation and submission of the Repair History Report and attaching the same to the Purchase Orders, in accordance with COA Circular No. 2012-001 dated June 14, 2012.	Regularly monitor and maintain a repair and maintenance record/history for each of the vehicles owned by BCDA.	PPMD GSD	May 2024	Jun 2024	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 17 Repairs and Maintenance-Transportation Equipment	The total expenses incurred for the repairs of the three old and fully depreciated vehicles for the past five years, as reported by the GSD, exceeded the 30 percent allowable cost of repair based on the Current Market Value (CMV), which is deemed excessive pursuant to COA Circular No. 2012-003.	a. Instruct the GSD to determine the vehicles which exceeded already the required threshold of 30 percent for the cost of repairs and maintenance pursuant to COA Circular No. 2012-003; and	Determine the vehicles which exceeded the required 30% threshold for the repair and maintenance.	PPMD GSD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
		b. Conduct cost-benefit analysis for repairs and maintenance of vehicles and consider the disposal of properties in accordance with COA-DBM JC No. 2024-1 dated January 30, 2024.	Prepare the cost-benefit analysis in the Vehicle Ledger Card, as the basis for the identification of the cost of repair. The results are attached to the Purchase Requests for the repair of vehicles.	PPMD GSD			100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 18 Fidelity Bond of Accountable Officers	The Fidelity Bond of several Accountable Officers (AOs) of BCDA is insufficient to cover their accountabilities due to non-observance of the revised schedule of premium rates prescribed by the Bureau of the Treasury (BTr) under Treasury	a. Identify the maximum accountability of all BCDA accountable officers and increase their fidelity bond with the BTr if warranted; and	Ensure that the accountable officers are properly bonded according to Treasury Circular No. 02-2019, as supplemented by TC No. 01-2024.	TPFD	Jun 2024	Jul 2024	100% Implemented	Implemented per COA Validation. (Annex C)

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	Circular (TC) No. 02-2019 dated April 25, 2019, as supplemented by TC No. 01-2022 dated May 30, 2022. Thus, the amount that may be recovered due to possible theft and loss of cash and properties is not maximized.	b. Henceforth, ensure that the accountable officers are properly and sufficiently bonded with the BTr in accordance with BTr TC 02-2019, as supplemented by TC No. 01-2022.		TPFD	Jun 2024	Jul 2024	100% Implemented	
CY 2023 Observation No. 19 Electronic Collection/ Payment	BCDA did not strictly observe the submission of the memorandum of agreement with auditability clause, Management Representation Letter, and required reports relative to Electronic Collection (e-Collection) and Electronic Payment (e-Payment) for government transactions prescribed under COA Circular No. 2021-014 dated December 22, 2021; hence, transparency and accountability over public funds may not be promoted. The MOA entered into by and between BCDA and the LBP relative to the payment of the former's clients/customers via the internet using the latter's LinkBizPortal was not submitted to the Audit Team within the reglementary period set forth under Item 5.1.1 of the Circular, resulting in a delay of 137 days. The required Management Representation Letter (MRL) was not prepared and submitted to the Audit Team, and the MOA with LBP lacked provision for the Auditability Clause, which contradict Items 5.1.4 and 5.1.6 of COA Circular No. 2021-014 dated December 22, 2021, respectively. Non-preparation and submission of the Report of Daily Collection Directly Deposited to the Agency's Bank Account and Daily Report of e-Payments from Agency Account, for e-Collections and e-Payments, respectively.	a. Observe the deadline for the submission of a copy of the contract relative to e-Collection or e-Payment, prescribed under Item 5.1.1 of COA Circular No. 2021-014;	Comply with the period set forth under item 5.1.1 of COA Circular No. 2021-014	TPFD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
		b. Prepare the Management Representation Letter and ensure timely submission of the same to the Audit Team on or before March 31 of each year.	Prepare the Management Representation Letter and regularly submit it every March 31 of each year.	TPFD	Mar 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
		c. Consider revising the MOA with LBP to include the Auditability Clause and provide access to the Audit Team relative to the system used in e-Collection and e-Payment, to view, generate, download, and print any data/reports, as necessary, as required under Items 5.1.4 and 5.1.6 of COA Circular No. 2021-014; and henceforth ensure that the Auditability Clause be included in the succeeding contracts; and	Request LBP to include the said provision as an amendment to the MOA according to items 5.1.4 and 5.1.6 of COA Circular No. 2021-014. The said amendment will still go through board approval of both parties and at the same time review of OGCC.	TPFD	June 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)

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		d. Require the Collecting Officer and Disbursing Officer of BCDA to prepare the Report of Daily Collection Directly Deposited to the Agency's Bank Account and Daily Report of e-Payments from the Agency Account and submit to the Audit Team in accordance with Items 5.2.3 (d) and 5.3.5 (b) COA Circular No. 2021-014, respectively.	Comply with the preparation of Daily e-collection and Daily Report of e-payments under items 5.2.3 (d) and 5.35 (b) COA Circular No. 2021-014, respectively to be submitted on the 15th of the following month.	TPFD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 20 Traveling Expenses- Foreign	Additional cash advances amounting to P1.977 million were granted to officers and employees despite having outstanding unliquidated cash advances worth P1.021 million, which is not in accordance with Section 89 of PD No. 1445 and Item 4.1.2 of COA Circular No. 1997-002 dated February 10, 1997.	a. Ensure that no additional funding/cash advances are granted to officers and employees unless their previous cash advances have been liquidated and accounted for in the books in compliance with Section 89 of PD No. 1445 and Item 4.1.2 of COA Circular No. 1997-002.	Refrain from granting additional cash advances to officers and employees unless their previous cash advances have been liquidated.	ACD	June 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
		b. Require the ACD to use the prescribed format of Certification from the accountant as stipulated in Section 1.1.4.2 of the COA Circular No. 2012-001; and	Revise the Certification based on the prescribed format per COA Circular No. 2012-001.	ACD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
		c. Ensure that all check vouchers and its attachments for the grant and liquidation of cash advances on foreign travel comply with the documentary requirements stated in COA Circular No. 2012-001.	Attach the Certification in all RFPs before the posting and printing of Disbursement Vouchers (DVs)	ACD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)

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CY 2023 Observation No. 21 Traveling Expenses- Foreign	Nine BCDA officers and employees were allowed to go on foreign travels with government funding even though they have not yet liquidated their expenses for previous government-funded travels abroad, which is not in compliance with Section 22.c of Executive Order (EO) No. 77 and Section 25.c Part I of BCDA Internal Guidelines for the implementation of EO No. 77.	a. Submit justification as to why the officers and employees with unliquidated expenses for previous government-funded travels abroad were still authorized and allowed to go on foreign travels with government funding; and b. Refrain from authorizing officers and employees to go on foreign travels with government funding if they have not yet liquidated their expenses for previous government-funded travels abroad, as provided for in Section 22.c of EO No. 77 and Section 25.c Part I of BCDA Internal Guidelines for the implementation of EO No. 77 on government-funded foreign travel.	Comply with the COA recommendation wherein BCDA shall no longer allow the officers and employees to go on official travel if they have not yet fully liquidated their previous cash advance effective June 2024.	ACD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 22 Traveling Expenses- Foreign	Liquidation of cash advances for foreign travel amounting to P2.438 million was delayed by seven to 44 days, which is not in compliance with the reglementary period prescribed in Sections 22.a and 25.a of EO No. 77 and BCDA Guidelines.	a. Require the ACD to closely monitor the liquidation of cash advances by reminding officers and employees to liquidate within the reglementary period set forth under EO No. 77 and BCDA Internal Guidelines; and b. Require the AOs to submit their liquidation reports with complete supporting documents and within the prescribed period in	Monitor and issue notices to require the concerned AOs/SDOs to liquidate their cash advances. Strictly implement requirements of the liquidation of the cash advances to be complied with by the concerned AOs/SDOs.	ACD ACD	Jun 2024 Jun 2024	Onwards Onwards	100% Implemented 100% Implemented	Implemented per COA Validation. (Annex C) Implemented per COA Validation. (Annex C)

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		adherence to the provisions of EO No. 77 and BCDA Internal Guidelines.						
CY 2023 Observation No. 23 Traveling Expenses- Foreign	A provision of BCDA Office Order No. 008, series of 2019, on the internal guidelines for implementing EO No. 77 and for the entitlement of travel allowance for non-plantilla personnel was inconsistent with the implementing rules and regulations on local and foreign travels per EO No. 77.	Revisit the Office Order No. 008, series of 2019, and make the necessary amendments on the provisions to conform with EO No. 77.	Revise the BCDA Office Order on foreign and local travels to align with the EO No. 77.	ACD	Jun 2024	Oct 2024	On-going Implementation	Finalizing the Supplemental Guidelines on the Implementation of Local and Foreign Travel and targeting to be approved by the Management in January 2025.
CY 2023 Observation No. 24 Warranty Security under Direct Contracting	The procurement of various goods through Direct Contracting amounting to P5.877 million were not covered with warranty security, either in the form of retention money or special bank guarantee, in an amount equivalent to one percent but not to exceed five percent of every progress payment or total contract price, which is not in compliance with Section 62.1 of the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184. Hence, there is no guarantee that BCDA may recover from the contractor the possible financial loss in case of defects or other deficiencies that may arise after acceptance.	a. Submit an explanation relative to the non-compliance with the posting of the required warranty security from the contractors, and determine the concerned personnel who will be responsible for the expenses that will be incurred if there are defects on the projects/goods delivered, if any; and b. Henceforth, require the Bids and Awards Committee to adhere to the provisions prescribed in the 2016 Revised Implementing Rules and Regulations of RA No. 9184 relative to warranty security by instructing the Accounting and Comptrollership Department to deduct the retention money from the payments to the contractors or require a special bank	Implement the posting of the required warranty security from the contractors, suppliers and service providers if applicable prior to payments. <					

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		guarantee from the contractors.						
CY 2023 Observation No. 25 Advertising, Promotional and Marketing Expenses	The Requests for Quotation (RFQs) for the procurement of goods through Small Value Procurement (SVP) and Lease of Real Property and Venue amounting to P1.223 million and P292,250, respectively, were not timely posted in the BCDA website. Likewise, the related Notices of Award (NOA), Contracts or Purchase Orders (PO), and Notices to Proceed (NTP) were posted in the websites of both the Philippine Government Electronic Procurement System (PhilGEPS) and BCDA but beyond the reglementary period set forth under the 2016 RIRR of RA No. 9184, thus, defeating the purpose of improving transparency in government procurements.	Instruct the BAC to ensure that the required invitation or request for submission of price quotations/proposals and the related NOA, Contract/PO, and NTP are timely posted in the websites of both the PhilGEPS and BCDA, in compliance with the pertinent provisions of RA No. 9184 and its 2016 revised IRR.	Issue an internal memorandum to PPMD - BAC Secretariat Division to ensure compliance with the advertisement and posting of procurement/ bidding, including request for quotation, notice of award, contracts/ purchase orders and notice to proceed under the pertinent provisions of R.A. No. 9184 and its 2016 revised IRR.	PPMD BACD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 26 Advertising, Promotional and Marketing Expenses	The payments for the goods procured through SVP and the Lease of Real Property and Venue amounting to P0.927 million were not supported with Mayor's/Business permit, PhilGEPS registration number, Income/Business tax return or Omnibus Sworn Statement as required under Appendix A, Annex H of the 2016 RIRR of RA No. 9184, and PD No. 1445, thereby the validity and propriety of the said payments could not be ascertained. Likewise, the PO and the said documents were not submitted to the Audit Team, which is not in compliance with COA Circular No. 2009-001.	a. Submit to the Audit Team the lacking documents for the procured goods pursuant to Appendix A, Annex H of the 2016 Revised IRR of RA No. 9184;	Submit the lacking documents from the procurement project folder.	PPMD PD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
		b. Henceforth, ensure that payments to the contractors/suppliers are supported by complete documents by devising a checklist thereof and attaching the same to the DVs in compliance with PD No. 1445; and	Devise a checklist that contains all the documentary requirements to be attached to the DV's to make sure that the payments made to the contractors/suppliers/lessors are supported by complete documentary requirements in compliance with PD. No. 1445, also known as the "Government Auditing Code of the Philippines".	PPMD PD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)
		c. Ensure that all issued POs and related documents are	Monitor all processed and issued POs and related documents.	PPMD PD	Jun 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)

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		submitted to the Audit Team in accordance with COA Circular No. 2009-001.						
CY 2023 Observation No. 27 Deficiency Taxes	Due to the incorrect information and amount per tax returns filed by BCDA before the Bureau of Internal Revenue (BIR), a Preliminary Assessment Notice (PAN) was issued by BIR for deficiency taxes assessed for the taxable year 2018 in the amount of P84.592 million, which was paid by BCDA in CY 2022. Moreover, the related interest and penalties in the total amount of P28.843 million were incurred and paid by BCDA. Hence, it was deprived of funds that could have been made available for the discharge of its functions.	a. Determine the persons responsible and duty-bound to deduct, withhold, and remit taxes in accordance with the NIRC, as amended, and other tax law rules and regulations, relative to the payment of deficiency taxes including the related interests and penalties; and institute appropriate legal action if warranted;	Determine the persons responsible for the deduction, withholding, and remittance of the transaction related to the 2018 tax deficiencies assessed by BIR.	ACD RCRMD	Jun 2024	Dec 2024	On-going Implementation	On-going determination of persons responsible to the 2018 tax deficiencies assessed by BIR.
		b. Submit a justification why the payment of interest and penalties for the assessed deficiency taxes amounting to P28.843 million should not be disallowed in audit; and	Submit the justification of the payment of interest and penalties for the assessed deficiency taxes amounting to P28.843 million.	ACD	Jun 2024	Aug 2024	100% Implemented	Implemented per COA Validation. (Annex C)
		c. Henceforth, ensure that the Chief Accountant and other responsible personnel to withhold, deduct and remit on time the exact and accurate amount of taxes due to the BIR to avoid any interest and penalty.	Ensure the timely remittance of dues to BIR to avoid future interests and penalties.	ACD	Jun 2024	Onwards	100% Implemented	BCDA submitted additional clarification on 28 October 2024. (Annex Q)
CY 2023 Observation No. 28 Investment Properties- Land	One hundred thirty-eight (138) parcels of land with an aggregate area of 126,696,822.26 sqm per LADD records acquired by BCDA through purchase/transfer remained untitled in the name of BCDA. Thus, ownership over these properties was not safeguarded against possible	a. Submit status or updates on actions taken for all the land assets that are still not covered by TCTs under the name of BCDA; and	Submit the status of actions taken on the titling of BCDA land assets.	LADD	Jul 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)

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	adverse third-party claims, unlawful occupants, or the like, exposed the cost of improvements to high-risk, and government properties are at stake.	b. Expedite the titling thereof in BCDA's name to establish rights and ownership over these properties.	Undertake the titling of all lands in the name of BCDA as soon as the land is fully paid.	LADD	Jul 2024	Onwards	On-going Implementation	<div>1. LADD is coordinating with the following:<ul style="list-style-type: none">ComRel on lots that are still under negotiation or not yet fully paid; andLSD on lots with legal issues.</div> <div>2. LADD is following up on the approval of the survey plans with the DENR or LRA.</div> <div>3. LADD is closely collaborating with other concerned agencies like DENR and the Office of the President through the Office of the Executive Secretary for those lots under Special Patent applications.</div> <div>Submitted to COA on 07 Nov 2024 the actions taken to ensure the proper documentation and protection of BCDA assets. (Annex R)</div>																		
CY 2023 Observation No. 29 Construction in Progress	The non-coordination between the ACD and other concerned departments of BCDA and the lack of monitoring and analysis of the Construction in Progress (CIP) account resulted in the late reclassification of completed projects from CIP accounts to their proper asset accounts, which is not in compliance with COA Circular No. 2020-002 dated January 28, 2020.	Consider formulating a policy setting forth procedures and guidelines for issuance of the COC, reclassification of CIP to a proper asset account, and proper basis of the capitalization date to be used in depreciating the asset, in accordance with accounting standards and existing rules and regulations.	Prepare a financial policy setting guidelines for the issuances of the COC, classification of CIP to a proper asset account, and proper basis of the capitalization date to be used in depreciating the asset, under accounting standards and existing rules and regulations.	ACD	Sept. 2024	Nov. 2024	100% Implemented	Submitted the Policy and Procedures on the Recording of CIP Accounts effective 28 Nov 2024 to COA on 05 Dec 2024. (Annex S)																		
CY 2023 Observation No. 30 Property Accountability	The accountability over the properties of BCDA could not be determined or readily identified due to various deficiencies in the custodianship such as the non-issuance and non-renewal of Property Acknowledgement Report (PAR) for several properties issued to employees; inconsistencies of information between the Record on Physical Count of Property, Plant and Equipment (RPCPPE) and the corresponding PARs; a number of properties were assigned to resigned or current workers under Contract of Service (COS); and absence of signatures and reference number of issued PARs. Hence, the responsibility and liability of personnel for loss, damages, and/or deterioration of government properties may not be established and properly addressed.	<div>a. Require the PMD to ensure the accountability and custodianship of all properties of BCDA by preparing immediately the PAR upon issuance of property to an employee or transfer to another, and/or observe the renewal thereof at least every three years; and complete the necessary details in the PAR with complete signatories.</div> <div>b. Instruct the PMD and Inventory Committee to reconcile their records and revise accordingly</div>	<div>Issue Property Acknowledgement Receipt (PAR) upon the issuance of property to an employee or transfer to another and the renewal of PAR every three years.</div> <div>Reconcile the records and will update the PAR and RPCPE</div>	<div>PPMD PMD</div> <div>PPMD PMD</div>	<div>Jan 2024</div> <div>Jan 2024</div>	<div>Dec 2024</div> <div>Dec 2024</div>	<div>On-going Implementation</div> <div>On-going Implementation</div>	<div>PMD has issued 33 PAR renewals with complete details and signatories, detailed as follows:</div> <table><tr><th>Asset</th><th>No. of Assets</th><th>Amount</th></tr><tr><td>Machinery</td><td>11</td><td>10,380,339.29</td></tr><tr><td>Furniture and Fixtures</td><td>21</td><td>3,035,756.81</td></tr><tr><td>Office Equipment</td><td>28</td><td>4,003,225.99</td></tr><tr><td>ICT</td><td>352</td><td>45,422,966.40</td></tr><tr><td>TOTAL</td><td>412</td><td>62,842,288.49</td></tr></table>	Asset	No. of Assets	Amount	Machinery	11	10,380,339.29	Furniture and Fixtures	21	3,035,756.81	Office Equipment	28	4,003,225.99	ICT	352	45,422,966.40	TOTAL	412	62,842,288.49
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		the PAR and/or RPCPPE, whichever is applicable, and submit the same to the Audit Team for verification; and						PMD submitted 44 PAR renewals to COA on 14 Oct 2024 with details as follows: (Annex T)																					
								<table><tr><th>Asset</th><th>No. of Assets</th><th>Amount</th></tr><tr><td>Machinery</td><td>3</td><td>452,564.28</td></tr><tr><td>Furniture and Fixtures</td><td>25</td><td>2,435,080.34</td></tr><tr><td>Office Equipment</td><td>12</td><td>663,075.99</td></tr><tr><td>ICT</td><td>114</td><td>24,809,562.04</td></tr><tr><td>Motor Vehicle</td><td>22</td><td>25,222,424.56</td></tr><tr><td>TOTAL</td><td>176</td><td>53,582,707.21</td></tr></table>	Asset	No. of Assets	Amount	Machinery	3	452,564.28	Furniture and Fixtures	25	2,435,080.34	Office Equipment	12	663,075.99	ICT	114	24,809,562.04	Motor Vehicle	22	25,222,424.56	TOTAL	176	53,582,707.21
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		c. Consider formulating a policy setting out the guidelines on property custodianship and accountability, including the procedures to be undertaken for the issuance and renewal of PAR and the properties being used by contractual employees.	Prepare a policy that will set guidelines on property custodianship and accountability for properties being used by contractual employees.	PPMD PMD	Aug 2024	Dec 2024	100% Implemented	Formulated the policy and procedure to ensure proper documentation, use, storage, accountability, return, and disposal of BCDA properties approved 25 September 2024. Submitted the Operation's Manual of the Property and Procurement Management Department - Property Management Division to COA on 06 December 2024. (Annex U)																					
December CY 2023 Observation No. 31 Property Identification Sticker	The properties and equipment (PE) of BCDA that were physically counted by the Inventory Committee in CY 2023 were not tagged with the new identification stickers prescribed under COA Circular No. 2020-006. Thus, the vital information on the PE items could not be easily identified.	Ensure compliance with the procedures set forth under COA Circular No. 2020-006 in conducting the annual physical count of properties by tagging properties using the prescribed new property sticker.	Comply with COA Circular 2020-006 in the tagging of properties using the prescribed new property sticker.	PPMD PMD	July 2024	Dec 2024	100% Implemented	Implemented per COA Validation. (Annex C)																					

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CY 2023 Observation No. 32 Non-submission of/delay in submission of various infrastructure contracts and supporting documents	The copies of contracts and supporting documents for three infrastructure projects of BCDA for CY 2023 with total contract cost of P1.477 billion were not yet submitted to the Office of the Auditor, and three contracts amounting to P2.029 billion were submitted beyond the required five working days from its execution or a delay of 17 to 155 days, which are not in compliance with COA Circular No. 2009-001, resulting in delayed auditorial and legal review of the contracts.	Submit the certified true copies of the contracts and other documentary requirements and, henceforth, ensure compliance with the timely submission thereof in accordance with COA Circular No. 2009-001.	Issuance of Office Order to reiterate timely submission of contracts to COA and create a checklist system to guide end-users.	ICTD RAD	Jan 2024	Dec 2024	100% Implemented	Implemented per COA Validation. (Annex C)
CY 2023 Observation No. 33 Leave Benefits Payable and Terminal Leave Benefits accounts, and Leave Credits	Due to the HRMD's lack of monitoring of Leave Cards, an employee was able to monetize leave credits more than her earned Vacation Leave (VL) balance at the time of monetization, which is not in compliance with Section 22 of the Omnibus Rules on Leaves (ORL), as amended.	a. Submit an explanation why an employee was allowed to monetize even if the balance retained after the monetization is below the required five days retention of vacation leave credits and determine the personnel responsible for the erroneous balance of leave credits per approved Application for Leave relative to the said monetization;	Conduct a thorough review of the internal leave benefits processes and interview personnel involved in the monetization process to determine the root cause of the error.	HRMD	May 2024	May 2024	100% Implemented	Implemented per COA Validation. (Annex C)
		b. Submit to the Audit Team the necessary documents/ justifiable reasons set forth under COA Circular No. 2012-001 and Section 23 of the ORL for the monetization of 50 percent or more leave credits; and	Provide the complete documentation justifying all instances of leave monetization exceeding 50%, in strict compliance with COA Circular No. 2012-001 and Section 23 of the ORL.	HRMD	May 2024	May 2024	100% Implemented	Implemented per COA Validation. (Annex C)
		c. Henceforth, ensure strict compliance with the Omnibus Rules on	Comply the Omnibus Rules on Leave and other relevant regulations. Existing leave	HRMD	May 2024	May 2024	100% Implemented	Implemented per COA Validation. (Annex C)



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		Leave, as amended and issued by the CSC, as well as other related rules and regulations pertinent to leave of employees.	processes will undergo a review and necessary calibrations will be made to ensure full alignment with the CSC-issued Omnibus Rules on Leave and related guidelines.					
CY 2023 Observation No. 34 Individual Contract of Service	Payments of salaries and gratuity pay to eight Contract of Service Personnel for CY 2023 amounting to P5.394 million were not supported with Accomplishment Reports, which is not in compliance with Section 4(6) of PD 1445 and Item 4.1.3 of COA Circular No. 2012-001.	a. Require the HRMD to include the submission of Accomplishment Reports in the Individual Contracts of Service and henceforth monitor the submission of accomplishment reports duly certified by the end-user department before the processing of payment of salaries of the COS personnel;	Implement the following corrective actions: - Develop a standardized Accomplishment Report form: This form will detail the outputs achieved by Contract of Service (COS) personnel for each pay period in alignment with their performance targets. - Mandatory Accomplishment Report Submission: Inform COS personnel that the submission of an approved Accomplishment Report is a prerequisite for salary payment. - Regular Reminders: Implement a system of regular reminders to COS personnel regarding the timely submission of Accomplishment Reports. - Strict Adherence to Requirement: Enforce the non-processing of salaries without the corresponding approved Accomplishment Report.	HRMD	May 2024	May 2024	100% Implemented	Implemented per COA Validation. (Annex C)

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		b. Require the COS personnel to submit their individual accomplishment reports for CY 2023 verified and duly certified by the end-user department to HRMD for proper evaluation; and	Require all COS personnel to submit Accomplishment Reports for Calendar Year 2023.	HRMD	May 2024	Onwards	100% Implemented	Submitted the CY 2023 accomplishment reports of all COS duly certified/signed by the heads of the end-user department to COA. The last submission was on 20 Dec 2024. (Annex V)
		c. Consider creating a policy on the performance evaluation of the COS personnel.	Create a policy on evaluating the performances of COS personnel.	HRMD	Jul 2024	Dec 2024	100% Implemented	The management created a policy governing the contract of service personnel and submitted a copy to COA on 21 November 2024. (Annex W)
CY 2023 Observation No. 35 Gender and Development	<p>The validity of the reported accomplishments and utilization of the GAD Budget of BCDA for CY 2023 under the Attributed Programs amounting to P1.134 billion could not be determined due to:</p> <p>a. Absence of the Remarks column in the Harmonized Gender Development Guidelines (HGDG) checklist submitted by the BCDA GAD Focal Point System (GFPS) and the relevant means of verification (MOV), which are necessary to support and validate the reported expenditures under the Attributed Programs in the GAD Accomplishment Report (AR), which is contrary to Items 1.6.1 and 1.6.3 of the Philippine Commission on Women (PCW) Memorandum Circular (MC) No. 2023-05.</p> <p>b. GFPS erroneously computed the attributed GAD expenditures based on the GAD budget instead of the actual annual major program/project expenditure, which was attributed to GAD, which is not in conformity with Item 1.6.2 of PCW MC No. 2023-05.</p>	<p>a. Revise the HGDG PIMME checklist by adding a Remarks column and indicate the relevant MOVs in accordance with PCW MC No. 2023-05 and in compliance with the initial comments/observations of the PCW on the CY 2023 GAD AR;</p> <p>b. Recompute the attributable amount to GAD in the AR for attributed programs based on the actual expenditure for each project pursuant to Item 1.6.2 of PCW MC No. 2023-05; and</p> <p>c. After implementing the preceding recommendations, submit the revised CY 2023 GAD AR to the Audit Team together with complete supporting documents.</p>	<p>Submit to PCW the revised Accomplishment Report.</p> <p>Submit to COA the revised schedule of GAD expenses and attribution reconciled with the records of ACD.</p> <p>Create sub accounts devoted to the GASD expenses and attributions.</p>	<p>HRMD GFPS</p> <p>HRMD GFPS ACD</p> <p>HRMD GFPS</p>	<p>May 2024</p> <p>May 2024</p> <p>Jul 2024</p>	<p>Jun 2024</p> <p>Jun 2024</p> <p>Jan 2025</p>	<p>100% Implemented</p> <p>100% Implemented</p> <p>100% Implemented</p>	<p>Implemented per COA Validation. (Annex C)</p> <p>Implemented per COA Validation. (Annex C)</p> <p>Implemented per COA Validation. (Annex C)</p>

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CY 2023 Observation No. 36 Gender and Development	The amount appropriated for GAD programs, activities, and projects (PAPs) in CY 2023 was not fully utilized, leaving an unused total balance of P208.947 million or 15.50 percent of the GAD budget at year-end. Moreover, some of the identified PAPs that were completely implemented exceeded the corresponding allocated budget, casting doubt on the efficient planning/preparation of the GAD plans and the judicious utilization of the budget, resulting in non-assurance that women empowerment and gender equality were attained.	Require the GFPS to monitor the GAD budget regularly to ensure that it is spent for its intended purpose and that the GAD PAPs were effectively and efficiently implemented by judiciously utilizing the GAD budget.	Establish sub-accounts devoted to GAD expenses and attributions to be the basis of GFPS to monitor the GAD budget utilization.	HRMD GFPS ACD	Jul 2024	Onwards	100% Implemented	Implemented per COA Validation. (Annex C)