

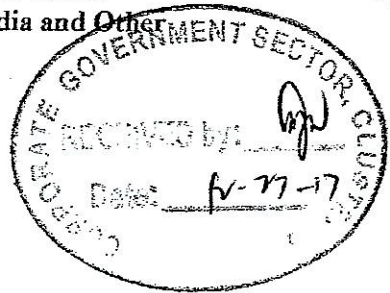
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Republic of the Philippines
COMMISSION ON AUDIT
development academy of the philippines
DAP Bldg., San Miguel Avenue, Pasig City
Cluster 6, Corporate Government Sector
Audit Group H- Development, Media and Other Agencies



December 27, 2017



DIR. WILFREDO A. AGITO
Director IV
Cluster 6, Corporate Government Sector
Commission on Audit
Commonwealth Avenue
Quezon City

Sarmiento
Thru : **ROSALIE D. SARMIENTO**
State Auditor IV
OIC-Supervising Auditor – DMOA Group

Dear Dir. Agito:

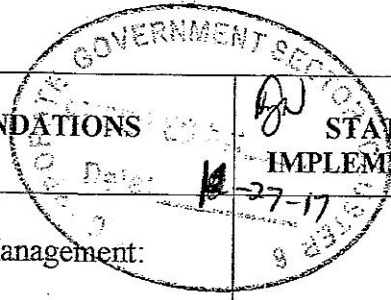
In compliance with the Memorandum Circular No. 2017-1 of the Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting System dated March 09, 2017, with regard to the Guidelines on the Grant of the Performance-Based Bonus for fiscal year 2017 under Executive Order No. 80 s. 2012 and Executive Order No. 201 s. 2016, we are transmitting herewith the Status of Implementation of Prior Year's Audit Recommendations of the Development Academy of the Philippines (DAP) as of December 15, 2017.

Based on our verification, DAP complied with the required minimum 30% full implementation of the audit recommendations.

Thank you.

Very truly yours,
Rebecca B. Aquino
REBECCA B. AQUINO
State Auditor IV
Audit Team Leader

DEVELOPMENT ACADEMY OF THE PHILIPPINES
 STATUS OF IMPLEMENTATION OF 2016 COA RECOMMENDATIONS IN THE AAR
 As of 15 December 2017



AO M NO.	COA AUDIT OBSERVATIONS	COA RECOMMENDATIONS	STATUS OF IMPLEMENTATION
01	<p>Audit of Accounts Payable (A/P) account of ₱181.259 million disclosed a discrepancy of ₱324,334.23 in the outstanding payable to a creditor; erroneous subsidiary ledgers (SLs); erroneous aging schedules; and existence of dormant accounts.</p>	<p>We recommended that Management:</p> <ul style="list-style-type: none"> a. Analyze the individual balances of the A/P and update their respective SLs; b. Evaluate the academy's accounting system to determine the cause of deficiencies and improve the recording system; c. Maintain a proper aging schedule of A/P which will show only the list of creditors with their respective total balances and the corresponding days they are outstanding; and d. Evaluate the dormant/long outstanding balances for possible reversion to Retained Earnings in accordance with the provisions of DBM and COA Joint Circular No. 99-6 and P.D. No. 1445. 	<p>Implemented</p> <p>Implemented</p> <p>Not Implemented</p> <p>Implemented</p>
02	<p>Accrued revenue in the total amount of ₱12.824 million is still lodged in the balance of Accounts Receivable of ₱212.972 million and abnormal balances of ₱2.039 million and ₱1.511 million in the Receivable Accounts – Government and Receivable Accounts – Private, respectively.</p>	<p>We recommended that Management:</p> <ul style="list-style-type: none"> a. Investigate/analyze the accounts receivable in relation to accrued income account and also accounts with abnormal balances and make the necessary adjustments to correct their balances; and b. Prioritize collection of accounts that have material balances and dormant accounts which are long outstanding and if found uncollectible after exerting relentless effort, seek authority from the Commission on Audit for the write-off of these accounts in accordance with COA Circular No. 2016-05 dated December 19, 2016. 	<p>Partially Implemented</p> <p>Implemented</p>

Recording of cash received through fund transfers from other government agencies and its utilization for the implementation of projects/programs were not in accordance with the provision of 4.2 of COA Circular No. 94-013 dated December 13, 1994 and COA Circular No. 2015-010 dated December 1, 2015 resulting in the overstatement of income and expense in the amount of P27.744 million and P25.342 million respectively.

We recommended that Management adjust the books for the erroneous booking of income and expense and to comply strictly with the provisions of 4.2 of COA Circular No. 94-013 and COA Circular No. 2015-010 in recording cash received through fund transfer and its utilization, as follows:

Not Implemented

IMPLEMENTING AGENCY **SOURCE AGENCY**

Upon transfer of fund			Upon receipt of fund transfer		
	Dr.	Cr.		Dr.	Cr.
Due from NG A/G OCC	xxx		Cash Collecting Officer	xxx	
Cash - Mod Disb system		xxx	Due to NGAs		xxx

IMPLEMENTING AGENCY **SOURCE AGENCY**

When Replenishment is received			When expenses are incurred/liquidation submitted		
	D r.	C r.		Dr .	Cr.
Expenses/Accumulated Surplus	xx x		Due to NGAs	xx x	
Due from		xx	Cash in		xxx

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NGAs/ GOCCs		x	Bank						
04	<p>The Academy was unable to remit in full the cost of the audit services since 1990 to 2016 inconsistent with the provisions of the Commission on Audit (COA) and Department of Budget and Management (DBM) Joint Circular No. 88-1 dated July 29, 1988 and related issuances. The outstanding balance due to the Commission by the Academy amounted to ₱38.735 million as of CY 2016.</p>	<p>We recommended that Management undertake the following:</p> <p>a. Settle the latest assessment received;</p> <p>b. Reconcile the Summary of Assessments, Remittances and Balances transmitted by the Commission with the Academy's records for payments which are not taken up in the Commission; and</p> <p>c. Develop a payment scheme to settle the unpaid balance.</p>	<p>Not Implemented</p> <p>Implemented</p> <p>Not Implemented</p>						
05	<p>The implementation of Master Program in Public Management Major in Rural Development (MPM-RD) Batch 1 with a total project price of ₱20.925 million was delayed without written justification/agreement for the extension of the project which ended March 31, 2015 which is not in consonance with the Memorandum of Agreement.</p>	<p>We recommended that Management submit the report on the implementation of the project together with the report on the occurrence of any event or condition which caused the delay or prevent the timely completion of the project.</p>	<p>Implemented</p>						
06	<p>The Nationwide Conduct of Trainor's Training on Usapang Klima and Enerhiya which is a component of the Department of Energy (DOE)/DAP Project "Promotion and Mainstreaming of Energy, Efficiency and Conservation (EE&E) Program at the Local Level: An Information, Education Campaign of the DOE" with a budget of ₱11 million was not conducted,</p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Ensure the attainability of project objectives prior to finalization and signing of the contract, project execution and implementation. If possible, a feasibility study must be conducted first to evaluate/determine the presence of obstacles that may delay project start-up activities and implementation and immediately address them; and 2. Prepare a modified contract for changes, revisions and amendments of the original contract duly executed 	<p>Implemented</p> <p>Implemented</p>						

	instead other activities not included in the approved proposal and MOA were implemented resulting in the inability to attain the Project's objective.	and signed by the party thereto stating the reasons therefore.	
07	Perfected Contracts, Purchase Orders and their supporting documents were not submitted to COA for review within five days after execution contrary to COA Circular No. 2009-001 dated February 12, 2009.	We recommend that the Academy comply with the provisions of COA Circular No. 2009-001 dated February 12, 2009 on the submission of perfected contracts, Purchase Order and their supporting documents.	Implemented
08	Journal Entry Vouchers (JEVs) containing receipts, disbursement vouchers and documents evidencing the transactions of the Academy were not turned over to the Office of the Auditor within the prescribed period pursuant to COA Circular No. 2009-006 dated September 15, 2009.	We recommended that Management comply strictly with the provisions of COA Circular No. 2009-006 dated September 15, 2009 on the timely turn-over of JEVs to the Office of the Auditor.	Implemented
09	Deficiencies noted relative to the 2016 Gender and Development (GAD) activities of the Development Academy of the Philippines (DAP)	We recommend that Management strictly adhere with the provisions of the PCW-NEDA-DBM Joint Circular No. 2012-01 and COA Circular No. 2014-001 dated March 18, 2014 and ensure the timely submission of the GAD plans and budget to PCW for review and to monitor its implementation.	Partially Implemented

Certified Correct by:

Anatalia
ANATALIA SD. BARAWIDAN
Acting Managing Director
Finance Department

Verified by:

Rebecca B. Aquino
REBECCA B. AQUINO
State Auditor IV
Audit Team Leader

Noted by:

Rosalie D. Sarmiento
ROSALIE D. SARMIENTO
State Auditor IV – OIC Supervising Auditor