

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of 26 audit recommendations included in the CY 2000 Annual Audit Report, six were fully implemented, three were partially implemented, one was not started and 16 were not implemented. The results of our evaluation of the implementations are shown in the following table:

Reference	Observations	ACRB Recommendations	Status Action Taken
CY 2000 AA, Observation No. 1, para 24	A total of 21.15 revenue mills was not covered in the consolidation of assessment rates for the area covered by the Bureau of the Treasury (BT) and Office of the President of the Philippines (OP) due to irregular currency in circulation.	1. Determine the covering period of the marketability and redemption bill amount to be used to repay the debt bond with the interest on the same.	Fully implemented.

PART III

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

of the POFCD. This will not provide the information on the maintenance and operating expenses based on secretary's interest.

- 2. Determine the proper coverage and implementation.
- 3. Review the management of the Government of the Philippines (GOP) for the period and purposes and
- 4. Review the implementation of the POFCD.
- 5. Review the implementation of the POFCD.
- 6. Review the implementation of the POFCD.
- 7. Review the implementation of the POFCD.
- 8. Review the implementation of the POFCD.

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of 25 audit recommendations embodied in the CY 2020 Annual Audit Report, six were fully implemented, three were partially implemented, one was reconsidered and 15 were not implemented. The results of our evaluation of the implementations are shown in the following table:

Reference	Observations	Audit		Status/ Action Taken
			Recommendations	
CY 2020 AAR, Observation No. 1, page 29	A total of 21.18 square meters was not included in the computation of assessment dues for the area occupied by the Bureau of the Treasury (BTr) and Office of the President of the Philippines (OP) due to miscalculation, contrary to Sections 4 (a) and (b), Part II of the Master Deed with Declaration of Restriction (MDDR), Section 1, Article V of the, Amended Bylaws of the PDGCC. Thus, each unit owner is not contributing to the maintenance and operating expenses based on proprietary interest.	a.	Determine the covering period of the over/underbilling and recompute the amount to be billed to each unit owner based on the correct areas occupied over the years of over/underbilling;	Fully implemented
		b.	Issue a Statement of Account to BTr and OP for the over/underbilled assessment dues for the current and prior years;	Not implemented
		c.	Recognize in the books the over and underbilled assessment dues;	Not implemented
		d.	Collect the assessment dues from OP on the underbilled portion for the current and prior years; and	Not implemented
		e.	Observe proper review of the PDGCC transactions, particularly on assessment dues.	Not implemented

Reference	Audit		Status/ Action Taken
	Observations	Recommendations	
CY 2020 AAR, Observation No. 2, page 31	The Corporation bills and collects assessment dues, electricity and water consumption directly from the lessees/occupants of the unit owners which are outside of its mandate as stated in Section 4 (a) and (b), Part I of the MDDR, Section 1, Article V of the Amended Bylaws, Letter (k) of Articles of Incorporation, and contrary to Section 2 - Concepts and Pervasive Principles of PFRS for SE, resulting in the misrepresentation of the Due from National Government Agencies (NGA) and Government Corporations (GC) accounts.	<p>a. Observe the limitations set forth in Section 4(a) and (b), Part II of the MDDR, Section 1, Article V of the Amended Bylaws and Letter (k) Articles of Incorporation by refraining from levying and collecting assessment dues, electricity and water consumption from the lessees of unit owners; and</p> <p>b. Reclassify the receivables from the tenants/lessees of BTr and OP to receivables from BTr and OP.</p>	Not implemented
CY 2020 AAR, Observation No. 3, page 34	The Corporation is charging the unit owners/occupants on a monthly basis the amount of P60 per square unit area occupied based on Board Resolution No. 01, series of 2018, contrary to Section 1, Article V, Amended By-Laws of the Corporation resulting in Management's limited action on repair, rehabilitation, among others, on the aging building.	<p>a. Prepare a short-term, mid-term (three years), and long-term plan (at least five years), for repairs and maintenance of the building. The plan should be responsive to the requirements of the aging building;</p> <p>b. Based on the plan, prepare a budget of monthly expenses of the Corporation for maintenance and operating expenses;</p>	Not implemented

Reference	Observations	Audit		Status/ Action Taken
		Observations	Recommendations	
			and	
			c. Bill the unit owners in an amount that will raise the common fund to a balance equivalent to at least three months estimate of expenses of the Corporation on maintenance and operating expenses as provided in Section 1, Article V, Amended Bylaws of the Corporation.	Not implemented
CY 2020 AAR, Observation No. 4, page 35	The fidelity bond of the Collecting and Disbursing Officer is not sufficient to cover his actual accountability, contrary to Section 7.3 of Treasury Circular (TC) No. 02-2009 exposing the Corporation, in cases of losses resulting from the unlawful deposit, use, or application of public funds, and for all losses attributable to negligence in the keeping of such funds.	a.	Monitor the average daily collections and disbursements of the AO; and	Fully implemented
		b.	Update the amount of bond based on the AO's average daily accountability in accordance with the BTr TC No. 02-2009.	Fully implemented
CY 2020 AAR, Observation No. 5, page 37	Annual physical count of Inventories and Property and equipment (PE) accounts with balances of P237,851 and P10.724 million, respectively, were not conducted and lack proper documentation,	a.	Create a committee or assign personnel to conduct annual physical count of all PE and Inventories to establish the existence and determine the condition of the assets;	Fully implemented

Reference	Audit		Status/ Action Taken
	Observations	Recommendations	
	contrary to the pertinent provisions of Presidential Decree (PD) No. 1445, COA Circular Nos. 80-124, 2016-006, 2020-006 and Treasury Circular No 02-2009.	b. Prepare a Report of Physical Count of Property and Equipment and reconcile with the accounting records to establish the correct value of PE and submit copies to the Office of the Auditor;	Fully implemented
		c. Maintain and update the Subsidiary Ledger, Property Card and PAR for each item of PE and ICS for semi-expendable inventories;	Partially implemented The Management was unable to provide/maintain Property Card and PAR for each item of PE and ICS for semi-expendable inventories.
		d. Assign property numbers to all PE;	Partially implemented The Management is in the process of assigning/ tagging property number to PE.
		e. Include the accountability on PE and Inventory on the fidelity bond calculation; and	Not implemented
		f. Send to trainings/seminars the Property Custodian on the keeping,	Fully Implemented

Reference	Audit		Status/ Action Taken
	Observations	Recommendations	
		maintenance and disposition of PE for proper guidance in property management.	
CY 2020 AAR, Observation No. 6, page 40	Unserviceable/obsolete property and equipment (PE) with net book value of P79,875 were not yet disposed, contrary to Section 79 of the P.D. No. 1445, thus, exposing them to further deterioration and depriving the Corporation of additional funds from the proceeds of sale thereof.	<p>a. Conduct physical inventory of the PE to determine the disposable/unserviceable items and report them in the Inventory and Inspection Report of Unserviceable Property (IIRUP); and</p> <p>b. Establish the Corporation's policies and guidelines on the disposal of unserviceable assets, and immediately dispose the items for disposal.</p>	<p>Partially implemented</p> <p>Management conducted physical inventory of PE, however, IIRUP was not submitted to the Audit Team.</p> <p>Not implemented</p>
CY 2020 AAR, Observation No. 7, page 41	The Chief Executive Officer and Appointive Directors of the PDGCC did not pass through the process of review and nomination of the GCG and approval of appointment by the President of the Philippines due to inconsistency between Section 1, Article III of the Amended Bylaws and Sections 3b and 5e, Chapter 1 and Sections 15 and 16 of Chapter IV, Republic Act (RA) No. 10149,	<p>a. Submit a list of nominations for the chief executive officer and appointive directors of the PDGCC to the GCG in accordance with the provisions of RA No. 10149; and</p> <p>b. Bring to the attention of the BOD the amendment of the PDGCC's Bylaws effecting the provisions of Section 15, Chapter</p>	<p>Not implemented</p> <p>Not implemented</p>

Reference	Audit		Status/ Action Taken
	Observations	Recommendations	
	resulting in the Corporation's inability to exercise check and balance.	IV of RA No. 10149.	
CY 2019 AAR, Observation No. 6, page 40	The PDGCC Electrician possesses a Technical Education and Skills Development Authority (TESDA) National Certificate (NC) II Certificate that expired on September 30, 2019 and has no training relevant to his duty/functions.	<p>a. Require and assist the electrician to apply and undergo the competency assessment based on new competency standards and assessment tools conducted by the TESDA Accredited Competency Assessor to comply with the renewal requirements for NCII; and</p> <p>b. Send the electrician to relevant capacity building activities to strengthen his knowledge and skills in performing his assigned tasks.</p>	<p>Not implemented</p> <p>Not implemented</p>
CY 2015 AAR, Observation No. 4, page 24	The year-end benefits granted by the Board of Directors to the PDGCC officials and employees exceeded the amount authorized by the President of the Philippines by P0.375 million in violation of Section 3(b)(5) of Executive Order (EO) No. 24 dated February 11, 2011.	Furnish the Audit Team with the prior approval of the President of the Philippines for the granting of the year-end cash gift of P20,000 as well as the Christmas grocery allowance granted to the members of the Board of Directors, members of the Administrative Committee, the PDGCC staff and contracted personnel to avoid disallowance.	<p>Reconsidered</p> <p>The liable persons opted to return the amount of cash gift received.</p>