

Entitlement (P)	Position Level
<i>Actual Expense</i>	CEO of GOCC
3,500.00	<i>Executive Band Positions in the GOCC</i>
2,000.00	<i>Management Band Positions in the GOCC</i>
1,000.00	<i>Executive Assistants or those with comparable duties and responsibilities</i>
500.00	<i>Administrative Assistants, Drivers, Messengers, or those with comparable duties and responsibilities.</i>

- 4.2 *The communication allowance may only be granted to positions with career band below the management band if the duties and responsibilities of the position require the incumbent to always be able to contact his/her supervisor, and colleagues, and shall be constantly reachable through their mobile phones.*
- 4.2 *The grant of communication allowance shall be on reimbursement basis. Reimbursements shall be supported with billing statement or official receipts and shall be subject to auditing rules and regulations.*
- 4.2 Paragraph 4 of the PDGCC - Authority to Implement (ATI) dated January 26, 2022 states that:

*The final Job Evaluation (JE) results with the career bands of each position shall be provided once the same has been validated. In the meantime, PDGCC may already adopt the CPCS salary structure as provided above. **For allowances, benefits and incentives that require the determination of the career band of the positions entitled thereto, the same shall be granted in accordance with existing Department of Budget and Management and Civil Service Commission issuances pursuant to Chapter XI of the CPCS, until such time that the GCG has issued the final JE results of the GOCCs. (Emphasis supplied)***

- 4.3 Since the GCG has not yet issued career bands, the grant of communication allowance per the above-mentioned rates in the Circular is not yet applicable to PDGCC, and thus, shall be granted in accordance with existing Department of Budget and Management (DBM) and Civil Service Commission (CSC) issuances as stated in the ATI.

- 4.4 Section 5 of DBM Budget Circular No. 2024-02 dated August 4, 2024, titled "Guidelines on the Payment of Communication Expenses of Certain Government Personnel." states:

5 Allowable Communication Expenses

5.2 Officials and employees of departments/agencies with the following salary grades (SGs) shall be allowed a maximum monthly communication expense, regardless of the actual amount incurred, in aid of the performance of their official duties and responsibilities:

SG	Maximum Monthly Communication Expense
SG-31 and other officials of equivalent rank	Php 8,000.00
SG-30 and other officials of equivalent rank	Php 5,000.00
SG-29 and other officials of equivalent rank	
SG-28 or Head of a Department Bureau, Department Regional Director, Head of a Department Service, and other officials of equivalent rank	Php 3,000.00
SG-27 and other officials of equivalent rank	Php 2,500.00
SG-26 or Head of a Bureau Regional Office and other officials of equivalent rank	
SG-25 and other officials of equivalent rank	Php 2,000.00

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However, the allowable communication expenses to other authorized employees shall in **no case exceed the amount of P1,500.00, subject to the availability of department/agency funds, and in line with the prudent use of government resources.** (Emphasis ours)

- 4.5 On March 30, 2023, PDGCC issued Board Resolution No. 4, series of 2023, pertaining to the Guidelines on the Grant of Communication Allowance on a monthly basis to the officials, team members, and personnel tasked with the management and operation of PDGCC, in accordance with the monthly rates outlined in the subsequent table:

Authorized official/personnel	Monthly allocation
Members of the Board of Directors	P 2,000
Members of the Admin Committee	1,800
Assistant Building Administrator	2,000
Admin Officer III	1,000
Bookkeeper/Accountant	1,000

Authorized official/personnel	Monthly allocation
Building Electrician	500
Electro-Mechanic/Plumber	500

- 4.6 The audit of disbursement vouchers and liquidation reports showed that a total of P147,149 were disbursed as communication allowance for CY 2024. Based on the rates prescribed under DBM Budget Circular No. 2024-02 and the principle of double compensation, a total of P61,506 was overpaid, to wit:

Position	SG	Amount (a)	Allowed (b)	Over payment (a-b)
Chairman, Admin Committee	SG 27	P 19,781	0	P19,781
Member, Admin Committee	SG 24	16,334	0	16,334
Member, Admin Committee	SG 24	17,791	0	19,791
Member, Admin Committee	SG 22	19,800	18,000	1,800
Member, Admin Committee	SG 18	18,000	18,000	0
Assistant Building Administrator	SG 22	21,800	18,000	3,800
Administrative Officer III	SG 18	11,000	18,000	0
Bookkeeper/Accountant	SG 15	10,661	18,000	0
Electrician	SG 12	4,990	18,000	0
Plumber	SG 11	4,992	18,000	0
Total		147,149	126,000	61,506

- 4.7 Verification by the Audit Team disclosed the following deficiencies relative to the overpayment:

- a. The Chairman and two members of Admin Committee, who are employees of the BTr, received communication allowances from both BTr and PDGCC, resulting in a double compensation contrary to Section 8, Article IX of the 1987 Philippine Constitution thus considered as irregular expenditures under COA Circular No. 2012-003 (Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures). It is noted that the monthly communication allowance from BTr already covers unlimited text, calls and limited data, which may also be used for PDGCC operations without additional cost to the Corporation.
- b. A member of the admin committee and the Assistant Building Administrator received communication allowances exceeding the prescribed rate of P1,500 per month, thus considered as excessive expenditure under COA Circular No. 2012-003.

- 4.8 Further review revealed that the postpaid accounts of the two Administrative Committee members are registered under their names

rather than corporate accounts, raising concerns about accountability and proper use of government funds.

4.9 Lastly, the monthly allowances granted through postpaid plans with amounts ranging from P1,000 to P2,000 per employee come with respective mobile devices on top of the basic unlimited call and text services may be considered excessive if the inclusion of mobile devices to the plans is not duly justified as to its necessity of providing the same. Notably, the DBM and GCG Circulars allow monthly communication allowance without the provision of mobile devices. Moreover, Inventory Custodian Slips (ICS) were not issued to end-users to establish accountability over them.

4.10 **We recommended and Management agreed to:**

- a. **Revise the guidelines on the grant of communication allowance to conform to the rules, guidelines and/or procedures, and limitations prescribed in DBM Budget Circular No. 2024-02 dated August 4, 2024;**
- b. **Facilitate the transfer of postpaid accounts of two Admin Committee members from personal accounts to corporate accounts;**
- c. **Cease the grant of mobile devices acquired through the post paid plans, if not duly justified, and issue ICS for existing mobile devices; and**
- d. **Refund the communication allowances granted in CYs 2024 and 2023 to the concerned PDGCC officials and employees.**

5. **The GAD Focal Point System (GFPS) Executive Committee has not effectively done its responsibility as espoused in Board Resolution (BR) No. 8, Series of 2024, contrary to the provisions of the Joint Memorandum Circular (JMC) No. 2022-01 dated December 28, 2022 of the Philippine Commission on Women (PCW) - National Economic and Development Authority (NEDA) - Department of Budget and Management (DBM), thus, GAD-related issues and concerns, if any, may have not been adequately addressed.**

5.1 Items 2.4, 6.1 and 7.1 of PCW-NEDA-DBM JMC No. 2022-01, state:

2.4 *Pursuant to the MCW and the General Appropriations Act (GAA), all government departments, including their attached agencies, offices, bureaus, state universities and colleges (SUCs), **government-owned and controlled corporations (GOCCs)**, local government units (LGUs) and other*

*government instrumentalities shall formulate their annual GPBs within the context of their mandates to mainstream gender perspectives in their policies, programs and projects. **GAD Planning shall be integrated in the regular activities of the agencies, the cost of implementation of which shall be at least five percent (5%) of their total budgets.** The computation and utilization shall be implemented in accordance with the specific guidelines provided therein.*

- 6.1 *At least five percent (5%) of the total agency budget appropriations authorized under the annual GAA shall correspond to activities supporting GAD plans and programs. The GAD budget shall be drawn from the agency's maintenance and other operating expenses (MOOE), capital outlay (CO), and personal services (PS). It is understood that the GAD budget does not constitute an additional budget over an agency's total budget appropriations.*
- 7.1 *Submission, review and endorsement of all GPBs and GAD ARs shall be done through the GMMS. Agencies shall create or update their user account/s in the GMMS for the online submission of GPBs and GAD ARS by downloading and submitting to PCW the filled-out GMMS registration form.*
- 5.2 On October 16, 2024, PDGCC established a GFPS through Board Resolution No. 8, Series of 2024, in compliance with Section 36(b) of RA No. 9710. The creation of the GFPS presents an opportunity for PDGCC to enhance its efforts in integrating gender mainstreaming within the Corporation's Programs/Activities/Projects (PAPs). It also facilitates a more comprehensive review of the Corporation's GPB to ensure accuracy and alignment with the prescribed GPB template. Moreover, one of its functions is to ensure timely submission of PDGCC's GAD Plan and Budget (GPB), Accomplishment Report (AR), and other GAD-related reports to PGW. In CY 2024, PDGCC has one female employee and 20 female security and utility personnel.
- 5.3 Verification of the GPB for FY 2024 revealed that PDGCC did not meet the mandatory requirement of allocating at least five per cent of its approved COB for GAD PAPs. Specifically, the GAD budget of P120,637 was a mere 0.44 per cent of the total COB amounting to P27.538 million. On January 10, 2025, the PDGCC provided the Audit Team with a draft GAD AR for FY 2024, wherein P82,549 or 68.43 per cent of the allocated GAD budget was utilized. The actual GAD expenses amounting to P82,549, (with attributed expenses of P20,637 pertaining to the salaries of PDGCC employees for taking part in GAD-related activities), are the following:

Programs/Activities/Projects	GAD budget	
	Allocation	Utilization
Women's Month Celebration	P70,237	P51,497
GAD-related training, seminar and webinar	19,000	0
Anti-Violence Against Women and Children Awareness Campaign	31,400	31,052
Total	120,637	82,549

- 5.4 Annex A of JMC No. 2022-01 provides the revised guidelines for accomplishing the GPB template, initially prescribed under PCW-NEDA-DBM Joint Circular No. 2012-01. However, it was observed that the GPB formulated by PDGCC did not comply with the prescribed template under the said Joint Circular. Additionally, the PDGCC did not submit the GPB on the deadline stated in PCW Memorandum Circular No. 2023-02 dated September 11, 2023, citing that the GMMS system no longer allowed encoding or submission after the deadline.
- 5.5 Section 4.0 of the PCW Memorandum Circular No. 2023-02 requires all GOCCs to encode and submit their FY 2024 GPBs to PCW through the Gender Mainstreaming Monitoring System (GMMS) on or before November 6, 2023. However, PDGCC was unable to meet this deadline for review and endorsement of PCW.
- 5.6 An interview with PDGCC's GAD Focal Person disclosed that the draft GAD AR for FY 2024 has also not yet been encoded in the GMMS. Section 1.1 of the PCW Memorandum Circular No. 2024-05 dated December 10, 2024 requires the submission for GAD AR on February 18, 2025.
- 5.7 Review of the draft GAD AR showed that 15 out of 16 PAPs, or 93.75 per cent, were implemented while one PAP pertaining to GAD-related trainings, seminars, and webinars, was unimplemented. While PDGCC failed to allocate the minimum prescribed amount of GAD Budget, it achieved a high percentage of accomplishment.
- 5.8 Further verification disclosed that the implementation of the three PAPs was done in collaboration with the Commission on Elections (COMELEC). These initiatives were budgeted and identified under the PDGCC at no cost incurred for their execution since the resources and services necessary for the projects were provided at no cost by the BTr.
- 5.9 Given the circumstances, the three PAPs may not have been the original initiatives of PDGCC, but rather collaborative undertakings primarily initiated by COMELEC that may not be responsive to the PDGCC's GAD issues. This raises questions about the extent of PDGCC's involvement and the appropriateness of including these PAPs in its GPB.

5.10 The stated non-compliance of PDGCC with rules pertaining to GAD undermines the purposes of sufficiently addressing GAD issues and implementing gender-responsive PAPs across all focus areas aimed at minimizing gender concerns. Hence, the GFPS Executive Committee has not effectively fulfilled its responsibilities as espoused in Board Resolution No. 8, Series of 2024.

5.11 **We recommended and Management agreed to:**

- a. **Integrate the GAD plan into PDGCC's regular activities in the utilization of the budget to achieve at least five per cent of PDGCC's COB to support its GAD PAPs;**
- b. **Comply with the prescribed GPB template under the PCW-NEDA-DBM Joint Circular;**
- c. **Coordinate with PCW to seek assistance in addressing the challenges encountered during the submission of the GPB;**
- d. **Participate in a seminar focused on GAD to enhance awareness, knowledge, and skills related to integrating gender perspectives into the organization's PAPs; and**
- e. **Ensure the timely encoding and submission of the GPB and GAD AR within the prescribed period as stipulated in the recent issuances of PCW.**

6. Remittance of mandatory contributions

6.1 For CY 2024, the Corporation complied with the mandatory contributions required under RA No. 8291 or the Government Service Insurance System (GSIS) Act of 1997, Implementing Rules and Regulations (IRR) of RA No. 7875, as amended, otherwise known as the National Health Insurance Act of 2013, and IRR of RA No. 9679, or the Home Development Mutual Fund Law of 2009. Further, the Corporation also deducted loan amortizations due from their employees and diligently remitted the same including the employer's share to the respective agencies within the prescribed period.

7. Status of Audit Suspensions, Disallowances and Charges

7.1 There are no audit suspensions, disallowances, and charges as at December 31, 2024.