

27 December 2017

SOFIA C. GEMORA

Director III

NGS Cluster 1, Commission on Audit
Commonwealth Avenue, Quezon City

Thru: **Ms. Caridad A. Sarmiento**
Supervising Auditor

Mr. Archemedes D. Quirante
State Auditor IV
Audit Team Leader

Dear Director Gemora:

We are pleased to submit the Philippine Competition Commission Report on Status of Prior Year's (Calendar Year 2016) Recommendations in the Annual Audit Report in connection with the requirement set under IATF Memorandum Circular No. 2017-1.¹

We hope you find our submission in order.

Thank you very much.

Very truly yours,



Arsenio M. Balisacan, PhD
Chairman

Attachment: As stated

¹ *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.*

**REPORT ON STATUS OF IMPLEMENTATION
OF THE RECOMMENDATIONS IN THE
ANNUAL AUDIT REPORT
For Calendar Year 2016
As of 22 December 2017**

Out of the five (5) audit recommendations embodied in the Annual Audit Report for Calendar Year 2016, **100%** of the audit recommendations were **fully implemented**. There are no observations and recommendations from prior year's audit report that the Philippine Competition Commission has not acted upon.

No.	Ref.	Audit Observations	Audit Recommendations	Status of Implementation and Actions Taken
1	COA AAR FY 2016, pp. 25-26	<u>Unrecorded Petty Cash Expenses</u> Unrecorded expenses totaling ₱180,329.19 due to non-submission of the Petty Cash Vouchers (PCV) by the Petty Cash Fund Custodian (PCFC) at year-end, resulting in the understatement of expenses and overstatement of Petty Cash account.	Recommended and Management agreed to: a. Evaluate the petty cash requirement of PCC for a month and correspondingly adjust the amount of the Petty Cash Fund (PCF); and b. Require the PCFC to submit replenishment of the PCF as soon as disbursement reaches at least 75 percent and to submit the replenished PCV at year-end for recording in the books of accounts.	<u>FULLY IMPLEMENTED</u> (1) Continuing implementation of the PCC internal policy on PCF dated 05 January 2017 to ensure compliance with COA regulations on cash advance; (2) Replenishment by PCF Custodians when disbursement reaches 75% or as necessary.
2	COA AAR FY 2016, pp. 26-27	<u>Incomplete required documents for salaries and overpayment of salaries</u> Propriety of salaries and wages processed by Development Academy of the Philippines (DAP) personnel for PCC could not be ascertained due to incomplete documentary requirements and overpayment of salaries by ₱34,518.17.	Recommended and Management agreed to: a. Require the Accountant to check the documentary requirements of paid DVs though these were processed by DAP personnel; and b. Recompute the overpaid salaries and require concerned employees to refund the same.	<u>FULLY IMPLEMENTED</u> (1) Collection of overpayments completed by 16 May 2017; (2) Pertinent documents transmitted by ALO-HRDD to COA on 10 July 2017; (3) ALO-HRDD consistently ensures sufficiency and completeness of documentary requirements



No.	Ref.	Audit Observations	Audit Recommendations	Status of Implementation and Actions Taken
		<p>a. Incomplete required documents for salaries and RATA</p> <p>b. Overpayment of salaries by ₱34,518.17</p>		for processing of salaries and other remunerations.
3	COA AAR FY 2016, pp. 27-29	<p><u>Excess 20 parking slots and hiring of seven drivers with only one official vehicle</u></p> <p>The rental cost of excess 20 parking slots of ₱174,193.40 and salaries of six extra drivers amounting to ₱294,546.37, or a total of ₱468,739.77 appeared to be unnecessary considering that the agency has only one vehicle and has rented five parking slots and one parking slot free of charge.</p> <p>a. Additional 20 parking slots for a rental fee of ₱174,193.40</p> <p>b. Hiring of seven drivers with only one official vehicle</p>	Recommended that Management strictly observe judiciousness and prudence in handling government funds.	<p><u>FULLY IMPLEMENTED</u></p> <p>(1) In May and June 2017, the PCC was able to award contracts to Nissan Shaw, Toyota Quezon Ave., and Honda Manila Bay for the supply and delivery of five (5) units Nissan Urvan, five (5) units Toyota Altis, and six (6) units Honda Mobilio, respectively. Nissan Urvans were already delivered to PCC on the last week of May. Altis and Mobilio units were delivered on the 3rd week of July;</p> <p>(2) The parking slots are reserved for the 16 motor vehicles and PCC's Toyota Revo (donated by the PIDS). The rest are reserved for PCC's clients/stakeholders.</p>
4	COA AAR FY 2016, pp. 29-30	<p><u>Non-submission of Contracts/MOAs/POs</u></p> <p>Delayed submission of perfected Contracts/MOAs/Purchase Orders/Job Orders (POs/JOs) and supporting documents from 20 to 124 days in consonance with Section 3.1.1 and 3.2.1 of COA Circular No. 2009-001 dated February 12, 2009, thereby, precluding the auditor to conduct</p>	Recommended and Management agreed to observe the five-day reglementary period for the submission of all contracts and POs and its supporting documents to facilitate timely review and appropriate action by the auditor.	<p><u>FULLY IMPLEMENTED</u></p> <p>(1) Regular submission of contracts/POs/JOs and supporting documents to COA within the five-day reglementary period.</p>

No.	Ref.	Audit Observations	Audit Recommendations	Status of Implementation and Actions Taken
		timely and systematic review of documents in order to suggest corrective measures, if warranted.		
5	COA AAR FY 2016, pp. 30-31	<p><u>Programs and Projects for the Senior Citizens and the Differently-Abled Persons</u></p> <p>Management did not formulate a plan for the programs and projects related to senior citizens and differently-abled persons contrary to Section 36 of the General Provisions of the Republic Act (R.A.) No. 10717, the General Appropriations Act (GAA) for Fiscal Year 2016.</p>	Recommended that Management strictly adhere to the provisions of the General Provisions of R.A. No. 10717 and prepare programs and projects intended for senior citizens and differently-abled persons as required to address their concerns that will enhance their mobility, safety, and welfare.	<p><u>FULLY IMPLEMENTED</u></p> <p>(1) PCC Program for the Senior Citizens and Persons with Disability for FY 2017 and FY 2018 onwards approved by the Chairman on 02 October 2017;</p> <p>(2) Disability Awareness and Sensitivity Seminar for PCC Personnel held on 20 November 2017 at the Richmonde Hotel;</p> <p>(3) Posted activity streamer in support of the Cerebral Palsy Awareness and Prevention Week (16-22 September 2017);</p> <p>(4) Posted activity streamer in support of the National Disability Prevention and Rehabilitation Week (17-23 July 2017).</p>

Note: Status of implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed.

Agency Sign-off:



ARSENIO M. BALISACAN, PhD
Chairman