

PHILIPPINE NATIONAL POLICE
AGENCY ACTION PLAN and
STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2018
As of December 2019

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken																						
			Action Plan	Person/ Dept. Responsible	Target Implementation Date																									
					From				To																					
CURRENT YEAR FINDINGS																														
	<p>1. Deficiencies noted affecting the CIB-LCCA Account</p> <p><i>(Observations & Recommendations Part 2 Page 87)</i></p> <p>The balance of Cash in Bank – Local Currency, Current Account – LBP (CIB- LCCA-LBP) amounting to ₱2.409 billion is understated by ₱6.104 million due to unrecorded/unadjusted book reconciling items and accounting errors. In addition, credit and debit memos amounting to ₱92.639 million and ₱119.414 million, respectively, had no supporting documents or details as to the nature of transactions affecting the accuracy and validity of cash balances contrary to Section 6, Chapter 21, Vol. I of Government Accounting Manual (GAM) for NGAs.</p>	<p>a. Instruct the Accounting division to:</p> <p>i. record the interest earned, collections/deposits from PROs and bank service charges in the books of accounts</p> <p>ii. prepare adjusting entries for accounting errors.</p> <p>iii. Request documents from the bank to support the debit and credit memos and examine them for authenticity and validity and thereafter record the same in the books.</p> <p>iv. close the dormant accounts and deposit the balance to the Bureau of the Treasury; and</p>		NHQ			NHQ - Fully Implemented	<p>The Accounting Division had already recorded the book reconciling items and adjusted the accounting errors under the following Journal Entry Vouchers (JEV)</p> <table border="1"> <thead> <tr> <th>JEV</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>19-01-012TR</td> <td>180,879.45</td> </tr> <tr> <td>19-01-013TR/ 19-01-014TR</td> <td>11,749,149.42</td> </tr> <tr> <td>19-01-015TR</td> <td>25,200.00</td> </tr> <tr> <td>19-01-018TR</td> <td>(2,157,044.50)</td> </tr> <tr> <td>19-03-079TR</td> <td>135,900.00</td> </tr> <tr> <td>19-03-081TR</td> <td>(4,001,500.00)</td> </tr> <tr> <td>19-03-082TR</td> <td>(199.80)</td> </tr> <tr> <td>19-03-087TR</td> <td>(151,393.50)</td> </tr> <tr> <td>19-03-088TR</td> <td>323,462.92</td> </tr> <tr> <td>Total</td> <td>6,104,453.99</td> </tr> </tbody> </table> <p>As for the credit memos, the total amount of ₱92,639,326.87 was already recorded in the books under JEV Nos. 19-01-18TR, 19-03-079TR, 19-03-084TR and 19-06-182TR. For the debit memos, the amount of ₱119,413,672.03 was already recorded under JEV Nos. 19-01-001TR, 19-03-073TR, 19-03-078TR, 19-03-086TR and JEV#19-11-321TR</p> <p>The Accounting Division already</p>	JEV	Amount	19-01-012TR	180,879.45	19-01-013TR/ 19-01-014TR	11,749,149.42	19-01-015TR	25,200.00	19-01-018TR	(2,157,044.50)	19-03-079TR	135,900.00	19-03-081TR	(4,001,500.00)	19-03-082TR	(199.80)	19-03-087TR	(151,393.50)	19-03-088TR	323,462.92	Total	6,104,453.99
JEV	Amount																													
19-01-012TR	180,879.45																													
19-01-013TR/ 19-01-014TR	11,749,149.42																													
19-01-015TR	25,200.00																													
19-01-018TR	(2,157,044.50)																													
19-03-079TR	135,900.00																													
19-03-081TR	(4,001,500.00)																													
19-03-082TR	(199.80)																													
19-03-087TR	(151,393.50)																													
19-03-088TR	323,462.92																													
Total	6,104,453.99																													

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>➤ Dormant LBP Accounts</p> <p>Verification disclosed that Land Bank of the Philippines (LBP) account names PNP Auctioned Vehicles Fund and PCSO-PNP Project Mgt. Committee Fund with book balances of ₱6,777,37 and ₱4,809.89, respectively, were dormant accounts as per verification from the LBP and had no transactions except for bank charges amounting to ₱3,290.00 for each account since September 2017 to December 2018 totaling ₱6,580.00. The bank balances of the two accounts are ₱6,577.37 and ₱4,609.89, respectively.</p>	<p>b. Require the Finance Service Office (FSO) 14 to submit the Report of Checks Issued to the AD for proper recording.</p>		NHQ			NHQ - Fully Implemented	<p>sent a Memo to FSO 14 requesting remittance of the balance to the Bureau of the Treasury and subsequent closure thereof.</p> <p>The Management sent letter to manager of Land Bank Camp Crame dated July 16, 2019 requesting closure and remittance of the balance to National Treasury of PNP Auctioned Vehicles Fund (1862-1011-00) and PNP PCSO Program Committee Mgt Fund (1862-1020-41).</p> <p>FSO 14 was requested to immediately submit RCI and LDDAP to Accounting Division together with the supporting documents within the reglementary period per Memo dated January 28, 2019</p>	
	<p>2. Unreliable balance of Deposit on Letters of Credit</p> <p><i>(Observations & Recommendations Part 2 Page 89)</i></p> <p>The balance of Deposit on Letters of Credit (DLC) of ₱4.748 billion is unreliable due to: (a) dormant DLC amounting to ₱20.927 million spanning over a period of more than 20 years; and (b) overstatement of ₱1.069 billion caused by unrecorded deliveries due to absence of documents as basis for recording drawdowns from the DLC, which is not in keeping with Section 4,</p>	<p>a. Direct the Chief Accountant of NHQ to request for authority to write off from the books the amount of P20,926,978.94 which could no longer be documented and/or substantiated following COA Circular No. 97-001 dated February 5, 1997.</p>	<p>Procurement Division to exert more effort to locate the documents relative to the dormant balances and furnish it Accounting Division as supporting documents for the request for write-off.</p>	NHQ			NHQ - Partial Implementation	<p>In NHQ, management commented that they already recorded the deliveries under Journal Entry Voucher (JEV) Nos. 19-02-615, 19-03-1048, 19-03- 1050 and 19-04-1514 amounting to ₱239,950,000.00, ₱57,236,000.00, ₱404,506,000.00 and ₱303,992,000.00, respectively, or a total of ₱1,005,684,000.00. In as much as the Accounting wanted to file request for authority to write off for this dormant balance of ₱20,926,978.94 following the COA</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	paragraph 6 of Presidential Decree (P.D.) 1445, Chapter III, Volume III of the Government Accounting Manual (GAM) and paragraph 27 of Philippine Public Sector Accounting Standards (PPSAS) I, Volume I.	b. Require the LSS, PNP-SAF BAC and Supply Accountable Officers (SAO) to promptly submit the documents evidencing delivery as basis in recording the equipment and crediting the DLC account.		NHQ SAF			NHQ – Fully Implemented SAF - Fully Implemented	Circular No. 2016-005, however the Accountant cannot do so because of lack of the required supporting documents to be attached in the request as required by the circular, thus, Accounting Division requested from the Procurement Division of LSS to furnish them copies of documents to support their request for write-off. SAF commented that they have already submitted the required documents to the Accounting Section and made the necessary adjustment per JEV Nos. 19-01-0016, 19-01-0017 and 19-01-0018 amounting to ₱26,454,571.43, ₱13,202,678.57 and ₱23,944,642.86, respectively, or a total of ₱63,601,892.86. The difference of ₱139,500.00 pertains to retention money payable to CONEQUIP PHILS. INC. The amount shall be released to supplier upon lapse of the warranty period.	
	3. The balance of the Property, Plant and Equipment amounting to P28.059 billion is inaccurate due to errors and deficiencies noted which affected the fair presentation of the account in the Statement of Financial Position. ➤ Unrecorded transfers of equipment and motor vehicles in the books of the PROs - P229.871 million	We recommended that NHQ Accounting Office provide a copy of the JEV to	Request SAO Wide to immediately	NHQ NCRPO SAF PRO 4B			NHQ – Partial Implementation NCRPO – Partial	NHQ Accounting can only draw JEV once the Property Transfer Reports NHQ- Accounting Division already furnished the copies of JEVs to different PROs based on submitted Property Transfer Reports (PTR).	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>(Observations & Recommendations Part 2 Page 92)</p> <p>Transferred equipment amounting to P229.871 million by the NHQ to the Police Regional Offices (PROs) were not recorded in the latter's respective books of accounts; hence, understates the said accounts by the same amount.</p> <p>In CY 2018, the National Capital Region Police Office (NCRPO), SAF, Police Regional Offices (PROs) 4B, 9, 12 and Autonomous Region in Muslim Mindanao (ARMM) received from PNP NHQ various military, police and security equipment amounting to P177,174,465.00, office equipment of P1,194,000.00 and motor vehicles of P51,502,973.75 or a total of P229,871,438.75, but as of this report, these were not yet recorded in their respective books.</p> <p>According to the Accounting Section of PROs, the equipment and motor vehicles were not yet taken up in their respective books because NHQ Accounting has not yet provided them the Journal Entry Voucher (JEV) taking up the transfer of PPE to the regions.</p>	NCRPO, SAF, PROs 4B, 9, 12 and ARMM as basis in recording the equipment and motor vehicles received in their respective books of accounts.	furnish the Accounting the necessary supporting documents for transfer of asset.	PRO 9 PRO 12 ARMM			<p>Implementation</p> <p>SAF- Partial Implementation</p> <p>PRO 4B – Fully Implemented</p> <p>PRO 9 – Fully Implemented</p> <p>PRO 12 – Fully Implemented</p> <p>ARMM – Fully Implemented</p>	<p>(PTR) will be provided by SAO. Some of the items transferred to PROs were donations which don't have appraisal value. These items cannot be recognized in the books until the appraisal value or fair market value will be determined.</p> <p>NCRPO and SAF Management commented that they already directed the RSAO to properly coordinate with SAO, PNP wide in the immediate tracing of documents as proof of issuances/transfers of PPE from NHQ to NCRPO and SAF. They are continuously reconciling their records, in fact, RSAO, NCRPO commented that SAO, PNP wide submitted/forwarded to their office some documents as proof of transfers.</p> <p>PRO 4B Management commented that JEV Nos. 19-03-054 dated March 11, 2019 and 19-03-060 dated March 21, 2019 were drawn to recognize the transferred PPE from NHQ.</p> <p>PRO 9 - Management commented that various transfers of PPE amounting Php37,650,903.77 were already recorded in books as of May 2019. The NHQ has already furnished a copy of JEV#19-04-1516 dated April 30, 2019, for transfer of one unit document camera and 31units Patrol Jeep (Toyota Hi-Lux) amounting to Php36,021,700.00. Moreover JEV#19-11-5832 was drawn by NHQ to record the transfer of 89 units CQ-A Rifle Cal. 5.56mm amounting to Php7,565,000.00.</p> <p>In PRO 12, Management commented that the Regional Logistics Research and Development Division (RLRDD) submitted the corrected physical</p>	

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>➤ Undocumented prior years' transfers of equipment to various PROs</p> <p><i>(Observations & Recommendations Part 2 Page 93)</i></p> <p>Military, police and security equipment were transferred to various PROs by NHQ in prior years amounting to ₱14,096,570.00, however, the required documents, like the Requisition and Issue Slip (RIS) and Property Transfer Report (PTR) previously known as Invoice Receipt for Property (IRP) evidencing transfers of the aforesaid equipment were not yet submitted to Accounting Section not to mention the difficulty in the retrieval of records resulting from absence of proper turn-over of documents between the incoming and outgoing accountable officers.</p> <p>➤ Non-recording of donated dogs and offsprings under Work/Zoo animals account – NCRPO and SAF</p> <p><i>(Observations & Recommendations Part 2 Page 95)</i></p>	<p>We recommended that Management require SAO, PNP Wide to exhaust all possible means to trace/locate from previous records the issuances/transfers of equipment made including the related documents and submit the same to the Accounting Division for purposes of recording and all outgoing and incoming SAOs to undertake proper turn-over of documents and accountabilities in case of transfer/reassignment in compliance with Section 77 of PD No. 1445.</p>		NHQ			<p>NHQ – Partial Implementation</p>	<p>inventory of Military, Police and Security Equipment and Motor Vehicles. The Regional Accounting Office made adjusting entries under JEV #19-05- 068 dated May 2, 2019 to record the properties in the books of accounts.</p> <p>PRO ARMM – has recorded the transfer thru JEV No.- 01-2019-05-250 and JEV No-01-2019-05-251 dtd 02 May 2019.</p> <p>NHQ – has recorded transfer for the subject equipment under JEV No. 19-02-626; JEV No 19-04-1517 and JEV No. 19-06-2425</p> <p>The Management of NCRPO commented that the latest price will be the basis for recording. In addition, the RSAO, NCRPO</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>In NCRPO and SAF, 20 offspring of K-9 dogs aged eight months to two years with a total value of P9,999,000.00 as well as 46 dogs acquired through donation were not recorded in the books. Twenty out of 46 dogs were duly supported with Deed of Donation and 26 have no donation documents as basis of recording.</p> <p>The non-recognition of offsprings in NCRPO understated the Work/Zoo animals account by P9,999,000.00. This could have further increase had the donated dogs were appraised and recorded in the books of accounts of NCRPO and SAF.</p> <p>➤ Issues concerning Land account</p> <p>❖ Lots included under land account have no supporting</p>	<p>We recommended that NCRPO and SAF Management:</p> <p>a. require the concerned SAO, RSAO and HSAO to submit the required documents to the Accounting Section for all the dogs acquired through breeding and donation as basis for recording in the books.</p> <p>b. require the Regional Chief Accountant to record all the K9 dogs in the books of accounts by taking up at standard costs prevailing in the industry in the absence of the acquisition costs in accordance with COA Circular 84-239 dated August 15, 1984. In the absence of such industry standards, each agency head shall constitute an Appraisal Committee to develop a cost system for each variety or specie of animal on the basis of prevailing market prices.</p>		NCRPO, SAF			<p>NCRPO – Fully Implemented</p> <p>SAF- fully Implemented</p>	<p>already submitted salient documents of Explosive Detection Dogs (EDD) to Regional Accounting Office on May 14, 2019 including the Quarterly Report of Biological Assets as of April 2019 as well as the Inventory of Police Service Dogs as of April 2019 submitted by the 7th Mobile Force Company/ Technical Support Company or K-9 Unit to ORSAO. The Accounting Office already recorded the 51 K-9 dogs of NCRPO as biological assets under Work/Zoo Animals account based on the pertinent documents submitted by ORSAO on May 14, 2019 with reference JEV # 19-05-258 dated May 31, 2019.</p> <p>SAF Management commented that the Office of SAO, PNP-SAF already submitted the Report of Biological Assets to the Regional Accounting Office on February 22, 2019 with supporting documents. Based on the report, 13 Explosive Detection Dogs and 2 Scout Dogs which were donated and found at station amounting ₱7,499,250.00 based on the estimated prevailing market cost of the dogs, were requested to be included in the books of PNP-SAF under PPE. . The Accounting Office already recorded the biological assets (15 Dogs) under Work / Zoo Animals account based on the Report of Biological Assets and supporting documents submitted by the SAO, SAF with reference JEV # 19-02-0024 dated February 28, 2019.</p>	

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>documents</p> <p>(Observations & Recommendations Part 2 Page 95)</p> <p>Verification of records showed 43 lots/properties with total assigned value of ₱34,894,885.75 in PRO 8 had no available records, such as Presidential Proclamations or Deeds of Donation to prove ownership. Four out of 43 lots are purportedly considered as military reservations; seven bear no details in either the RSAO or Accounting records; and 32 had no signed Deeds of Donation executed in favor of the agency.</p> <p>❖ Lots owned by PROs 2 and 8 had no Certificate of Land Titles</p> <p>(Observations & Recommendations Part 2 Page 96)</p> <p>Lots totaling P10,702,966.35 in PROs 2 and 8, acquired through donation, transfer from then Philippine Constabulary, were not registered in the name of the abovementioned PROs.</p>	<p>We recommended that Management of PRO 8 secure and/or obtain the necessary documents to substantiate and validate the ownership of properties by the agency; and thereafter, facilitate the immediate registration with the Register of Deeds.</p>	<p>Exert more effort to locate the necessary supporting documents as required by COA.</p>	<p>PRO 8</p>			<p>PRO 8 - Partial Implementation</p>	<p>Management of PRO 8 gave assurance that diligence will be exerted in obtaining the required documents to substantiate the ownership of properties and subsequently, the registration of the subject properties in the name of PRO 8 with the Register of Deeds to effect conveyance of ownership. Based on record and upon verification there are only 39 lots and not 43 which are subject of this observation:</p> <ol style="list-style-type: none"> Four (4) Military Reservation Three (3) on process securing deed of donation Thirty One (31) with documents One (1) Not occupied by PNP 	
	<p>➤ Lost, stolen properties remained in</p>	<p>e recommended that Management of PROs 2 and 8 exert efforts to facilitate the immediate registration of the lots with the Register of Deeds to ascertain its ownership.</p>	<p>Perform actions applicable with the recommendation</p>	<p>PRO 2</p> <p>PRO 8</p>			<p>PRO 2 - Partial Implementation</p> <p>PRO 8 – Partial Implementation</p>	<p>PRO 2: 8 lots were already titled under the name of PNP, 11 lots have on-gong titling process and the remaining lots were under documentation for regular and administrative titling.</p> <p>PRO 8: The Regional Director sent a memo addressed to Directorate for Logistics dated January 11, 2019 submitting the list of doable lots for titling and requesting funds amounting to ₱422,400.00 needed for processing and securing title of lots. Out of 59 lots, fifteen (15) lots were already titled. PRO 8 reiterated</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>the PPE accounts</p> <p><i>(Observations & Recommendations Part 2 Page 97)</i></p> <p>Lost and stolen properties in PRO 8 totaling ₱4,208,459.40 remained in the books since the RLSDDP supported with Notice of Loss were not properly submitted by the accountable officer to the Agency concerned official for proper action; thus, overstates the PPE accounts.</p> <p>➤ Weak Internal Control on Property, Plant and Equipment</p> <p>❖ Non-maintenance of required forms</p> <p><i>(Observations & Recommendations Part 2 Page 98)</i></p> <p>In NCRPO, PROs 2, 3, 6 and 12, management failed to maintain the required forms such as the property cards (PCs), subsidiary ledger (SL) and Property, Plant and Equipment Ledger Cards (PPELC) contrary to the provisions of Section 12 (Chapter 2) and Section 42 (Chapter 10), Volume I of the GAM.</p>	<p>We recommended that PRO 8 Accountant effect the necessary corrections relative to lost and stolen properties. Further, a receivable account shall be set up to record the accountability of the accountable officer simultaneous with derecognition of the lost PPE pursuant to Section 41(d), Chapter 10 of GAM, Vol. I.</p> <p>We recommended that:</p> <p>NHQ require the Regional Logistics and Research Development Division to formulate and adopt a uniform property identification system that can provide a unique identification number for each class of equipment</p> <p>PROs NCRPO, 2, 3, 6 and 12:</p>		<p>PRO 8</p> <p>NHQ</p> <p>NCRPO PRO 2</p>			<p>PRO 8 – Fully Implemented</p> <p>NHQ – Partially Implementation</p> <p>NCRPO – Partial Implementation</p>	<p>the request for the release of fund for the remaining forty four (44) addressed to DL.</p> <p>Management of PRO 8 commented that Accountant recorded the lost and stolen properties under JEV No. 85-2019-04-0195 dated April 12, 2019. Also, JEV No. 85-2019-04-2018 dated April 5, 2019 was drawn to set up the receivable. The RLSDDP of PRO8 already derecognized in the Property Book properties amounting to Php4,208,459.40, this was also reconciled and recorded at the Regional Accounting per Journal Entry Voucher (JEV) No. 85-2019-04-0188 dtd April 5, 2019. Currently, this PRO has settled a total of Php1,940,298.00 as payment/deduction for the FA/Property Accountability per JEV No. 85-2019-07 dtd July 30, 2019</p> <p>DL has directed different units and PROs to classify equipment based on the Government Accounting Manual and other related COA Circulars. The DL is also formulating updated Table of Equipment and Allowances (TEA) to be used by PNP in classifying different assets particularly PPE and Inventories.</p> <p>NCRPO: The Accounting is maintaining Subsidiary Ledger for PPE accounts</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
		<p>i. Require SAOs and RSPNCOs to maintain Property Cards to monitor receipt, transfer and disposal equipment;</p> <p>ii. Maintain subsidiary ledgers in compliance with Section 12 (Chapter 2) of the Government Accounting Manual (GAM)</p> <p>iii. Prepare and update Property, Plant and Equipment Ledger Cards for effective control and reconciliation of the MPSE account and in compliance with Section 42 (Chapter 10) of the GAM Volume 1.</p>		<p>PRO 3</p> <p>PRO 6</p> <p>PRO 12</p>			<p>PRO 2 – Fully Implemented</p> <p>PRO 3 – Fully Implemented</p> <p>PRO 6 – Partial Implementation</p> <p>PRO 12 – Fully Implemented</p>	<p>PRO 2: We are currently maintaining schedules of PPE to support the PPE balances reflected in the financial statements. We will just adopt the format in the GAM to transform these schedules into PCs, SL and PPELC to comply with the provisions of the said manual.</p> <p>PRO 3: Maintenance of Property Card is being observed by the Office of the Regional Supply Accountable Officer (ORSAO) for CY 2018 and 2019. The management is already updating the Subsidiary Ledger and Ledger Cards of Property, Plant and Equipment (PPE). Update is up to 30 June 2019.</p> <p>PRO 6: Starting CY 2019, Property Cards are now being maintained by SAO and will be updated to include all PPE. Also, Accounting personnel was already designated to maintain PPE ledger cards and is in the process of reconciliation with RSAO records.</p> <p>PRO 12 - The Regional Supply Accountable Officer (RSAO) had already transferred records of Property, Plant and Equipment (PPE) from Stock Cards to Property Cards.</p>	
	<p>❖ Property Acknowledgement Receipt (PAR) not properly accomplished</p>	NCRPO instruct the SAOs and	SAO to issue PAR				NCRPO: They are formulating a		

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>(Observations & Recommendations Part 2 Page 98)</p> <p>Moreover, review of the PAR maintained in NCRPO and issued by the RSAO, District Supply Accountable Officer (DSAO) and RSPNCO at City/Sub-Police Stations showed that most of these accomplished forms were deficient since it has no information with regard to property number, date acquired and unit cost, unnumbered and not signed by the required signatories such as the approving officer nor acknowledged to have been received by the end-user.</p> <p>❖ No attached/assigned property tags/inventory number on equipment</p> <p>(Observations & Recommendations Part 2 Page 98)</p> <p>In PRO 6, it has been observed during the conduct of physical inspection that most of the equipment found in various stations have no property/inventory tags as prescribed in Section 491, Volume I of the GAA.</p> <p>As per RSAO, for the past years, Regional Offices were provided with official property tags by the NHQ. However, this did not continue in recent years, thus, no property tags were attached to some PNP equipment.</p> <p>❖ PPE items had no assigned cost/values</p>	<p>RSPNCOs to accomplish the PAR properly following the required information in Appendix 71</p> <p>NCRPO and PRO 6 require the Inventory Team to provide property/inventory tags for every equipment counted for ease of checking during the conduct of the annual physical count of PPE</p>	<p>with complete information of the issued property.</p> <p>Provide property tag on all the properties of the agency.</p> <p>SAO to reconcile</p>	<p>NCRPO</p> <p>NCRPO PRO 6</p>		<p>NCRPO - Partial Implementation</p> <p>NCRPO – Fully Implemented</p> <p>PRO 6 – Partial Implementation</p>	<p>system to address the problem and the TWG has started to work on it. The concerned personnel and units are directed to comply to address the problem. RSAO, NCRPO commented that SAOs and RSPNCOs are following the proper procedures/policy on the accomplishment of PAR.</p> <p>NCRPO through its Regional Logistics and Research & Development Division already provided property/inventory tags for every NCRPO's equipment /property. During the last conducted physical count of PPE, the NCRPO Inventory Team completed the provision of the said required tags.</p> <p>PRO 6: The Inventory Team will provide property/inventory tags to every equipment upon the conduct of scheduled physical count of PPE for 2019.</p>		

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>documents were not yet submitted to the Accounting office.</p> <p>b.) In PRO 7, the difference was due to unrecorded generator set, buildings, military, police and security equipment and motor vehicles.</p> <p>c.) In PRO 12, the discrepancy pertained to items recorded in the Report of Inventory but not in the books.</p> <p>d.) In PROs 2, 3 and 6, the difference was due to non-reconciliation between the accounting and property sections.</p>	accounts the four air conditioning units valued at ₱106,500.00.		PRO 5			PRO 5 – Fully Implemented	<p>February 26, 2019 was drawn to record the adjusted / corrected balance of Building account between the submitted RPCPPE by R4 and the general ledger balance in the accounting office amounting to ₱513,755.78.</p> <p>PRO 5: Already recognized in the books per JEV No. 01-2019-01-0006 dated January 10, 2019.</p> <p>PRO 6: As of May 14, 2019, the difference of ₱624,064,359.43 has been reduced to ₱137,251,117.75</p> <p>PRO 7: The Generator Set and the Buildings of the Regional Civil Security Unit 7 and Mortuary were already recorded in the books of accounts. Likewise, the variance amounting to P85,059.00 as of December 31, 2018 which pertains to the accounts of Military, Police and Security Equipment and Motor Vehicles, has already been reconciled by the Accounting Office and the Office of the Regional Supply Accountable Officer (RSAO).</p> <p>PRO 12: The Regional Logistics Research and Development Division (RLRDD), Regional Supply Accountable Office (RSAO) and Regional Accounting Office (RAO) of PRO 12 had conducted series of conferences to reconcile records on Property, Plant and Equipment. . As a result, a reconciled Report on Physical Count of Property, Plant and Equipment (RPCPPE) had</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>➤ Inadequate/non-insurance of properties with GSIS</p> <p><i>(Observations & Recommendations Part 2 Page 102)</i></p> <p>Various buildings and other equipment in PROs 1, 2, 3 and 4B were either inadequately insured or not insured with the Property Insurance Fund of the GSIS in compliance with RA No. 656 as amended by PD No. 245.</p> <p>Records showed that various buildings in PROs 1 and 2 were not insured with the Property Insurance Fund of the GSIS amounting to P90,122,059.00 and P196,233,171.14, respectively.</p> <p>In PRO 3, PPEs amounting to P343,762,748.12 were not adequately insured with the GSIS.</p> <p>In PRO 4B, buildings, motor vehicles and other transportation equipment were not insured.</p> <p>Non-adherence to certain provisions of RA 656 such as inadequate insurance coverage of the properties of the Agency exposes government assets and interests to potential risk of loss due to fire,</p>	<p>We recommended that Management of PROs 1, 2, 3 and 4B:</p> <p>a.) create an Inventory Team to conduct an inventory of all insurable assets; and</p> <p>b.) instruct the concerned officials and employees to submit all the required documents to facilitate the insurance coverage of all insurable assets.</p>		<p>PRO 1, PRO 2, PRO 3 PRO 4B</p>			<p>PRO 1 – Fully Implemented</p> <p>PRO 2 – Fully Implemented</p> <p>PRO 3 - Fully Implemented</p> <p>PRO 4B – Fully Implemented</p>	<p>been prepared and Adjusting Entries were made to the Books of Accounts. All concerned offices also agreed to conduct quarterly meeting to avoid discrepancy in their respective reports.</p> <p>PRO 1 : Insurance Premiums for buildings and facilities found in the Regional Headquarters were already paid while for the other PNP buildings and police stations found in the 4 PPOs are now in process:</p> <p>PRO 2: 111 buildings and facilities were already insured from the previous 77 insured buildings and facilities. The remaining insurable buildings and facilities are programmed for insurance for 3rd and 4th quarter of this calendar year 2019.</p> <p>PRO 3: The management complied to the findings and observation. The Inventory team that will conduct inventory of all insurable assets of PNP PRO3 has been created. Likewise all insurable items of PNP PRO3 are presently insured under GSIS. For CY 2019, insurance of buildings was paid in the total amount of P 1,381,547.68 under Ck#s 2676952 and 2676951 dtd 10-Jul-2019. Moreover, 48 more buildings whose insurance will expire on October 2019 are already on process in the amount of P</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>earthquake, storm, or other fortuitous events.</p> <p>➤ Undisposed unserviceable PPEs</p> <p><i>(Observations & Recommendations Part 2 Page 103)</i></p> <p>As of December 31, 2018, unserviceable properties composed of firearms, communication equipment and beyond economic repair (BER) vehicles totaling ₱149,638,790.42 remained undisposed.</p>	<p>We recommended that Management of PROs 2, 4A, 4B, 6 and 11 immediately dispose the listed unserviceable properties in accordance with Section 79 of PD 1445 and the PNP's policy on disposal of firearms.</p>		<p>PRO 2, PRO 4A, PRO 4B, PRO 6 PRO 11</p>			<p>PRO 2 – Partial Implementation</p> <p>PRO 4A – Fully implemented</p> <p>PRO 4B – Fully implemented</p> <p>PRO 6 _ Partial implementation</p> <p>PRO 11 – Partial Implementation</p>	<p>780,806.03.</p> <p>PRO 4B - Not all PNP properties were insured in consideration of the condition that such properties like buildings are made of light materials and carrying weak economic condition will be considered as uninsurable under the existing underwriting policies considerations of GSIS. The list of Buildings Insured was already submitted to DL and requested a copy of lacking documents of issued Mobility Assets to process the insurance coverage and consequently the renewal of registration.</p> <p>The following are the comments of PROs:</p> <p>PRO 2: The Disposal Committee are scheduled to convene this August 2019 for the Pre-Disposal Meeting pursuant to PNP Memorandum Circular No. 2017-017.</p> <p>PRO 4A: The RSAO has already submitted IIRUP to the Accounting Office and to the Commission on Audit for 481 unserviceable/BER valued at ₱51,760,215.67 on March 18, 2019. Further, the total PRO4A undisposed unserviceable PPE amounting to ₱51,760,215.67 is composed of 339 firearms, 129 vehicles and 13 communication equipment. On firearms, out of 339 firearms, 5 were repaired and reissued to PMFC personnel, 307</p>	

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
								<p>are for turn in to SAO, LSS while 27 are for turn-in to Government Arsenal for repair. On Mobility, out of the total 129 identified vehicles, 30 are for disposal while 99 vehicles should not be included in the disposal proceedings. These are composed of 39 organic/donated vehicles, 58 loaned vehicles and 2 serviceable Mahindra Enforcer which were inadvertently included among the list of BER equipment. On 13 communication equipment, 11 were already turned-in to RCEO 4A on June 14,2019 and 2 were properly turned-in to Provincial Capitol of Cavite on June 19,2019. Technical personnel from COA4A is still conducting inspection of all BER assets of PRO4A. The PRO4A Disposal Committee is consolidating supporting documents prior submission to NHQ for approval of proposed disposal.</p> <p>PRO 4B: A detailed schedule of BER PPE was already recorded by the Accounting against the disposed item of RSAO for CY 2018 which disclosed that only ₱2,227,075.51 should be the total worth of undisposed unserviceable BER PPE under Other Assets account as of December 31, 2018.</p> <p>PRO 6: The IIRUP has been prepared and will be submitted to the disposal committee to facilitate and hasten proper disposal of unserviceable properties.</p> <p>PRO 11: The Regional Supply Accountable Officer had submitted</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
								the accomplished Inventory and Inspection Report of Unserviceable Property (IIRUP) to the Audit Team Leader (ATL) on October 15, 2018. Also submitted the request for confirmation of the appraisal value of BER vehicles to COA ATL. The inspection was already done by the Audit Team last June 19, 2019 and is now awaiting final appraisal value of BER vehicles by the Regional COA Office.	
	<p>4. Undelivered equipment from PITC</p> <p><i>(Observations & Recommendations Part 2 Page 104)</i></p> <p>Funds transferred to PITC amounting to ₱1.347 billion had been little served because the agency has only delivered a total of ₱137.490 million worth of equipment leaving ₱1.210 billion still undelivered for more than two years or a low delivery rate of 10 percent. In addition, unexpended balance from completed procurement projects amounting to ₱7.239 million were not yet returned to the PNP.</p> <p>➤ Interests earned on the funds of PNP are not yet reported by PITC</p> <p><i>(Observations & Recommendations Part 2 Page 105)</i></p> <p>Review of income accounts revealed that PITC remitted a total of ₱3,460,752.20 interest income for the 2nd quarter of CY 2016 up to the 3rd quarter of CY 2017 as per Official Receipt Nos. 2885536 and 2885938 dated June 13, 2017 and April 17,</p>	<p>We recommended that Management of NHQ:</p> <p>Require the Directorate for Logistics to demand for the immediate delivery of all equipment within the next six months; otherwise, require the PITC to refund the total advance payments or any/all unused balance from completed projects and interest for deposit to the National Treasury.</p>	<p>Continuous coordination with the PITC to expedite the procurement and delivery of prior years' APRs.</p>	NHQ			NHQ- Fully Implemented	<p>Management of NHQ commented that:</p> <p>a.) the DL has already sent letter to PITC requesting compliance on the COA's recommendation. Likewise, DL submitted status report of the ongoing procurement with the PITC;</p> <p>b.) Delivery of 124 units Tactical radio/VHF Low-Band to PNP on February 15, 2019 amounting ₱120,168,649.00 was already taken up in the accounting books under JEV No. 19-03-1065;</p> <p>c.) The ₱744,710.40 service charge from this delivery was included in the reporting difference of ₱2,702,191.51 between PNP and PITC records;</p> <p>d.) A check from PITC amounting to ₱1,259,711.12 representing interest earned from 4th Qtr 2017 to 4th Qtr 2018 was remitted to PNP per OR No. 3094212 dated 23 May 2018.</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken		
			Action Plan	Person/ Dept. Responsible	Target Implementation Date					
					From				To	
	<p>2018, respectively. However, for the 4th quarter of CY 2017 and for the year 2018, PITC did not report any interests earned for the account of PNP which runs counter to paragraph 3, Article 2 of the MOA.</p> <p>➤ Reporting difference between the PNP and PITC Records</p> <p><i>(Observations & Recommendations Part 2 Page 106)</i></p> <p>As of December 31, 2018, the Subsidiary Ledger of Due from GOCCs-PITC of the Accounting Division showed an account balance of ₱1,210,126,535.30 as against the recorded balance of ₱1,207,424,343.79 per confirmation from PITC or a variance of ₱2,702,191.51 due to initial 0.5 percent service fees plus value added tax (VAT) deducted by the PITC from the outstanding balance but the agency failed to notify the PNP of such deductions; hence, not recorded in the books.</p>	<p>We recommended that Management of NHQ:</p> <p>Instruct the Accountant to reconcile the difference of P2,702,191.51 between the books of the PNP and the PITC and prepare the necessary adjusting entries to reflect the correct balance</p>		NHQ			NHQ – Fully Implemented		<p>Management of NHQ commented that The difference between the books of PNP and PITC amounting to ₱2,702,191.51 pertains to initial 0.5 percent service fees plus value added tax deducted by PITC. The service fee charged can only be recognized once the items are delivered and accepted by the agency.</p>	
	<p>5. Due from NGAs</p> <p><i>(Observations & Recommendations Part 2 Page 107)</i></p> <p>The year-end balance of the Due from NGAs of ₱5.234 billion is unreliable due to: a) unreconciled amount of ₱311.100 million with PS-DBM records; b) long outstanding balances of ₱140.275 million transferred to the National Computer Center (NCC) for the National Crime Information System due to unresolved issues with NCC; and c) undocumented funds transferred to various National Government Agencies of ₱15.030</p>	<p>We recommended that NHQ Management:</p> <p>a.) instruct the Accountant to:</p> <p>i. Coordinate with the concerned PS-DBM official to reconcile the variance identified between the books of the PNP-NHQ and the PS-DBM and prepare the necessary adjusting entries to reflect the adjusted balance, if warranted; and</p> <p>ii. Exert more effort in locating the documents and records pertaining to the PC/INP accounts. If all possible courses of actions are exhausted, consider filing request for write-off of the said accounts pursuant to COA</p>	<p>Continuous coordination with the PS DBM to expedite the procurement and delivery of prior years' APRs.</p> <p>Reiterate request with the Other NGAs relative request of certification as to the status and validity of</p>		NHQ			NHQ – Fully Implemented		<p>Management of NHQ commented that the DL and Accounting representatives had several meetings together with PS DBM to identify the variance which was already accounted for. Moreover, reconciling items for NHQ which pertain to unrecorded deliveries from PS-DBM were already recorded in the accounting books under JEV Nos. 19-03-1024, 19-03-1025, 19-03-1026, 19-03-1034 and 19-03-1035 totaling ₱384,827,926.53. Accounting Division has sent letter addressed to the Chief Accountant of Department of Information and Communication Technology (DICT) (the agency which absorbed the</p>

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	million.	<p>Circular No. 2016- 005 dated December 19, 2016.</p> <p>b.) direct the Supply Accountable Officer – PNP Wide to submit the complete liquidating documents pertaining to deliveries from PS-DBM</p> <p>c.) request the PS-DBM to expedite the procurement and delivery of the remaining items covered by the APRs to enable the end users to maximize the utilization of the much needed supplies and equipment; otherwise, request the PS-DBM to refund the total unused advances for deposit to the National Treasury.</p>	<p>the accounts.</p> <p>SAO Wide to immediately submit liquidating instruments without even without request from Accounting.</p>	NHQ			NHQ- Fully Implemented	<p>NCC) on April 29, 2019 requesting update for liquidation. The DICT Accountant explained that the total amount upon receipt from PNP was also remitted to the Bureau of the Treasury (BTr), however only ₱132,625,587.95 was requested for release of NCA and fully utilized while the unutilized balance remains in the BTr. Accounting Division has already sent letter to Chief Accountant of the DILG and COMELEC requesting verification and issuance of certification as to the existence of the dormant receivable balances in their books. The request for authority to write-off relative to the undocumented balance of various debtors from PC/INP books amounting to ₱12,380,388.57 was already submitted to COA Auditor.</p>	
				NHQ			NHQ – Fully Implemented		
	<p>6. Inventory Accounts</p> <p><i>(Observations & Recommendations Part 2 Page 111)</i></p> <p>Errors and deficiencies noted in the Military, Police and Traffic Supplies Inventory, Other Supplies and Materials Inventory and Semi-Expendable MPSE accounts impaired the accuracy and reliability of the total reported amount of inventories of ₱852.214 million as result of:</p> <p>(a) unrecorded transfers of inventories;</p>	<p>We recommended that:</p> <p>a.) PROs 9 and ARMM accountants record the receipt and issuance of the inventories in their respective books of accounts; and</p> <p>b.) RSAO of PRO ARMM coordinate with the SAO of NHQ regarding the unit of cost of 176,317 rounds of ammunition and thereafter, for the Regional Accounting Section to record the same in the books of accounts.</p>	<p>Require SAO Wide to completely fill-out the PTRs such as quantity, description, amount etc.</p>	<p>PRO 9</p> <p>PRO ARMM</p>			<p>PRO 9 – Fully Implemented</p> <p>PRO ARMM – Fully Implemented</p>	<p>PRO 9 – as May 2019 the Php5,783,300.00 the transferred inventory from NHQ was already recorded in the books of accounts per JEV issued by NHQ</p> <p>PRO ARMM already requested the NHQ Accounting to furnish copy of the JEVs, however, SAO Wide has</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	(b) non-recording of issuances of inventories; and	We recommended that the SAO of NHQ, NCRPO and PROs 6 and 8 prepare and submit the RSMI together with the RIS and SAI to the Accounting Division/Section for proper recording of issuances of inventories.		NHQ NCRPO PRO 6 PRO 8			<p>NHQ – Fully Implemented</p> <p>NCRPO – Fully Implemented</p> <p>PRO 6 – Fully Implemented</p> <p>PRO 8 - Fully Implemented</p>	<p>not yet submitted to Accounting the supporting documents for the said transfer. In addition, the Regional Director of PRO ARMM claims that the documentary attachment from the SAO of NHQ was only the Property Transfer Report (PTR) showing no unit cost of the 176,317 rounds of M16 ammunitions. JEV#19-10-5030 dated October 31, 2019 was drawn by NHQ to record transfer of ammunitions to PROs</p> <p>NHQ - A memo was already sent to PNP SAO Wide dated May 6, 2019 requesting prompt submission of RSMI, ICS, RIS and PTRs for inventory issued and/transferred to different regional offices as basis of the Accounting in recording in the books.</p> <p>NCRPO Management commented that RSMI together with RIS for January to August 2018 and for September to December 2018 were already submitted while adjustments were recorded per JEV No 19-03-145 dated March 29, 2019. The Management of NCRPO also commented that they already directed the RSAO to comply with the recommendation.</p> <p>PRO 6: RSMI and ICS were already submitted to the Accounting Office and subsequently recorded in their books of accounts.</p> <p>PRO 8: The understatement of expense on the Military, Police and Security Inventory accounts amounting to P2,405,886.80 were</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	(c)non-conduct/non-preparation/submission of complete physical count of inventories and Report on Physical Count of Inventories (RPCI) contrary to Chapter 8, Sections 17.g, 9 and 13 of the Government Accounting Manual (GAM), Volume I and Items 21 and 22 of Section 46 of NGAS Manual, Volume I.	We recommended that RSAO of NCRPO and PRO 4A prepare the required RPCI in accordance with Section 17, Chapter 8 of GAM, Vol. I to allow the reconciliation of account balances per reports and records in order to establish the accuracy of the reported inventory account balances as at a given date.		NCRPO & PRO 4A			NCRPO – Partial Implementation PRO 4A – Full Implementation	already issued to end-users per Report of Supplies and Materials Issued (RSMI), Inventory Custodian Slip (ICS), Supplies Ledger Card (SLC) and Requisition and Issue Slip (RIS). These report were forwarded by the RSAO Office to the Regional Accounting dated February 22, 2018. ORSAO, NCRPO already prepared and submitted the results of their actual physical count in the RPCI and RPCPPE to the Regional Accounting Office and Commission on Audit. Reconciliation and adjustments to be made after COA's approval of the reports. PRO 4A - A copy of RPCI as of December 31,2018 was furnished to COA 4A dated March 29, 2019 pertaining to the inventory accounts balances amounting to ₱16,193,169.50. And as of August 8, 2019, a copy of RPCI pertaining to 4,850 pieces of Magazine for Cal 5.56 M16 amounting to ₱3,142,800.00 was furnished to Regional Accounting 4A for the period covering January to July 2019.	
	7. Cash Examination <i>(Observations & Recommendations Part 2 Page 115)</i> The accountable officers were not properly bonded and inadequately equipped and prepared to efficiently discharge their duties and responsibilities as disbursing officers and in the handling of their cash	We recommended that Management of: a.) NCRPO, PROs 4B and 11 require the accountable officers to apply for increase in the amount of their respective fidelity bond commensurate to the amount of their accountability, henceforth, revise/amend all Special	Require all accountable officers to have completed either Finance Course and/or	NCRPO PRO 4B PRO 11			NCRPO – Fully Implemented PRO 4B – Fully Implemented PRO 11 – Fully	Management of PROs commented: NCRPO: They have already conducted seminars to all Special Disbursing Officers (SDOs) and directed the RCD and RFSO16 to review the fidelity bond of all accountable officers for proper adjustment.. AO have applied fidelity bond proportionate to their	

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
	advances and corresponding liquidations contrary to Section 101 of PD 1445, Section 5.1 of Treasury Circular No. 02-2009 dated August 6, 2009 and Section 6 of COA Circular No. 97-002 dated February 10, 1997 due to: a) inadequate training to afford them appropriate knowledge to perform their designated tasks; b) recording of transactions in the cashbook was not updated; and c) no safe/vault available for some accountable officer.	Orders indicating the amended maximum cash accountability; and b.) NCRPO to conduct appropriate training seminars for disbursing officers e.g. finance course and regular updates seminars on issues affecting their functions as disbursing officers to gain adequate understanding of their duties and responsibilities.	Comptrollership Course so that they will have required knowledge regarding duties and responsibility of	NCRPO			Implemented NCRPO – Fully Implemented	accountability. PRO 4B: The fidelity bond premiums of the Disbursing Officers (DOs) were increase to twenty-five million maximum cash accountabilities in CY 2019. PRO 11: Chief RFSO11 already upgraded the fidelity bond of the collecting officer from ₱500,000.00 to ₱5,000,000.00 last March 27, 2019.	
	8. Unsettled cash advances at year-end (Observations & Recommendations Part 2 Page 117) Cash advances totaling ₱247.736 million remained unsettled as of year-end, of which ₱14.551 million was outstanding for more than six years contrary to Section 89 of PD 1445, Sections 5.7 and 5.8 of COA Circular No. 97-002 and 6.2.2.7 of COA-DBM-DILG-GCG-DND Joint Circular No. 2015-01. Moreover, cash advances granted to Special Disbursing Officers were transferred to designated Finance – PNCO contrary to PD 1445 and COA Circular No. 97- 002.	We recommended that: a.) NHQ, PROs 4A, 6, 7 and 11 issue a Memorandum directing concerned AOs under their respective jurisdictions to liquidate their cash advances and require the concerned offices to expedite the processing of liquidating documents and immediately submit the same to the Accounting Division for recording purposes; and		NHQ, PRO 4A, PRO 6, PRO 7 PRO 11 PRO 11			NHQ – Partial Implementation PRO 4A – Fully Implemented PRO 6 – Partial Implementation PRO 7 – Partial Implementation PRO 11 – Fully Implemented	Management comments: NHQ: As of December 2019, only Php3,476,300.00 remains unliquidated. This includes prior years cash advances for Intelligence Expenses awaiting for Credit Notice from ICFAU and advances to PSUPT Perez with demand letter. Perez has partially refunded a total of Php60,308.37. PRO 4A: The remaining balance of the Cash Advances for Payroll pertaining to ICA of Recruits for CY 2018 amounting to P1,200,000.00 was fully liquidated as of August 9, 2019. The liquidation amounting to P1,184,000.00 was recognized under JEV No. 01-2019-08-0238. In addition, the amount of P16,000.00 was refunded under OR Nos. 6569409-6569412 and 6569414-6569417; all dated August 9, 2019.	

REF	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
		b.) PRO 11 direct the regional comptroller to stop the practice of transferring cash advances to another accountable officer as provided in Section 4.1.6 of COA Circular No. 97-002.					PRO 11 – Fully Implemented	<p>PRO 6: Php36,084,230.00 out of the Php47,868,463.57 was already liquidated as of May 2019.</p> <p>PRO 7: The balance of unliquidated cash advances of the Disbursing Officers has been reduced to ₱3,334,829.79 from ₱18,578,116.27 as of July 31, 2019. The Accountable Officers were duly informed on their accountabilities. The liquidating documents are recently on process to settle the said accountabilities. To bring up to date status on the above-mentioned unliquidated balances, the management commits to continually submit reports and its schedules to ATL's Office.</p> <p>PRO 11: The cash advances pertain to advances for Intelligence Fund which were fully liquidated under JEV#19-01-154 and JEV#19-01-155 dated January 25, 2019.</p>	
	<p>9. Due to NGAs</p> <p><i>(Observations & Recommendations Part 2 Page 120)</i></p> <p>Fund received from other national government agencies (NGAs) amounting to ₱3.329 million remained unutilized from 10 months to 12 years, contrary to COA Circular No. 94-013 dated December 31, 1994.</p>	We recommended that NHQ Management instruct the AD to return to CHED, OTS and DOJ all unused/excess balance of funds transferred.		NHQ			NHQ – Fully Liquidated	<p>NHQ Management commented that the Accounting Division already sent a memo to FSO 14 dated May 3, 2019 requesting return of the unused balance to source agency. SAF already remitted back to DOJ the fund on April 17, 2019. NHQ recorded that said return under JEV# 19-04-096TR dated April 22, 2019. Unutilized balance for fund transfer from OTS and CHED already returned on June 24, 2019. Likewise the bank account for CHED was requested for closure on July 16, 2019.</p>	

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
	COMPLIANCE AUDIT								
	<p>10. Compliance Audit regulations on relief from property accountability were not strictly complied with pursuant to PNP Circular No. 001-02 and 002-02 dated February 12, 2002 and February 14, 2002, respectively; thus, may result to pecuniary loss to the government due to non-payment of replacement</p> <p><i>(Observations & Recommendations Part 2 Page 121)</i></p> <p>➤ Conduct of investigation by the BOS on lost firearms was beyond the required 20-day prescribed period incurring a delay ranging from one to 8,954 days in NHQ and in various PROs.</p> <p>➤ Non-settlement of accountability on lost firearms may result to pecuniary loss to the government amounting to ₱13,778,002.26.</p>	<p>We recommended that Management require all unit/office Boards of Survey to strictly comply with PNP Circular No. 002-02 dated February 14, 2002.</p> <p>We recommended that NHQ, NCRPO, SAF and PROs 3, 5, 11 and 12 adopt a standard timeline within which the accountable officer is required to settle his/her accountability reckoned from date of the BOS resolution and require the BOS to indicate this timeline both in their resolution and/or recommendation to avoid delay or non-payment of the replacement cost.</p>	<p>Constant reminder to all units to comply with the PNP Circular relative to lost firearms</p>	<p>NHQ NCRPO SAF</p> <p>NHQ, NCRPO, SAF, PRO 3, PRO 5, PRO 11 PRO 12</p>			<p>NHQ – Partial Implementation</p> <p>NCRPO – Partial Implementation</p> <p>SAF – Partial Implementation</p> <p>NHQ – Partial Implementation</p> <p>NCRPO – Fully Implemented</p> <p>SAF- Partial Implementation</p> <p>PRO 3 – Fully</p>	<p>NCRPO commented that case folders of personnel were already forwarded to RIDMD for determination of admin and/or criminal liability.</p> <p>Management of SAF commented that the BOS will comply, strictly adhering with the PNP Circular No. 002-02 dated February 14, 2002.</p> <p>Management commented the following:</p> <p>PRO 12: The Accounting Office is waiting for the Approved Request for Relief of Accountability as basis in the accounting entries to record the loss</p> <p>NHQ: Active personnel settle their accountability though our collecting officer, while the accountability of the retirees are usually deducted in their retirement claims.</p> <p>NCRPO: The BOS of NCRPO implemented a provision that payment must be made immediately</p>	

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
						<p>Implemented</p> <p>PRO 5 – Fully Implemented</p> <p>PRO 11 – Partial Implementation</p> <p>PRO 12 – Partial Implementation</p>	<p>of property</p> <p>or a 10% mark-up shall be adhered thereto.</p> <p>SAF: Management to comply with recommendation.</p> <p>PRO 3: Memo was already disseminated on February 4, 2019 to all concerned offices / units of this PRO on the procedures to be followed in Requesting for Relief from Property Accountability. Likewise, the Regional Physical Accounting Team (RPAT) conducts PICE to all police stations/units to disseminate the said procedure prior to their actual inventory of all PPE. Memo was sent on May 8, 2019 to all concerned offices/units of this PRO relative to item 6.a.3 of PNP Circular No. 002-02. Memo was already disseminated on March 13, 2018 to all concerned offices/units of this PRO on the relinquishment and assumption of duties of Property Officers. Likewise, AOs, SAOs, and RSPNCOs were reminded on their duties and responsibilities with regard to the government properties issued to them which was incorporated during the conduct of Seminar on Simplified Process in the issuance of DL.</p> <p>PRO 5: The concerned office immediately sent notices to the police units where the accountable police officers are assigned. As a result, the agency was able to collect ₱478,430.00 as of May 15, 2019.</p> <p>PRO 11: The Regional Logistics</p>		

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
								<p>and Research Development Division (RLRDD) had already sent demand letters to eight personnel to pay their property accountability within the period of 15 days upon receipt of the demand letter. The BOS agreed to indicate in their resolution that responsible personnel must pay the valuation cost within 30 days from the receipt of the Board of Survey Resolution and to furnish one photocopy of official receipt (OR) to the Office of the Regional COA for consolidation. The BOS also committed to indicate in its Resolution, a directive for the Regional Accountant to record as receivable those claims from Unrelieved Losses of PNP Assets. Out of the 19 Accountable Officers, 10 were able to pay in the amount of P 455,740.55 as of July 30, 2019. Demand Letters of Collections were sent to two (2) Accountable Officers. The remaining seven (7) unsettled accountabilities, the Board of Survey were routed to the Command Group for approval.</p> <p>PRO 12: The Regional Logistics Research and Development Division (RLRDD) had submitted Request for Relief of Accountability with complete required supporting documents and official receipt to the Audit Team for approval. A memorandum was also sent to lower units to expedite the process of settlement on lost firearms.</p>	
	11. Delayed/non-submission	<i>of</i> We recommended that:						Management commented:	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p><i>required financial and accounting reports, contracts/Purchase Orders and other documents.</i></p> <p><i>(Observations & Recommendations Part 2 Page 125)</i></p>	<p>a.) NHQ, SAF, NCRPO and PRO 13 direct the concerned accountants and/responsible officers to faithfully observe the regular submission of financial and accounting reports within the prescribed period, particularly Section 100 of PD 1445 and Section 71 (Note 8) of the MNGAS, Volume I; and</p> <p>b.) PRO 6 to assign additional personnel to sort and collate DVs and supporting documents.</p> <p>c.) NHQ, SAF and PRO 8 require the Bids and Awards Committee to submit copies of perfected contracts/POs, bidding documents and all related supporting documents to the Office of the Auditor within the prescribed period pursuant to COA Circular No. 2009-001 to afford timely review of contracts.</p>		<p>NHQ, SAF, NCRPO, PRO 6 PRO 13</p> <p>NHQ, SAF PRO 8</p>			<p>NHQ – Fully Implemented</p> <p>SAF – Fully Implemented</p> <p>NCRPO, - Fully Implemented</p> <p>PRO 6 – Fully Implemented</p> <p>PRO 13 – Fully Implemented</p> <p>NHQ – Fully Implemented</p> <p>SAF – Fully Implemented</p> <p>PRO 8_Fully</p>	<p>NHQ: The reason for delayed submission of the financial reports was due to bulk of transactions and delayed submission of reports and supporting documents from concerned units and PROs. However, the required reports for CY 2019 were already submitted to COA. Moreover, Management assures that it will constantly remind the concerned units to submit within reglementary all financial reports. All required Financial Reports for CY 2018 were already submitted.</p> <p>NCRPO/SAF: Already submitted the financial and accounting reports particularly the Financial Statements for CY 2018.</p> <p>PRO 6: RFSO6 and Regional Accounting Office have designated personnel in each office to collate the DVs and supporting documents and to coordinate for proper and timely submission of DVs.</p> <p>PRO 13: They have coordinated with the Finance PNCO to submit the required documents. In CY 2019, the Accounting Office is submitting financial report within the reglementary perion.</p> <p>NHQ Management commented that the Engineering Service had already submitted the pertinent documents to COA on April 1, 2019.</p> <p>Management of SAF commented that they will comply through the</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
								<p>Implemented</p> <p>BAC Secretariat on the prescribed period of five days in the submission of POs and through the Committee on Inspection and Acceptance on the timely reporting upon final acceptance of deliveries.</p> <p>Management of PRO 8 commented that the office and personnel concerned were already notified to ensure their utmost compliance in the next and future procurement. PRO 8 has submitted the copies of government contracts and their supporting documents to COA. However, submission of these documents within the prescribed period was not observed due to series of bidding schedules in the previous years and having to practice of completing all the necessary documents prior to submission.</p>	
	<p>12. Non-adherence to pertinent provisions of the Revised IRR of RA 9184 in SAF & PRO 8</p> <p><i>(Observations & Recommendations Part 2 Page 127)</i></p> <p>➤ SAF management has not rescinded the contracts with three suppliers of equipment under the Capability Enhancement Program despite incurring delays and cumulative liquidated damages exceeding the maximum of 10 percent of the contract price set forth in Sec. 68 of the Revised Implementing Rules and Regulation (RIIR) of R.A. 9184.</p>	<p>We recommended that SAF Management impose 10 percent liquidated damage to suppliers and strictly adhere to the provisions of Section 68 of RIIR of R.A. 9184 and Article VII of the contracts without further delay to protect the interest of the government.</p>		SAF			SAF – Fully Implemented	<p>Management of SAF commented that contracts were already terminated. PNP-SAF BAC furnished the Accounting Office copies of Notice of Termination addressed to supplier.</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>➤ In PRO 8, advances to two contractors amounting to ₱1,335,310.63 were not recouped even after the contracts were rescinded due to abandonment of the project, with no legal action taken to recover the amount, contrary to pertinent provisions of Annex E and Rule XXII of the Revised IRR of RA 9184.</p>	<p>We recommended that PRO 8 BAC enforce strictly the provision in Annex E of the revised IRR of RA 9184 and exert all efforts to recoup advance payments and/or initiate filing of legal action for the collection of the amount advanced.</p>		PRO 8			PRO 8 – Partial Implementation	<p>PRO 8 Management commented that a demand letter to Mr. Manuel A. Dela Torre Jr. dated April 12, 2019 was issued requiring payment of remaining unrecovered advance payment. The PRO is on the process of gathering other documents necessary for the filing of civil action for damages against the two (2) contractors, Manuel A Dela Torre Jr Builders and R.G. Villafuerte Construction to recoup their cash advance. Further, the PRO will strictly enforce the provision in Annex E of the Revised IRR of RA 9184 to avoid occurrence of the same in the future.</p>	
	<p>13. Pension fund Audit <i>(Observations & Recommendations Part 2 Page 129)</i></p> <p>The grant of benefits based on “retirement in the next higher grade” to 11 retirees who only held their last grade (rank) in temporary status is contrary to Section 74, R.A. 6975 resulting in the overpayment of pension benefits amounting to ₱513,753.60 in CY 2018.</p>	<p>We recommended that the:</p> <p>a.) Director, PRBS, require the concerned officers and personnel</p> <p>i. to thoroughly check the service records and general/special orders of prospective retirees for information relating to conversion from temporary to permanent status, promotion, etc. that might have impact on the status, whether permanent or temporary, and pension rank (grade) before the computation of pension benefits upon their retirement; and</p> <p>ii. to re-visit the pension rank (grade) granted to the retirees involved, make the necessary adjustments in the computation of the pension benefits and communicate the same to the FS and Accounting Division so that proper adjustments could be made on the</p>		NHQ			NHQ – Fully Implemented	<p>PRBS commented that one retiree was entitled for the two-rank higher benefits as he had qualified for the Early Retirement Program of the PNP pursuant to Section 37, R.A. 8551. Further, six out of the 11 retirees were qualified for the benefits of the next higher grade as evidenced by the retirement orders duly issued by the DPRM.</p> <p>On the other hand, for the remaining four retirees involved in this issue, the PRBS admitted that they were not qualified for the benefits of the next higher grade based on their own evaluation of the retirement orders duly issued by the DPRM.</p> <p>According to PRBS, the necessary adjustments on the monthly pension of the said four retirees not entitled to benefits of the next higher grade will be implemented effective April 2019.</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
		<p>affected accounts of the retirees;</p> <p>b.) Director, DPRM, require the concerned officers and personnel to ensure that information relating to conversion from temporary to permanent status, promotion, etc. of the retirees are accurately captured/reflected in their service records before the finalization and issuance of the same to the retirees and offices concerned; and</p> <p>c.) Director, FS, require the officers and personnel of the FIMD and other personnel concerned to:</p> <p>i. check if there are pension benefits pending payment to the 11 retirees and if so, make sure that adjustments be made first before proceeding to the payment of pension benefit due them; and</p> <p>ii. make arrangements with the concerned retirees for the collection of overpayments made to them. Monthly deductions could be made so as not to gravely affect the financial capacity of the said retirees.</p>						<p>The DPRM sent its reply on March 7, 2019 and commented that the Directorate had undertaken the following corrective measures:</p> <p>a.) Issuances of policy formulated and supplemented guidelines; b.) Automation of Records Management; and c.) Online Personnel Accounting Information System (PAIS).</p> <p>The FS commented that they already coordinated with the PRBS the adjustments to be applied in the monthly pension of the retirees concerned before any pension payment is made.</p>	
	<p>14. Monthly pensions paid to TPPD retirees with less than 20 years of active service were subjected to salary indexation</p> <p><i>(Observations & Recommendations Part 2 Page 133)</i></p> <p>Nine Total Permanent Physical Disability (TPPD) retirees with less than 20 years of active service were</p>	<p>We recommended that the:</p> <p>a.) Director, PRBS, require the concerned officers and personnel, to re-visit the computation of the amount of pension benefits paid to the nine retirees and communicate the same to the FS and Accounting Division so that proper adjustments could be made on the</p>		NHQ			NHQ – Fully Implemented	<p>PRBS commented that based on their recomputation, it was determined that the adjustments on the pension of the nine retirees concerned were based on the CY 2010 and 2011 base pay rates. This</p>	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	granted and paid pension benefits over and above 80 percent of their respective last salaries resulting in the overpayment of pension benefits amounting to ₱968,263.56 in CY 2018.	<p>affected accounts; and</p> <p>b.) Director, FS, require the officers and personnel of FIMD and other concerned personnel, to offset the overpayment against the pension benefits due to the nine retirees and accordingly make the proper adjustments to reflect the correct monthly pension.</p>						<p>resulted in the monthly pension overpayment of ₱48,016.24.</p> <p>FS commented that they already coordinated with the PRBS the adjustments to be applied in the monthly pension of the retirees concerned before any pension payment is made. The overpayment was already deducted in the monthly pension of the concerned retirees</p>	
	<p>15. Inclusion of deceased pensioners in the current payroll</p> <p><i>(Observations & Recommendations Part 2 Page 137)</i></p> <p>Three deceased pensioners still remained in the payroll and alphalist of active PNP pensioners for 15 to 47 months after death, notwithstanding the efforts of the PRBS to delete those deceased and/or unqualified pensioners resulting in the overpayment of pension benefits amounting to ₱2,341,951.53.</p>	<p>We recommended that the:</p> <p>a.) Director, PRBS strengthen its monitoring mechanism on deceased pensioners by regularly updating and preparing a consolidated list of deceased pensioners, copy furnish the FS; and perform cross- matching of the said consolidated list against the current pensioners' payroll to avoid recurrence of the same; and</p>		NHQ			NHQ – Fully Implemented	<p>The PRBS commented that when a retiree died after his/her retirement, 75 percent of his/her monthly pension is transferable to his/her beneficiary, who may be his/her spouse or minor children. As for the three retirees concerned, amounts of overpayment made to their beneficiaries were already determined by the Service, as follows:</p> <p>a.) A deduction in the amount of ₱375,311.62 and corresponding adjustment to the monthly pension of the transferee (wife) were already made in 2018. She is now receiving a monthly pension of ₱5,004.15 due to the adjustments made;</p> <p>b.) A total overpayment made amounted to ₱261,133.31. The necessary adjustments will be implemented in April 2019; and</p> <p>c.) The transferee has not yet submitted her Statement of Information or ATM Pension Account Number. Thus, the</p>	

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken																	
				Person/ Dept. Responsible	Target Implementation Date																				
					From				To																
		b.) Director, FS determine if withdrawals were made through the ATM accounts of the deceased pensioners during the period and if so, initiate appropriate action to recover the amounts paid to parties/beneficiaries involved.		NHQ			NHQ – Fully Implemented	<p>adjustment for the overpayment amounting to ₱378,263.58 will be made.</p> <p>The FS commented that they coordinated with the PRBS the adjustments to be applied in the monthly pension of the legal beneficiaries concerned before any pension payment is made. Moreover, the FS also coordinated with the Land Bank of the Philippines (LBP) to obtain the respective bank statements of the concerned beneficiaries which will serve as basis in recovering the pension overpayments made to them.</p>																	
	<p>16. Audit of Yolanda Funds</p> <p>The PNP is a recipient of Yolanda Funds sourced from the General Appropriations Act (GAA) and fund transfers from DILG.</p> <p><i>(Observations & Recommendations Part 2 Page 139)</i></p> <p>From GAA</p> <table border="1"> <thead> <tr> <th>Office</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>NHQ</td> <td>8,757,258.00</td> </tr> <tr> <td>PRO 4B</td> <td>470,000.00</td> </tr> <tr> <td>PRO 5</td> <td>159,000.00</td> </tr> <tr> <td>PRO 6</td> <td>31,683,568.86</td> </tr> <tr> <td>PRO 7</td> <td>8,746,220.39</td> </tr> <tr> <td>PRO 8</td> <td>212,641,402.75</td> </tr> <tr> <td>PRO 13</td> <td>440,000.00</td> </tr> <tr> <td>Total</td> <td>262,897,450.00</td> </tr> </tbody> </table>	Office	Amount	NHQ	8,757,258.00	PRO 4B	470,000.00	PRO 5	159,000.00	PRO 6	31,683,568.86	PRO 7	8,746,220.39	PRO 8	212,641,402.75	PRO 13	440,000.00	Total	262,897,450.00			<p>NHQ</p> <p>PRO 4B</p> <p>PRO 5</p> <p>PRO 6</p> <p>PRO 7</p> <p>PRO 8</p> <p>PRO 13</p>		<p>NHQ –Fully Implemented</p> <p>PRO 4B – Fully Implemented</p> <p>PRO 5- Fully Implemented</p> <p>PRO 6 –Fully Implemented</p> <p>PRO 7 – Fully Implemented</p>	<p>NHQ, PROs 4B, 5 and 6 reported no deficiencies in the audit of Yolanda</p> <p>PRO 8 - Out of Php212,641,402.75 fund transferred by NHQ to PRO8, Php184,749,458.99 were obligated and disbursed. While the total amount balance of Php1,323.483.62 were unobligated.</p> <p>PRO 13 – Php64,000 of Yolanda Funds was reverted to National Treasury</p>
Office	Amount																								
NHQ	8,757,258.00																								
PRO 4B	470,000.00																								
PRO 5	159,000.00																								
PRO 6	31,683,568.86																								
PRO 7	8,746,220.39																								
PRO 8	212,641,402.75																								
PRO 13	440,000.00																								
Total	262,897,450.00																								

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken										
				Person/ Dept. Responsible	Target Implementation Date													
					From				To									
	<p><i>From DILG (2nd Tranche)</i></p> <table border="1"> <thead> <tr> <th>PROs</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>4B</td> <td>660,000.00</td> </tr> <tr> <td>7</td> <td>1,030,000.00</td> </tr> <tr> <td>8</td> <td>74,020,000.00</td> </tr> <tr> <td>Total</td> <td>75,710,000.00</td> </tr> </tbody> </table>	PROs	Amount	4B	660,000.00	7	1,030,000.00	8	74,020,000.00	Total	75,710,000.00					PRO 8 – Fully Implemented PRO 13 –Fully Implemented PRO 4B- Fully Implemented PRO 7 – Fully Implemented PRO 8 – Fully Implemented		<p>PROs 4B and 7 had already submitted the required liquidating documents to the NHQ-Accounting for 2nd Tranche Yolanda (DILG Fund). Liquidations from PROs 4B, 7 and 8 were already recorded in JEV#19-06-186TR and JEV#19-08-213TR.</p> <p>PRO 8 – Submitted the Summary of Receipts and Disbursements for PSF Assistance 2nd Tranche (for employees affected by Typhoon Yolanda) as of August 7, 2019. The PRO is giving time to the 8 recipients to submit their requirements NLT Aug 23, 2019, otherwise, the remaining balance will be returned to the concerned agency.</p>
PROs	Amount																	
4B	660,000.00																	
7	1,030,000.00																	
8	74,020,000.00																	
Total	75,710,000.00																	
	<p>17. Audit of Marawi Funds</p> <p><i>The PNP is a recipient of Marawi Funds sourced from the General Appropriations Act (GAA) and fund transfers from other local sources.</i></p> <p><i>(Observations & Recommendations Part 2 Page 140)</i></p> <p>➤ Sourced from GAA – P99 million The PNP received SARO No. BMB-D-17-0020074 dated November 16, 2017</p>			NHQ and PROs		NHQ – Partial Implementation		<p>Management commented that the amount of ₱4,916,000.00 was refunded b Bloomberry Cultural Foundation, Inc. on March 28, 2019 representing unutilized balance of the donation.</p> <p>The Accounting requested the</p>										

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>in the amount of P99,000,000 to cover the funds for the peace and order activities relative to Marawi Pre-Post Conflict Needs Assessment (PCNA) chargeable against National Disaster Risk Reduction and Management Fund (NDRRMF).</p> <p>➤ Funds received from Local Sources Out of the P28,670,000.00 funds received, P6,916,000.00 remained unused as of December 31, 2018.</p>							MWD DPRM to take appropriate action regarding the unused Php2,000,000.00 from UNTV.	
	<p>18. Gender and Development</p> <p><i>(Observations & Recommendations Part 2 Page 141)</i></p> <p>PNP accomplished all target activities identified in its GAD Plan and Budget (GPB), however, the allocated budget of ₱2.355 billion or 1.78 percent is short by ₱4.260 billion of the mandatory five percent allocation of ₱6.616 billion of its ₱132.313 billion total appropriations for CY 2018 as required in Section 30 of FY 2018 General Appropriations Act (GAA).</p>	<p>We recommended that the PNP GAD Focal Point System integrate in its programs and projects, GAD activities to address gender issues to meet the mandatory five percent budget allocation required in Section 30 of the GAA.</p>					NHQ and PROs - Fully Implemented	<p>The PNP was able to formulate and submit the CY 2018 GAD Plan and Budget (GPB) which was duly endorsed and approved by the Philippine Commission on Women (PCW) with a total budget of P2,355,104,923.08. There are 58 Gender Issues/GAD Mandate incorporated in the GPB and all activities were implemented by PNP as shown in the Accomplishment Report.</p> <p>Directorate for Comptrollership spearheaded the Seminar/Workshop on GAD Fund last July 3, 2019, this seminar was attended by all Chief Regional Comptroller, Budget Officers of the all PNP units, personnel from Directorate for Comptrollership and COA Resident Auditors.</p>	
	<p>19. Senior Citizens and Persons with Disability</p>							For CY 2018, the PNP was able to accomplish the following	

REF	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
			Action Plan	Person/ Dept. Responsible	Target Implementation Date				
					From				To
	<p>The PNP has integrated in their programs and projects, activities/programs and expenditures to address the concerns of senior citizens and persons with disability as required under Section 31 of FY 2018 GAA.</p> <p><i>(Observations & Recommendations Part 2 Page 143)</i></p>	<p>We recommended that GAD Focal Point System continue to formulate plans, programs and projects intended to address the concerns of senior citizens and persons with disability and implement the same through integration into its regular activities in line with the Agency's mandates and in pursuance of the objectives of the GAA.</p>				NHQ- Fully Implemented	<p>activities/programs to address the needs of senior citizens and persons with disability (PWD):</p> <ol style="list-style-type: none"> a. Constructed and maintained ramps, priority lanes and comfortable waiting areas/lounge. b. Hired eleven Non-Uniformed Personnel (NUP) with disabilities, and provided assistance to SCs and PWDs in filing their complaints. c. Conducted outreach and feeding programs, health caravans, gift giving sessions, medical missions and house/jail/hospital visitations to SCs and PWDs. d. Conducted/Attended lectures, meetings, dialogues, orientations, seminars, trainings and symposiums about laws protecting senior citizens and the rights and privileges of PWDs. e. Created the "Pagmamahal at Pagkalinga alay sa Bahay ni Maria" program. f. Distributed food supplies, hygiene and health kits, supportive equipment, IEC materials on RA 9710 and RA 7277 and reading materials about road safety and laws protecting the senior citizens. g. Formulated gender-responsive, rights-based and culture sensitive policy on claims, benefits and privileges of PNP retirees and their dependents. h. Conducted monitoring on PWDs that are victims of violence and the prevalence of 		

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
								SC cases and SC-based violence cases.	
	<p>20. Quick Response Fund</p> <p><i>(Observations & Recommendations Part 2 Page 144)</i></p> <p>PNP did not receive any fund for Quick Response Fund.</p>						NHQ and PROs – Fully Implemented		
	<p>21. Disaster Risk Reduction Management (DRRM)</p> <p><i>(Observations & Recommendations Part 2 Page 144)</i></p> <p>PNP did not receive any fund for DRRM.</p>						NHQ and PROs – Fully Implemented		
	<p>22. Priority Development Assistance Fund and Disbursement Acceleration Program</p> <p><i>(Observations & Recommendations Part 2 Page 144)</i></p> <p>PNP did not receive any PDAF and DAP funds for CY 2018.</p>						NHQ and PROs – Fully Implemented		
	<p><i>Compliance with GSIS Laws</i></p> <p>23. The PNP, as a whole, complied with the withholding and remittance of mandatory deductions pursuant to the regulations issued by the GSIS. The details are presented in Annex G.</p>						NHQ and PROs – Fully Implemented		
	<p><i>Compliance with Tax Laws</i></p> <p>24. For CY 2018, the PNP NHQ and PROs have remitted the taxes withheld from salaries and wages</p>						NHQ and PROs – Fully Implemented		

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken	
				Person/ Dept. Responsible	Target Implementation Date				
					From				To
	of employees and from contractors/suppliers/creditors in compliance with BIR regulations. The details are shown in Annex H								
	<p><i>Compliance with PAG-IBIG Contributions</i></p> <p>25. For CY 2018, the PNP NHQ and PROs have remitted the taxes withheld from salaries and wages of employees and from contractors/suppliers/creditors in compliance with BIR regulations. The details are shown in Annex H</p>					NHQ and PROs – Fully Implemented			
	<p><i>Compliance with Philhealth Contributions</i></p> <p>26. Philhealth contributions of PNP officers and employees together with the amount of government share were monthly withheld and remitted by the PNP as shown in Annex J</p>					NHQ and PROs – Fully Implemented			

REF	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/ Delay/ Non-Implementation, if applicable	Action Taken/ Action to be Taken																						
				Person/ Dept. Responsible	Target Implementation Date																									
					From				To																					
	<p>27. Enforcement of Settlement of Accounts</p> <p>The details of audit suspensions, disallowances and charges of NHQ and various PROs are summarized below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Office</th> <th colspan="2">Ending balance (Dec. 31, 2018)</th> </tr> <tr> <th>Suspension</th> <th>Disallowance</th> </tr> </thead> <tbody> <tr> <td>NHQ</td> <td>-</td> <td>618,894,288.48</td> </tr> <tr> <td>PRO 6</td> <td>1,957,177.66</td> <td>-</td> </tr> <tr> <td>PRO 12</td> <td>-</td> <td>179,710.10</td> </tr> <tr> <td>PRO 13</td> <td>28,508,358.21</td> <td>-</td> </tr> <tr> <td>ARMM</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>30,465,535.87</td> <td>619,073,998.58</td> </tr> </tbody> </table>	Office	Ending balance (Dec. 31, 2018)		Suspension	Disallowance	NHQ	-	618,894,288.48	PRO 6	1,957,177.66	-	PRO 12	-	179,710.10	PRO 13	28,508,358.21	-	ARMM	-	-	Total	30,465,535.87	619,073,998.58						
Office	Ending balance (Dec. 31, 2018)																													
	Suspension	Disallowance																												
NHQ	-	618,894,288.48																												
PRO 6	1,957,177.66	-																												
PRO 12	-	179,710.10																												
PRO 13	28,508,358.21	-																												
ARMM	-	-																												
Total	30,465,535.87	619,073,998.58																												
				NHQ PRO 6 PRO 12 PRO 13 ARMM			Partial Implementation	The NDs were furnished to every concerned personnel.																						