

13 November 2020

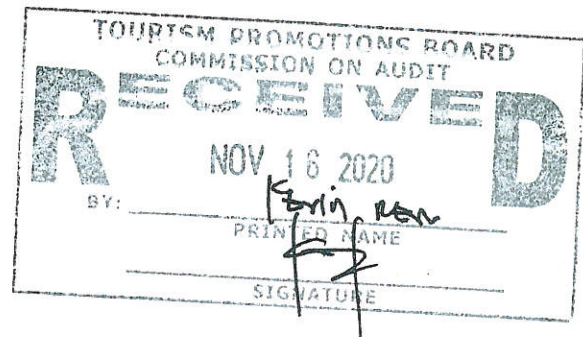
CLEOTILDE M. TUAZON

Director IV

Cluster Director

COMMISSION ON AUDIT

Commonwealth Avenue, Quezon City



ATTENTION:

ATTY. ANTHONY V. GUETA, CPA

Audit Team Leader, COA

Tourism Promotions Board

Dear **Director Tuazon:**

This refers to your letter dated 28 August 2020 which was received by our Agency on 14 September 2020, requesting for appropriate actions to be taken on the observations and recommendations contained in the said report.

In view thereof, we are submitting the duly accomplished Agency Action Plan and Status of Implementation for your perusal.

Should there be a need for any additional information on our submitted report, you may coordinate with Mr. Marlito D. Rodriguez, Department Manager III, Finance Department, through his e-mail (marlito_rodriguez@tpb.gov.ph) and/or his mobile number 0917-716-4980.

Very truly yours,

Maria Anthonette Velasco-Allones
MARIA ANTHONETTE VELASCO-ALLONES
Chief Operating Officer

TOURISM PROMOTIONS BOARD
AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
AS OF DECEMBER 12, 2019

REFERENCE	OBSERVATIONS	RECOMMENDATIONS	AGENCY ACTION PLAN				STATUS OF IMPLEMENTATION	REASON FOR PARTIAL/ DELAY/ NON-IMPLEMENTATION, IF APPLICABLE	ACTION TAKEN/ ACTION TO BE TAKEN
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2019 AAR Audit Observation (AO) No. 1 Page 49	The balance of the Cash in Bank (CIB) account amounting to P1.709 billion as of December 31, 2019 was misstated in the aggregate amount of P4.294 million due to non-recording of Bank Credit and Debit Memoranda, as shown in the bank statements totaling P3.324 million and P0.970 million, respectively, contrary to Paragraph 27 of the International Public Sector Accounting Standard (IPSAS) 1, and Sections 5 and 6, Chapter 21, Government Accounting Manual (GAM), Volume I.	We recommended and Management agreed to: a. Make another formal inquiry with the concerned depository <input type="checkbox"/> bank and request for copies of the Bank CMs and DMs; and <input type="checkbox"/>	Send letter request to the bank.	Jennifer Alor, Accountant V			Implemented	A letter request was already sent to the bank last March 11, 2019 but no reply was received as of October 31, 2020. Refer to Annex 1.a. Constant visits to the bank since January up to March 2020 yielded negative results. With the onset of the pandemic in April 2020 and the restriction in going to the bank, the Agency made several follow-ups thru telephone calls but to no avail. Another letter request was sent to the bank on November 10, 2020 as a follow-up. Refer to Annex 1.a.1.	
		b. Require the Accounting Department to: (i) record the unidentified CMs in the books of accounts in accordance with the RCA for GOCCs prescribed under COA Circular No. 2015- 010 dated December 1, 2015; (ii) make necessary adjustments once CMs and DMs are furnished by the bank; and (iii) henceforth, to conduct regular reconciliation of the CIB balances, scrutinize and investigate the reconciling items and record/adjust in the books all reconciling items found to be valid. <input type="checkbox"/>	Record the CMs and DMs. Make adjusting entries. Conduct regular bank reconciliation of the CIB.	Jennifer Alor, Accountant V Irene Francisco, Financial Analyst III	Oct 2020	Dec 2020	Partially implemented Partially implemented Implemented	DMs were not yet furnished by the bank as of October 31, 2020 DMs were not yet furnished by the bank as of October 31, 2020	The CMs were already recorded under JEV no. 2020-07-211 dated July 31, 2020. Refer to Annex 1.b. The CMs were already adjusted in the Bank Reconciliation Statement for the month of July 2020. We were already up to date with our Bank Reconciliation Statements as of September 30, 2020.

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AO No. 2 page 51	The faithful representation of the balance of the Inter-agency Receivables - Due from National Government Agencies (NGAs) account as of December 31, 2019 of P391.265 million was not established due to: (a) unreconciled variance of P23.801 million between the financial statements (FSs) and the Status Report of Fund Transfers (SRFT) (with Aging) as of December 31, 2019; (b) Fund Transfers (FTs) totalling P266.410 million remained unliquidated even if the purposes for which these were granted had been completed, resulting in unrecognized expenses in prior years of the used funds; and (c) supporting documents of adjustments totalling P11.648 million reflected in the General Journal (GJ) were not submitted to the Audit Team for verification, all in contrary to Paragraph 27 of International Public Sector Accounting Standard (IPSAS) 1 and pertinent provisions of COA Circular No. 94-013. Likewise, other deficiencies such as absence of and unsigned Memoranda of Agreement (MOAs), lack of budget, transactions commencing even prior to execution of the MOA and delayed transfer of funds were observed.	We recommended and Management agreed to: a. Demand from the implementing agencies the liquidation of the fund transfers as the purposes for which these were granted had already been completed; thus enabling the Accounting Department to recognize in the books the utilization from these fund transfers. Henceforth, require the Implementing Agencies to promptly liquidate the fund transfers to prevent accumulation of the outstanding balances on the Due from NGAs account. □ Instruct the Accounting Department to:	Send demand letters to the implementing agencies for them to liquidate.	Irene Francisco, Acting Head, Accounting Div.			Implemented	Already sent the demand letters to the implementing agencies for them to liquidate. Refer to attached Demand Letters and e-mail follow-ups under Annex 2.a	
		b.1 Continue the reconciliation of the noted variance among the FS, GL and SRFT and effect the necessary adjustment, if any; □	Reconciliation of noted variance among the FS, GL and SRFT.	Jennifer Alor, Accountant V	Sept 2020	Dec 2020	On-going	Continue the reconciliation of the noted variances among the FS, GL and SRFT.	
		b.2 Maintain SL for each PDOT Office/Regional Office and regularly reconcile the SLs with the GL; □ b.3 Furnish the DOT Head Office Accounting with copies of the Journal Entry Vouchers (JEVs) on the grant of the fund transfers and ensure that an OR is issued as acknowledgement of receipt of fund; □	Maintain SLs for each PDOT/Regional Offices. Furnish the DOT Head Office with copies of the JEVs	Jennifer Alor, Accountant V Jennifer Alor, Accountant V			Implemented On-going	Refer to attached SLs under Annex 2.b.2 Continue furnishing the DOT Head Office with copies of the JEVs.	

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		<p>b.4 Stop receiving the liquidation reports directly from the PDOT Offices, as these must be coursed through the DOT Head Office Accounting and, coordinate with the latter for the proper handling of the transactions as prescribed in COA Circular No. 94-013; and □</p> <p>b.5 Conduct regular reconciliation of the balances among books, reports and records of the DOT Head Office Accounting; scrutinize and investigate the variances upon discovery, and effect necessary adjustments accordingly. □</p> <p>c. Follow up the draft MMOA and IMOA with the DOT, which incorporated the requirements of COA Circular No. 94-013 and addressed the procedural lapses in the grant and liquidation of Fund Transfers.</p>	<p>Stop receiving the liquidation reports directly form the PDOT offices.</p> <p>Conduct regular reconciliation of the balances among books, reports and records of the DOT Head Office Accounting.</p> <p>Follow-up the draft MMOA and IMOA with the DOT.</p>	<p>Irene Francisco, Acting Head, Accounting Div.</p> <p>Irene Francisco, Acting Head, Accounting Div.</p> <p>Atty. Venancio Manuel III</p>			<p>On-going</p> <p>On-going</p> <p>On-going</p>		<p>In the absence of a MOA from DOT Head Office, we are constrain to follow the specific MOA by the respective PDOT and TPB.</p> <p>However, TPB is waiting for the approval of the mother agreement and implementation agreement on inter-agency fund transfers.</p> <p>Out of the balance amounting to P225,103,894.21 as of May 2020, P97,160,705.52 were already liquidated or a 43.16 decrease as of October 31, 2020. Refer to Annex 2.b.5.</p> <p>Please see attached memo and the draft proposed mother agreement and implementation agreement on inter-agency fund transfers. Refer to Annex 2.c.</p>
		<p>d. Coordinate with the DOT and other Implementing Agencies to ensure strict compliance/implementation of the guidelines on fund transfers, specifically COA Circular No. 94-013 and the MOA. □</p>	<p>Coordinate with the DOT and other implementing Agencies to ensure strict compliance on fund transfers under COA circular 94-013 and the MOA</p>	<p>Jennifer Alor, Accountant V</p>	<p>Sept 2020</p>	<p>Dec 2020</p>	<p>On-going</p>		<p>Continue to coordinate with the DOT and other implementing Agencies to ensure strict compliance on fund transfers under COA circular 94-013 and the MOA</p>

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AOM No. 3 page 58	The correctness of the Allowance for Impairment amounting to P9.759 million on the Receivables account totaling P386.325 million as of December 31, 2019 could not be established since there were no aging schedules/documents to identify the impaired accounts and there was no assessment made in CY 2019 to determine if there were indications of impairment, contrary to Paragraphs 67 and 68 of IPSAS 29. Also, receivables totaling P2.435 million remained non-moving for more than one (1) year resulting in the doubtful collectability of the accounts.	We recommended and Management agreed to:							
		a. Develop a policy on the setting up of impairment of accounts pursuant to pertinent paragraphs of IPSAS 29; and	Make a policy on Impairment of accounts..	Marlito Rodriguez, Dept. Manager III			Implemented		Refer to Internal Memo No. 2020-04 dated October 15, 2020 under Annex 3.a.
		b. Direct the Accounting Department to:							
		b.1 Prepare Aging Schedule of Receivables to substantiate the recorded Allowance for Impairment amounting to P9.759 million and, henceforth determine if there are any indications of impairment on the accounts of TPB and accordingly provide necessary adjustment; and	Prepare Aging Schedule to substantiate the recorded Allowance for Impairment.	Jennifer Alor, Accountant V	Sept 2020	Dec 2020	On-going	Continue to substantiate the recorded Allowance for Impairment.	
		b.2 Locate the supporting documents of the receivables outstanding for more than one (1) year and reassess their collectability.	Locate the supporting documents of the receivables outstanding for more than 1 year	Jennifer Alor, Accountant V	Sept 2020	Dec 2020	On-going	Continue to locate the supporting documents of the receivables outstanding for more than 1 year.	

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AOM No. 4 page 60	The faithful representation of the balance of Financial Liabilities account in the financial statements totaling P443.459 million as of December 31, 2019 was not established due to: (a) non-submission of contracts and/or supporting documents evidencing the obligations totaling P32.310 million; and (b) non-submission of supporting documents in the reversal of abnormal balances totaling P189.637 million. Likewise, the account was misstated because: (a) various payments in prior years totaling P29.243 million were recorded as accumulated surplus instead as deductions in the Accounts Payable (A/P) account; and (b) non-accrual of various unpaid expenses aggregating P13.443 million. All these were contrary to Paragraph 3.10 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities and Paragraph 27 of IPSAS 1.	We recommended and Management agreed to: a. Designate personnel that would permanently handle and monitor the Financial Liabilities account. b. Direct the Accounting Department to: b.1 Submit to the Audit Team the documents in support of the payable, if any, ensure that future transactions are corroborated with the needed documents, and adjust transactions that are proven to be with no contract or other pertinent supporting documents; b.2 Determine the nature and cause of the abnormal balances in the A/P account and support with pertinent documents/reports the adjustments made to close the abnormal balances totaling P189.637 million; otherwise, reverse the entry made until these are duly substantiated. Henceforth, ensure that transactions are supported with relevant documents before effecting adjustments in the books; b.3 Make necessary adjustment on the various payments totaling P32.310 million which were recorded under Accumulated Surplus/(Deficit) account	Make a Memo designating a personnel who would permanently handle and monitor the Financial Liabilities account.	Marlito Rodriguez, Dept. Manager III			Implemented	Refer to Internal Memo 2020-002 dated September 15, 2020 under Annex 4. The recorded total amount of P32.310 million with no supporting documents such as contracts pertain to prior year transactions. The Accounting Division had already exerted best efforts in tracking the supporting documents but as of October 31, 2020 such documents were not yet found. The negative balances is for FY 2016. In 2018, the amount was reverse. Refer to Annex 4.b.2	
			Submit to the Audit Team the documents in support of the Payable.	Jennifer Alor, Accountant V	Sept 2020	Dec 2020	On-going		
			Determine the nature and cause of the abnormal balance of the A/P account	Jennifer Alor, Accountant V			Implemented		
			Make the necessary adjustment on various payments totaling P32.310 million.	Jennifer Alor, Accountant V	Sept 2020	Dec 2020	Partially Implemented	Out of the 4 payments that need adjustments, only 1 remains to be verified - Eastgate Publishing Corporation	Continue looking for the documents of Eastside Publishing House.

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		<p>instead of A/P account. Henceforth, require the personnel in charge in the preparation and maintenance of SLs for A/P account to determine if an A/P was previously set-up to avoid misstatements in the recording of payments of payables; and</p> <p>☐</p> <p>b.4 Accrue all unpaid expenses for the year to avoid restatement of the financial statements due to prior period adjustments. ☐</p> <p>c. Require all Departments to submit to the Accounting Department necessary documents on unpaid expenses incurred during the year to enable the latter to accrue the expenses before the closing of the books of accounts.</p>	<p>Accrue all unpaid expenses for the year.</p> <p>Require all Departments to submit to the accounting division the necessary documents on unpaid expenses incurred during the year</p>	<p>Irene Francisco, Acting Head, Accounting Div.</p> <p>Marlito Rodriguez, Dept. Manager III</p>				<p>For implementation in December 2020.</p> <p>For implementation in December 2020.</p>	

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AOM No. 5 Page 63	Funds received from Various Source Agencies (SAs), booked as Due to National Government Agencies (NGAs) and Government-Owned and Controlled Corporations (GOCCs) totaling P211.895 million and P4.829 million, respectively, remained outstanding/unliquidated for more than a year due primarily to lapses in recording, monitoring, reporting, and/or liquidation contrary to Items 4.6, 6.4, 6.5 and 6.7 of COA Circular No. 94- 013. Likewise, the fair presentation of the accounts was doubtful due to the absence of complete documents to support the balances of the said accounts contrary to Paragraph 27 of the IPSAS 1	We recommended and Management agreed to:							
		a. Designate personnel that would be in-charge in the recording, monitoring and reporting of transactions related to the Due to NGAs and GOCCs accounts. ☐	Make a Memo designating a personnel who will be in-charge in the recording, monitoring and reporting of transactions related to the Due to NGAs and GOCCs accounts.	Marlito Rodriguez, Dept. Manager III			Implemented	Refer to Internal Memo No. 2020-002 dated September 15, 2020 under Annex 5.a	
		b. Direct the Accounting Department to:							
		b.1 Compile properly all the MOAs, RCIs and RDs to support the accounts; ☐	Compile properly all the MOAs, RCIs and RDs.	Jennifer Alor, Accountant V			Implemented	MOAs, RCIs and RDs were already compiled	
	b.2 Identify the SAs, reconcile and return the unutilized fund balance, and provide the necessary adjusting entries, if any; and ☐	Identify the SAs, reconcile and return the unutilized fund balance	Jennifer Alor, Accountant V	Sept 2020	Dec 2020	On-going	Continue identifying the SAs, reconcile and return the unutilized fund balance.		
	b.3 Submit to the Audit Team the RCIs and RDs along with the original supporting documents. ☐	Submit to the Audit Team the RCIs and RDs along with the original supporting documents	Jennifer Alor, Accountant V	Sept 2020	Sept 2020	On-going	Continue locating the original supporting documents of the RCIs and RDs.		
	c. Adhere with the requirements of Items 4.6, 6.4, 6.5 and 6.7 of COA Circular No. 94-013 and Paragraph 27 of PPSAS 1. ☐	Comply with the requirements of COA circular 94-013	Marlito Rodriguez, Dept. Manager III			Implemented			

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AOM No. 6 page 66	The faithful representation in the financial statements of the reported Net Surplus (net income) and Accumulated Surplus/(Deficit) (ASD) as of December 31, 2019 amounting P957.652 million and P1.441 billion, respectively, could not be ascertained due to: (a) unrecorded expenses totaling P156.120 million; and (b) variance of P510.041 million in the Accounts Payable (A/P) account between per books and Due and Demandable Obligation under Budget and Financial Accountability Form (BFAR) Form No. 1, contrary to Paragraph 3.10 of the Financial Reporting by Public Sector Entities and Paragraph 27 of IPSAS 1.	We recommended that Management direct the Accounting Department to:							
		a. Assess the appropriateness of recording the unrecorded CY 2019 expenses, and provide adjusting entries, if necessary; ☐	Assess the appropriateness of recording the unrecorded CY 2019 expenses	Jennifer Alor, Accountant V			Implemented		Already recorded in FY 2020 due to the delayed submission of liquidation of cash advances from employees and implementing agencies
		b. Reconcile with the records of the Budget Officer to determine any unrecorded due and demandable obligations and provide adjusting entries, if any; ☐	Reconcile with the records of the Budget Officer to determine any unrecorded due and demandable obligations	Nelson Lopez, Financial Analyst II	Sept 2020	Dec 2020	On-going		Continue to reconcile with the records of the Budget Officer to determine any unrecorded due and demandable obligations
		c. Issue a Memorandum directing all accountable officers to liquidate all cash advances before year-end; and ☐	Issue a Memo directing all accountable officers to liquidate all cash advances before year-end	Marlito Rodriguez, Dept Manager III					For implementation in December 2020.
		d. Perform cut-off tests in order to recognize all paid/liquidated expenses pertaining to the financial year. ☐	Perform cut-off tests in order to recognize all paid/liquidated expenses pertaining to the financial year. ☐	Marlito Rodriguez, Dept. Manager III				For implementation in December 2020.	

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AOM No. 7 page 69	The unutilized and unobligated funds amounting to P246.133 million, which were earned/received in CY 2019, were not reverted to the National Treasury, contrary to Section 2 of Executive Order (EO) No. 91 dated September 9, 2019. Also, the Budget and Financial Accountability Reports (BFARs) were not submitted on time in violation of COA-DBM Joint Circular No. 2019-01.	We recommended and Management agreed to:							
		a. Revert to the National Treasury all the unutilized/unobligated funds under the SAGF;	Revert to the National Treasury all the unutilized/unobligated funds under the SAGF.	Marlito Rodriguez, Dept. Manager III			Implemented	Refer to the reverted amount to Bureau of Treasury for NCA 4 th Qtr FY 2019 and for NCA 1 st Qtr FY 2020 per LBP Certification dated October 5, 2020 under Annex 7.a.	
		b. Ensure that all received funds are utilized for the purposes these were given and delivered to their intended beneficiaries;	Ensure that all received funds are utilized for the purposes these were given and delivered to their intended beneficiaries.	Marian Garate, Head, Budget Div.			Implemented		
		c. Direct the Finance Department to observe the deadline for submission of the BFARs; and	Observe the deadline for the submission of the BFARs	Marlito Rodriguez, Dept. Manager III			Implemented		
d. Henceforth, comply strictly with the provisions of EO No. 91 and COA-DBM Circular No. 2019 – 01	Comply with the provisions of COA-DBM Circular No. 2019-01.	Marlito Rodriguez, Dept. Manager III			Implemented				

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AOM No. 8 page 70	The reasonableness and propriety of the transactions/disbursements totaling P51.979 million are doubtful due to: (a) incomplete documents supporting payment to suppliers totaling P48.311 million booked as Advertising, Promotional and Marketing Expenses (APME); and (b) procurements totaling P3.668 million which did not undergo public bidding or the usual process/mode of procurement, contrary to Section 4(6) of Presidential Decree (PD) No. 1445 and pertinent provisions of Republic Act (RA) No. 9184 and its 2016 Revised Implementing Rules and Regulations (RIRR).	We recommended that Management direct the Finance Department to :							
		a. Submit the necessary documents, otherwise, a Notice of Suspension will be issued; ☐	Submit the necessary documents of the disbursements amounting to P51.979	Jennifer Alor, Accountant V	Sept 2020	Dec 2020	On-going		Continue locating the necessary documents of the said disbursements. The checklist is found in the Google drive.
		b. Issue a Memorandum containing an updated checklists of documentary requirements for every class of transaction; ☐	Issue a Memo regarding the updated checklist of documentary requirements for every class of transactions	Irene Francisco, Acting Head, Accounting Div.			Implemented		
		c. Brief the Accountable Officers and Project Officers on all the required documents and reports needed to be submitted to the Finance Department in the processing of payments; ☐	Brief the Accountable Officers and Project Officers on all the required documents and reports needed	Irene Francisco, Acting Head, Accounting Div.			Implemented		
		d. Ensure that all the necessary documents are attached or appropriately referenced before effecting payments; ☐	Ensure that all the necessary documents are attached or appropriately referenced before effecting payments	Irene Francisco, Acting Head, Accounting Div.			Implemented		
		e. Plan the procurements way ahead of time and give an allowance for unforeseen events that may require immediate procurements and avoid implementing projects that would hinder TPB to follow the proper procurement process; and ☐	Plan the procurement way ahead of time.	Venancio Manuel, BAC Chairman			Implemented		
f. Comply strictly with the provisions of PD No. 1445 and RA No. 9184 and its RIRR. ☐	Comply with the provisions of PD 1445 and RA 9184 and its IRR.	Venancio Manuel, BAC Chairman			Implemented				

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AOM No. 9 page 72	TPB paid to its regular employees traditional bonuses, namely Educational Assistance (EA), Socio-Economic Assistance (SEA) and Christmas Incentive (CI) totaling P12.773 million (one month of gross salary including allowances for each bonus) on top of Mid-Year and Year-End bonuses despite adoption of the Modified Salary Schedule (MSS) under Executive Order (EO) 201, s. 2016, contrary to Paragraph 7, Governance Commission for GOCCs (GCG) Memorandum Circular (MC) No. 2017-03, "Implementing Rules and Regulations of EO No. 36 s. 2017". Likewise, payments were not budgeted since these were not included in the authorized benefits/allowances enumerated in the Department of Budget and Management (DBM) approved Corporate Operating Budget (COB), particularly under Personnel Services (PS), contrary to Section 4(1) of Presidential Decree (PD) No. 1445. Consequently, the continuous grant of the said bonuses is irregular and unauthorized.	<p>We recommended that TPB Management:</p> <p>a. Stop the granting of these traditional bonuses; ☐</p> <p>b. Ensure that all DBM approved bonuses should be included in the budget under Personnel Services (PS) of the COB; and ☐</p> <p>c. Comply strictly with the provisions of GCG MC No. 2017-03, Implementing Rules and Regulations of EO No. 201, s. 2016. ☐</p>	<p>Stop the granting of traditional bonuses.</p> <p>Ensure that all DBM approved bonuses should be included in the budget under Personnel Services (PS) of the COB ☐</p> <p>Comply with the provisions of GCG MC No. 2017-03, Implementing Rules and Regulations of EO No. 201, s. 2016.</p>	<p>Marlito Rodriguez, Dept. Manager III</p> <p>Marlito Rodriguez, Dept. Manager III</p> <p>Marlito Rodriguez, Dept. Manager III</p>			<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>		

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REFERENCE	OBSERVATIONS	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				
					FROM	TO			
AOM No. 10 page 76	The reasonableness of stocking promotional materials with an accumulated balance as of December 31, 2019 of P37.829 million, an increase of P11.670 million or 44 per cent from CY 2017, could not be established considering that TPB is not engage in trading and there was absence of documents to show how these materials will be utilized, contrary to Section 26 of the Fiscal Year (FY) 2019 General Appropriations Act (GAA).	<p>We recommended and Management agreed to direct the Project Officers to:</p> <p>a. Avoid creating logos/designs for a specific event and dates so that the remaining promotional materials could be reused for other events; <input type="checkbox"/></p> <p>b. Properly provide estimate to avoid procuring excessive promotional materials, over stocking/procurement and possible wastage thereof; and <input type="checkbox"/></p> <p>c. Devise a plan on how to use the unutilized promotional materials in order to prevent them from deteriorating as well as to decongest the storage area. <input type="checkbox"/></p>	<p>Avoidance of logos/designs for a specific event and dates.</p> <p>Provide estimate to avoid procuring excessive promotional materials, over stocking/procurement and possible wastage</p> <p>Make a Plan on how to use the unutilized promotional materials</p>	Eloisa Romero, Head, PGSD			Implemented	<p>PGSD will act accordingly to avoid procuring excessive promotional materials.</p> <p>The remaining promotional materials were already reused for other events</p>	
				Eloisa Romero, Head, PGSD			Implemented		
				Eloisa Romero, Head, PGSD			Implemented		

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AOM No. 11 page 78	There were procurements made through cash advances (CAs) totaling P380,784 that did not undergo the requirements of Republic Act (RA) No. 9184 due to late approval of the project leading to time constraints in the bidding process, contrary to Section 10, Revised Implementing Rules and Regulations (RIRR) of RA No. 9184 and Section 2, COA Circular No. 97-002; thereby, depriving TPB of the opportunity to assess the certainty and reasonableness of the expenses incurred, and exposing TPB officials to various penalties and liabilities.	<p>We recommended that Management:</p> <p>a. Direct the Project Officers and the approving authority to refrain from accepting and pursuing projects that are too near to the date of the event in order not to circumvent the provisions of RA No. 9184 and COA Circular No. 97-002; ☐</p> <p>b. Resort to disbursements through CAs only if payment through check is impractical; and ☐</p> <p>c. Comply strictly with the provisions of RA No. 9184 and COA Circular No. 97-02. ☐</p>	<p>Make a Procurement Time line.</p> <p>Avoid resorting to CA unless if payment through check is impractical</p> <p>Comply with the provisions of RA No. 9184 and COA Circular No. 97-02</p>	<p>Venancio Manuel, Head, BAC</p> <p>Irene Francisco, Acting Head, Accounting Div.</p> <p>Marlito Rodriguez, Dept. Manager III</p>			<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>	Refer to the Memo from BAC dated January 16, 2020 under Annex 11.a.	

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					FROM	TO			
AOM No. 12 page 80	Cash Advances (CAs) granted in CY 2017 to now resigned TPB personnel totaling P0.707 million remained unliquidated due to improper monitoring of CAs and lax compliance with the policy on immediate liquidation and withholding of salary in case of non-liquidation within the prescribed period, contrary to COA Circular No. 97-002 dated February 10, 1997 and Sections 89 of PD No. 1445.	We recommended and Management agreed to: ☐							
		a. Direct the Accounting Department to study the possibility of offsetting the amount of leave credits and unclaimed salary of these personnel to their unliquidated CAs, if the demand letter is left unanswered;	Effect the offsetting of their leave credits and unclaimed salaries of those personnel with unliquidated CAs.	Marlito Rodriguez, Dept. Manager III			For Implementation	Finance Department had already sent the Final Demand letters dated October 26, 2020 under Annex 12.a. Once said final demand letters will not be answered, Finance department will effect the offsetting of their leave credits and unclaimed salaries.	
		b. Exact legal measures to demand the remaining amount, if any; ☐	Recommend to Legal Department the filing of legal cases to those personnel with unliquidated CAs.	Marlito Rodriguez, Dept. Manager III			For implementation	Once the final demand letters sent to them will not be answered, Finance Department will recommend to our Legal Department the filing of legal cases.	
		c. Designate an officer that would strictly monitor the CAs and be responsible for reminding the Head of the Accounting Department to issue the necessary demand letter/withholding order for CAs due for liquidation; and ☐	Issue a Memo designating an officer who will strictly monitor the CAs.	Marlito Rodriguez, Dept. Manager III			Implemented	Refer to Internal Memo No. 2020-003 dated September 15, 2020 under Annex 12.c.	
		d. Comply strictly with the provisions of COA Circular No. 97-002 on the liquidation of CAs. ☐	Comply with the provisions of COA Circular No. 97-002 on the liquidation of CAs.	Marlito Rodriguez, Department Manager III			Implemented		

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AOM No. 13 page 82	The TPB Special Disbursing Officers (SDOs) do not maintain a separate cash book for their cash advances (CAs) as they were unaware of this requirement since the Accounting Department was unable to orient them of the relevant rules and regulations, contrary to COA Circular No. 97-002 dated February 10, 1997; thus, CAs granted and subsequently liquidated were not properly monitored by the concerned SDO and reconciliation with the records of Accounting Department could not be performed.	<p>We recommended and Management agreed to:</p> <p>a. Direct the Finance Department to inform the SDOs of the requirements to maintain cashbook and conduct regular check and reconciliation of their records; ☐</p> <p>b. Include in the designation of the SDOs, among other requirements, the maintenance of cashbook; and ☐</p> <p>c. Require the SDOs to comply strictly with COA Circular No. 97- 002, on the maintenance of cashbook. ☐</p>	<p>Inform the SDOs of the requirements to maintain cashbook and conduct regular check and reconciliation of their records.</p> <p>Inform the SDOs of the requirement of the maintenance of cash book.</p> <p>Require the SDOs to comply with COA Circular No. 97- 002, on the maintenance of cashbook</p>	<p>Irene Francisco, Acting Head, Accounting Div.</p> <p>Irene Francisco, Acting Head, Accounting Div.</p> <p>Marlito Rodriguez, Dept. Manager III</p>			<p>Implemented</p> <p>Implemented</p> <p>Implemented</p>		<p>SDOs were already informed of the requirements to maintain cashbook and conduct regular check and reconciliation of their records.</p> <p>SDOs were already informed of the requirement to maintain a cash book</p> <p>SDOs were already informed to comply strictly with COA Circular No. 97-002 on the maintenance of cash book..</p>

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					FROM	TO			
AOM No. 14 page 83	Some Cash Advances (CAs) were made under the name of a Special Disbursing Officer (SDO) not related to the specific project, contrary to COA Circular No. 97-002 dated February 10, 1997.	<p>We recommended and Management agreed to:</p> <p>a. Designate SDOs who are involved with the project and refrain from transferring the accountability or allowing another to disburse the CAs; and ☐</p> <p>b. Expedite the hiring process and hire those who are qualified to have permanent positions, avoiding transfer of cash accountability from one who is not qualified to be bonded. ☐</p>	<p>Inform SDOs who are involved with the project that they should refrain from transferring the accountability or allowing another to disburse their CAs.</p> <p>Expedite the hiring process and hire those who are qualified to have permanent position in order to avoid the transfer of cash accountability from one who is not qualified to be bonded</p>	<p>Irene Francisco, Acting Head, Accounting Div.</p> <p>Prescilla Sevilla, Acting HR Manger</p>			<p>Implemented</p> <p>On-going</p>		<p>SDOs were already informed that they should refrain from transferring their accountability or allowing another to disburse their CAs.</p> <p>Hiring for personnel who are qualified to have permanent position is still going on.</p>

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AOM No. 15 page 84	The different funds (SAGF, Corporate Fund, Special Contingency Fund (SCF), and Trust Fund) are maintained in TPB's current account and Dollar account, exposing each fund to risk of improper use, fund juggling and difficulty in monitoring, thus not in accordance with sound internal control policy.	We recommended and Management agreed to maintain separate bank accounts for SAGF, SCF, Corporate Fund, and Trust Fund. [SEP]	Open new bank accounts for each of the stated funds.	Marlito Rodriguez, Dept. Manager III			On-going	Once the TPB Board will authorize TPB to open new bank accounts, this will be fully implemented.	Refer to the letter request addressed to COO Maria Anthonette Velasco Allones dated November 11, 2020 re : opening of new bank accounts for inclusion in the Agenda of TPB's Board meeting under Annex 15.

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AOM No. 16 page 87	The TPB was unable to allocate at least five (5) per cent of its Corporate Operating Budget (COB) for GAD programs, activities and projects (PAPs); the CY 2019 GAD Plan and Budget (GPB) was not endorsed by the PCW; and the GPB was partially implemented as the allocated amounts for GAD PAPs were not fully utilized, thereby defeating the intent of the programs to pursue gender equality and contrary to the provisions of Republic Act (RA) No. 9710 or the Magna Carta of Women and Philippine Commission on Women-National Economic and Development Authority-Department of Budget and Management (PCW-NEDA-DBM) Joint Circular No. 2012-01.	We recommended and Management agreed to:							
		a. Allocate, through attribution, at least 5% of the total annual budget for the implementation of GAD-related activities as required under Section 36(a) of RA No. 9710 or the Magna Carta of Women and PCW-NEDA-DBM Joint Circular No. 2012-01; ☐	Allocate at least 5% Of the total annual budget for the implementation of GAD-related activities	GAD Secretariat			For implementation		TPB will comply.
		b. Ensure that the GPB is duly approved by the TPB GFPS and COO and submitted to the PCW on time in compliance with PCW-NEDA-DBM Joint Circular No. 2012-01; ☐	GPB should be duly approved by the TPB GFPS and COO and submitted to the PCW on time.	GAD Secretariat			For Implementation		TPB will comply.
		c. Direct the GAD TWG/Secretariat to designate personnel from among them who will be responsible in the monitoring of the GPB in case the person in-charge is not available; ☐	GAD Secretariat to designate personnel who will be responsible in the monitoring pf the GPB.	GAD Secretariat			Implemented		GAD Secretariat had already designated Mr. Billy Casabuena as the GAD Focal Person
		d. Direct the GFPS to plan and require the Heads of implementing department/offices to ensure that GAD PAPs are implemented as planned to attain the GAD objectives; and ☐	GFPS should ensure that GAD PAPs are implemented as planned.	GAD Secretariat			For Implementation		TPB will comply.
	e. Maximize the utilization of the GAD funds through the implementation of GAD-related programs and projects in order to attain the objective for which funds were provided. ☐	Maximize the utilization of the GAD funds.	GAD Secretariat			For implementation		TPB will comply.	

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AOM No. 17 page 87	No taxes were withheld nor paid to the Bureau of Internal Revenue (BIR) in connection with the traditional bonuses since these were not properly declared, presented and included in the computation of tax due as can be observed from the Alphalist submitted to the BIR and in the Individual Tax Return (Form 2316) of TPB's personnel, contrary to Section 9 of Republic Act (RA) No. 10963 or the TRAIN Law and Sections 68, 79, 80 and 83 of the National Internal Revenue Code (NIRC); thereby, depriving the National Government of additional funds to carry out its mandated purpose and exposing TPB and the personnel in-charge of withholding and payment of taxes to various penalties.	We recommended that Management require the concerned Accounting Department personnel to:							
		a. Attend seminars/trainings on the latest relevant laws, rules and regulations related to taxes on compensation; ☐	Attendance to seminars/trainings on the latest relevant laws, rules and regulations.	Marlito Rodriguez, Dept. Manager III			Implemented	Refer to Memo No. dated October 1, 2020 under Annex 17.a. Refer to Disbursement Voucher No. 2020-09-971 dated September 6, 2020 as payment of the deficiency taxes for FY 2019 under Annex 17.b.	
		b. File an amended Alphalists and Income Tax Return and pay the deficiency taxes; ☐	Filing of an amended Alphalists and Income tax return and pay the deficiency taxes.	Irene Francisco, Acting Head, Accounting Div.			Implemented		
		c. Properly withhold taxes on allowances and benefits paid to TPB personnel; and ☐	Withhold taxes on allowances and benefits.	Irene Francisco, Acting Head, Accounting Div.			Implemented		
d. Comply strictly with Section 9 of RA No. 10963 and Sections 68, 79, 80, 83 of the NIRC. ☐	Comply with Section 9 of RA No. 10963 and Sections 68, 79, 80, 83 of the NIRC	Marlito Rodriguez, Dept. Manager III			Implemented				

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2018 AAR Audit Observation (AO) No. 1 Page 56	Unsupported bank credits totaling P21.149 million were recognized in the books as Service and Business Income despite of non-submission of documents by the Payees and Project Officers to support the direct deposits made, thus the correctness of the total income for the year ended December 31, 2018 could not be established, contrary to the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities.	We recommended that Management:							
		a. Direct the Accounting Department to demand from the Project Officers concerned to submit the required documents in support of the P21.149 million bank credits and effect necessary adjustments in the books;	Demand from the Project Officers concerned to submit the required documents in support of the P21.149 million bank credits and effect necessary adjustments in the books	Finance Department/ Administrative Department	May 24, 2019	December 31, 2019	Partially Implemented.		Accounting Division will ensure that complete collections are accounted for and reported accordingly with all the required supporting documents properly attached.
		b. Henceforth, direct the Project Officers to submit regularly to the Accounting Department the registration forms, deposits slips submitted by payee-participants, and other supporting documents to facilitate the recording; and	Direct the Project Officers to submit regularly to the Accounting Department the registration forms, deposits slips submitted by payee-participants, and other supporting documents to facilitate the recording	Finance Department/ Administrative Department			Fully implemented		
		c. Review the TPB's Collection process for improvement and devise a policy to ensure that all collections are duly accounted, supported, immediately reported and completely/ properly recorded in the books.	Review the collection process for improvement and devise a policy to ensure that all collections are duly accounted, supported, immediately reported and completely/ properly recorded in the books.	Finance Department/ Administrative Department	May 24, 2019	December 31, 2019	Partially Implemented.	Ongoing review of the collection process and formulation of a policy to ensure that all collections are duly accounted, supported, immediately reported and completely/ properly recorded in the books.	Accounting division will continue to review its Collection process to align with the prevailing collection policies and conduct process improvements to ensure complete and immediate reporting and recording of its collection.

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AO No. 2 Page 58	The Cash-in-bank account with balance of P788.788 million as at December 31, 2018 is misstated in the aggregate amount of P5.650 million due to non-recording of Bank Credit and Debit Memoranda shown in the bank statements totalling P5.145 million and P0.505 million, respectively, contrary to Sections 5 and 6, Chapter 21 of Government Accounting Manual (GAM), Volume I.	We recommended that Management: 1. Comply with Sec 5 and 6, Chapter 21 of GAM, Volume I; 2. Require the Accounting to record the unidentified CMs in the books of accounts in accordance with the RCA for Government-Owned and Controlled Corporations prescribed under COA Circular No. 2015-010 dated December 1, 2015; 3. Follow up with the concerned depository bank the TPB's inquiry and the status of the request for copies of the Bank CMs and DMs. Consequently, require the Accounting Department to make necessary adjustments once CMs and DMs are furnished by the bank; and 4. Henceforth, direct the Accounting Department to conduct regular reconciliation of the cash in bank balances, scrutinize and investigate the reconciling items and record/adjust in the books all reconciling items found to be valid.	Record the unidentified CMs in the books of accounts.	Accounting Division			Implemented.	The CMs were already recorded under JEV no. 2020-07-211 dated July 31, 2020. Refer to Annex 1.b of 2019 AOMs and were already adjusted in the Bank Reconciliation Statement for the month of July 2020	
		Make follow ups with the bank regarding the status of our request.	Accounting Division	May 24, 2019	December 31, 2019	Partially Implemented.	The CMs were already adjusted. Only the DMs are not yet adjusted		Constant visits to the bank since January up to March 2020 yielded negative results. With the onset of the pandemic in April 2020 and the restriction in going to the bank, the Agency made several follow-ups thru telephone calls but to no avail.
			Conduct regular reconciliation of the Cash in Bank.	Accounting Division			Fully Implemented.	Another letter request was sent to the bank on November 10, 2020 as a follow-up. Refer to Annex 1.a.1 of 2019 AOMs. Bank reconciliation statements were already submitted on time since September 30, 2020	

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AO No. 3 Page 60	The faithful representation of the balance of Inter-agency Receivables - Due from National Government Agencies (NGAs) account as at December 31, 2018 of P367.732 million was not established due to: (a) fund transfers totaling P307.313 million remained unliquidated even if the purpose for which these were granted had been completed, resulting in unrecognized expenses in prior years of the used funds; (b) unreconciled variance of P60.419 million between the General Ledger (GL)/Subsidiary Ledger (SL) and TPB Status Report of Fund Transfers (with Aging) as of December 31, 2018; (c) variances of P95.746 million between the balances from the different Department of Tourism (DOT) Implementing Offices and the Status Report of Fund Transfers as a result of confirmation; (d)	We recommended that Management: 1. Demand from the implementing agencies the liquidation of the fund transfers totaling P307.313 million as the purpose for which these were granted had already been completed to enable the Accounting Department to recognize in the books the utilization from these fund transfers. Henceforth, require the Implementing Agencies to promptly liquidate the fund transfers to prevent accumulation of the outstanding balances on the Due from NGAs; 2. Instruct the Accounting Department to: 2.1 Determine: (i) the cause(s) of the variances between the	Send Demand Letters to implementing agencies for their immediate liquidation.	Accounting Division			Fully Implemented.	Refer to Annex 2.a for 2019 AAR AOMs.	
				Accounting Division	May 24, 2019	December 31, 2019	Partially Implemented.	There is a continuous effort in reconciling the SL and GL. AD	

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	existence of abnormal (negative) balance aggregating P18.709 million; and (e) recording of P6.980 million even when there was no fund transfer made to Philippine DOT China, resulting in the overstatement of Due from NGAs by the same amount.	<p>balances of GL/SL vis-a-vis Status Report of Fund Transfers vis-a-vis DOT Implementing Offices and (ii) the nature of the negative (abnormal) balances on the Due from NGAs account and effect necessary adjustments/ corrections on the books and records;</p> <p>2.2 Make necessary adjustment to correct the recording of P6.980 million as there was no fund transfer made to PDOT China;</p> <p>2.3 Maintain SL for each PDOT Office/Regional Office and regularly reconcile the SLs with the GL;</p> <p>2.4 Furnish the DOT Head Office Accounting with copies of the Journal Entry Vouchers (JEVs) on the grant of the fund transfers and ensure that an OR is issued as acknowledgement of receipt of fund;</p>	<p>Investigate the cause of the variances.</p> <p>Review the entries made and make necessary adjustments (if necessary)</p> <p>Prepare SL for each PDOT Regional Office and regularly reconcile the SL and GL</p> <p>Furnish DOT Head Office Accounting with copies of JEVs on the grant of fund transfers made to PDOT Local and Foreign Offices</p>	<p>Finance Department</p> <p>Finance Department</p> <p>Finance Department</p>	<p>May 24, 2019</p> <p>May 24, 2019</p> <p>May 24, 2019</p>	<p>December 31, 2019</p> <p>December 31, 2019</p> <p>December 31, 2019</p>	<p>Fully implemented</p> <p>Fully Implemented.</p> <p>Partially Implemented.</p>	<p>The Accounting Division is currently reviewing all the balances stipulated therein.</p> <p>also regularly coordinates with TPB Marketing Departments, implementing agencies and COA to address the concern on unliquidated balances. Memoranda were issued to DOT on unliquidated fund transfers for its perusal and appropriate action. A short talk to reiterate the rules and regulations covering the fund transfers (implementation and liquidation) was delivered by the Finance-OIC during the DOT-spearheaded Marketing Workshop last September 2018.</p> <p>Finance Department is currently updating its books. Copies of JEVs in relation to the grant of fund transfers to PDOT Local and Foreign Offices shall be forwarded to the DOT Home Office once Accounting Division has finished recording all the transactions for Fiscal Year 2019.</p>	

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		2.5 Stop receiving the liquidation reports directly from the PDOT Offices, as these must be coursed through the DOT Head Office Accounting and, coordinate with the latter for the proper handling of the transactions as prescribed in COA Circular No. 94-013; and	Meet with DOT Head Office to discuss the necessary changes in the procedure of liquidation of fund transfers from PDOT Offices and steps to be taken to its effect.	ODCOO/ ODCOO CA/ ODCOO Mktg/ Legal/ Finance	May 24, 2019	December 31, 2019	Partially Implemented	Mother and Implementing MOA to effect the necessary changes in the procedure of liquidation is pending approval by the DOT Secretary.	
		2.6 Conduct regular reconciliation of the balances among books, reports and records of the DOT Head Office Accounting; scrutinize and investigate the variances upon discovery, and effect necessary adjustments accordingly;	Regularly reconcile books with the records of DOT Head Office and make necessary adjustments (if necessary)	Finance Department	May 24, 2019	December 31, 2019	Partially Implemented	Ongoing review and reconciliation of TPB books with DOT records.	Accounting Division prepares and regularly submits a Status of Fund
		3. Coordinate with the DOT and other Implementing Agencies to ensure strict compliance/implementation of the guidelines on fund transfers, specifically COA Circular No. 94-013 and the MOA;	Meet with DOT and other Implementing Agencies to reiterate strict compliance with COA Circular No. 94-013 – Guidelines on Fund Transfers	ODCOO/ ODCOO CA/ ODCOO Mktg/ Legal/ Finance	May 24, 2019	December 31, 2019	Fully Implemented		Transfers which accounts for all the remittances, realignment of savings and liquidation of project funds for each PDOT Office/Regional Office. Nonetheless, a Subsidiary Ledger is also prepared for each PDOT Office/Regional Offices

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		4. Address the problems encountered in the granting of fund transfers to implementing agencies; revisit and update TPB's policies/standard operating procedures in the implementation of projects coursed through DOT and other government agencies/parties, for proper execution by all concerned officers and employees;	Meet with DOT and Foreign Office representatives to discuss the problems encountered in the grant of fund transfer and to agree on the proper procedures to be taken to resolve the conflicts without bypassing the applicable COA rules and regulations	ODCOO/ ODCOO CA/ ODCOO Mktg/ Legal/ Finance	May 24, 2019	December 31, 2019	Fully Implemented		
		5. Consider amending the MOA with DOT to include the following provisions:	Take into account the enumerated recommendations herein in the amendment of the MOA.	ODCOO/ ODCOO CA/ ODCOO Mktg/ Finance	May 24, 2019	December 31, 2019	Fully Implemented		
		5.1 The Secretary of DOT / Chairman of TPB be duly informed on fund transfers by providing copies of: (1) the MOA and evidence of fund transfers for any projects to be implemented coursed through DOT, and (2) Status Report of Outstanding Balances per Accountable Officers, on semestral basis;		Legal/ Finance				There were constant coordination meetings with DOT Head Office to enforce the provisions in the contract which states that the liquidation reports shall be coursed through by the Foreign Office to the DOT Head Office. DOT Head Office, as a result, shall liquidate to TPB. In the same manner, TPB shall furnish DOT Head Office with copies of JEVs in order for the PDOT Home Office to account for the fund transfer made to Foreign Offices.	
		5.2 The DOT shall inform TPB of the Accountable Officers' (PDOT TA/MR & Regional Directors) movement (transfer, retirement, resignation, etc.); and					Fully implemented	To this effect, draft of a pro-forma Mother Memorandum of Agreement and Implementing Memorandum of Agreement between TPB and DOT. The said Mother and Implementing MOA was endorsed for to the Office of the Secretary for approval. As a policy stated in the MOA, AD strictly requires liquidation of the prior fund remittances as requirement for processing of additional project fund remittances.	

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		5.3 The Accountable Officers (PDOT TA/MR & Regional Directors) shall secure Clearance from TPB, in case of transfer, retirement, resignation, etc;					Fully implemented	<p>There were constant coordination meetings with DOT Head Office to enforce the provisions in the contract which clearly requires complete compliance with the COA Circular No. 94-013.</p> <p>The TPB ODCOO CA delivered a short talk on the rules and regulations on the grant of Fund Transfers during the Retooling Workshop participated by all the Foreign Attaches and Administrative Officers last December 04-05, 2019. Following the talk, there was an open forum to give chance to Foreign Offices to air the difficulties they encounter on fund transfer and liquidation. In effect, the TPB management, in coordination with DOT Legal and TPB and DOT COA Resident Auditors and Supervisory Auditors discussed the necessary steps to be taken to resolve the difficulties encountered in the grant of fund transfers while taking into consideration the COA rules and regulations.</p>	
		6. Consider the possibility that the DOT Secretary be a signatory to the MOA; and	Take into account the recommendation in the amendment of the MOA.	ODCOO/ ODCOO CA/ ODCOO Mktg/ Legal/ Finance	May 24, 2019	December 31, 2019	Fully Implemented	<p>The enumerated recommendations for inclusion to the MOA with DOT were taken into account in the preparation of the draft of Mother and Implementing MOA with DOT.</p> <p>The recommendation that DOT Secretary shall be the signatory of the MOA was taken into account in the preparation of the draft of Mother and Implementing MOA with DOT.</p>	

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		7. Furnish COA copies of pertinent policies, board resolutions, strategic plans and other relevant supporting documents addressing the issues on fund transfers.	Submit the documents enumerated herein to COA.	Legal Department	May 24, 2019	December 31, 2019	Fully Implemented		The documents enumerated herein were submitted to COA.
AO No. 4 Page 68	The faithful representation of the balance of Financial Liabilities - Accounts Payable (A/P) account of P306.899 million as at December 31, 2018 was not established due to: (a) adjustments to close the abnormal balances totalling P189.637 million were not supported with pertinent documents/ reports; (b) recorded transactions in the total amount of P30.770 million were not duly supported with contracts and documents; (c) variance of P5.232 million between books and confirmed amount from one of the suppliers. Likewise, the A/P account was misstated in view of: (a) various payments totalling P29.243 million were recorded under Accumulated Surplus/(Deficit) account instead of deductions to A/P account; and (b) non-accrual of various unpaid expenses aggregating P28.289 million which understated the A/P account at year-end by the same amount. These were all contrary to Paragraph 3.10 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector	We recommended that Management: 1. Designate a personnel that would permanently handle and monitor the A/P Account; 2. Direct the Accounting Department to: a. Determine the nature and cause of the abnormal balances in the A/P account and support with pertinent documents/reports the adjustments made to close the abnormal balances totalling P189.637 million; otherwise, reverse the entry made until these are duly substantiated. Henceforth, ensure that transactions are supported with relevant documents before effecting adjustments in the books;	Designate a personnel to handle AP and SL for AP Perform a thorough review/ reconciliation of the entries made in prior years (2017 and 2016) to determine the nature of the abnormal balances and make the necessary adjustments (if applicable) to correct the books. Perform necessary confirmation and verification procedures for AP and Other Payables and make necessary adjustments if found out that claim(s) is(are) non-existent.	Finance Department Finance Department	May 24, 2019 May 24, 2019	December 31, 2019 December 31, 2019	Fully Implemented Fully Implemented		A bookkeeping personnel was designated to handle the A/P account and its corresponding SL. A reconciliation procedure was undertaken to determine the cause and nature of abnormal balances of prior (2017 and 2016) years. Upon examination of the recording procedures back then, it was found that, upon settlement of a prior year expense, AP is automatically debited without proper verification of the outstanding AP. This caused abnormal negative balances in AP. On the other hand, long outstanding AP balances was caused by prior years' practice (2017 and 2016) of recording AP based on signed Budget Utilization Slip (BUS). Supporting documents were not collected to verify the existence, validity and accuracy of BUS prior to signing by the Budget Division Chief. This was also verified by COA per AOM No. 17-16 dated May 24, 2018 wherein it recommended that AD should "recognize transactions and other events

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	Entities and Paragraph 27 of PPSAS 1.								when they occur and record in the financial statement of the periods to which they relate/incur and not based on the signed BUS". In the same AOM, COA also recommended that "if there is no valid claim, reverse the accounts payable outstanding for two years or more to the CROU as prescribed under Executive Order No. 108 dated June 10, 1999 and implemented by DBM-COA Joint Circular No. 99-6 dated November 13, 1999". This explains why in 2018, there was a reversal amounting to P189.637M, the total of all APs without valid claims (since they are BUS-based) and which were outstanding for 2 years or more, compliant to AOM No. 17-16 and DBM-COA Circular DBM-COA Joint Circular No. 99-6.
		b. Submit to the Audit Team the contracts and documents to support the recorded amount of P30.770 million in the A/P account and, make necessary adjustment on recorded amounts which differed from supporting invoices;	Verify the existence of liability by attaching the necessary documents or reverse the recorded AP in the absence of supporting documents.	Finance Department	May 24, 2019	December 31, 2019	Partially Implemented	Accounting Division is still verifying the existence of the AP considering that the P30.770 million was recognized in the books by the previous Accountant in the fiscal year 2017.	
		c. Recognize payables in the books only when TPB becomes a party to the contractual provisions of an instrument in accordance with PPSAS 29;	Strictly comply with the provisions of PPSAS 29 in recognizing the AP.	Finance Department	May 24, 2019	December 31, 2019	Fully Implemented		Accounting Division strictly complied with the provisions of PPSAS 29 in recognizing AP. In 2018, recognized APs were fully supported with necessary documents and are properly submitted to COA.
		d. Reconcile the variance of P5.232 million between the records of contractor and	Verify the cause of the variance and make the necessary						

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		<p>the amount recorded in the books, and effect adjustment, if warranted;</p> <p>e. Make necessary adjustment on the various payments totalling P29.243 million which were recorded under Accumulated Surplus/(Deficit) account instead of A/P account. Henceforth, require the personnel in charge in the preparation and maintenance of SLs for A/P account to determine if an A/P was previously set-up to avoid misstatements in the recording of payments of payables; and</p> <p>f. Accrue all unpaid expenses for the year to avoid restatement of the financial statements due to prior period adjustments;</p>	<p>adjustment, if applicable.</p> <p>Verify the noted errors in recording and make the necessary adjustment, if applicable.</p> <p>Issue a memorandum to all Departments to require submission of documents necessary for accruing expenses.</p>	<p>Finance Department</p> <p>Finance Department</p> <p>Finance Department</p>	<p>May 24, 2019</p> <p>May 24, 2019</p> <p>May 24, 2019</p>	<p>December 31, 2019</p> <p>December 31, 2019</p> <p>December 31, 2019</p>	<p>Fully implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Accounting Division is still verifying the erroneous entries made in the books to effectively prepare adjusting entries, if necessary.</p> <p>Not all documents necessary for the accrual and recording of AP was submitted to Finance.</p>	<p>A memorandum addressed to the concerned departments was issued by Finance last December 20, 2018 to require the submission of necessary documents for the proper recognition of Accounts Payable.</p>
		<p>3. Require all Departments to submit to the Accounting Department necessary documents on unpaid expenses incurred during the year to enable the latter to accrue the expenses before the closing of the books of accounts; and</p> <p>4. Make necessary adjustment in the books to record the understatement of P1.945 million representing cost of audit services.</p>	<p>Issue a memorandum to all Departments to require submission of documents necessary for accruing expenses.</p> <p>Verify the cause of understatement and make necessary adjustment in the books.</p>	<p>Finance Department</p> <p>Finance Department</p>	<p>May 24, 2019</p> <p>May 24, 2019</p>	<p>December 31, 2019</p> <p>December 31, 2019</p>	<p>Partially Implemented</p> <p>Fully implemented</p>	<p>Not all documents necessary for the accrual and recording of AP was submitted to Finance.</p>	<p>A memorandum addressed to the concerned departments was issued by Finance last December 20, 2018 to require the submission of necessary documents for the proper recognition of Accounts Payable.</p>

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AO No. 5 Page 73	<p>The Advertising, Promotional, and Marketing Expenses (APME) account totalling P722.147 million as at December 31, 2018 was misstated due to:</p> <p>(a) transfers of funds to Implementing Agencies totalling P64.315 million were recognized as APME instead of Due from NGAs, contrary to Section 63, Chapter 6 of GAM, Volume I;</p> <p>(b) set-up of previously reverted A/P amounting to P103.350 million representing expenditures in prior years was debited to APME account instead of adjustment to Accumulated Surplus/(Deficit) account;</p> <p>(c) understatement of APME in the amount of P0.987 million due to error in recording unused inventory. Likewise, the propriety of the payments to foreign suppliers totalling P75.945 million recognized as APME was doubtful due to absence of Official Receipts, contracts and other relevant documents as proofs of inspection, acceptance and validation of the deliverables vis-à-vis actual accomplishments.</p>	<p>We recommend that Management direct the Accounting Department to:</p> <ol style="list-style-type: none"> 1. Take appropriate trainings on government accounting and related topics including PPSASs; 2. Make the necessary correcting entries on the various erroneous entries made under APME and other affected accounts; 3. Be extra careful in recording the transactions in the books of accounts; 4. Submit to the Audit Team the documents pertaining to the payments made to foreign suppliers totaling P75.945 million, such as, ORs, contracts, Inspection and Acceptance Reports, validation reports of the actual accomplishments vis-à-vis the stipulated deliverables; otherwise, a Notice of Suspension will be issued; and 5. Henceforth, ensure that all Journal Entry Vouchers (JEVs) and payments are adequately/sufficiently supported with necessary documents. 	<p>Finance personnel to take trainings in relation to PPSASs</p> <p>Verify the noted errors in recording and make the necessary adjustment, if applicable.</p> <p>Assign/ hire an Accountant to prepare/review the recording of transaction in the books.</p>	<p>OCOO/ ODCOO CA/ Finance Department/ Administrative Department</p> <p>Finance Department</p> <p>Finance Department</p>	<p>May 24, 2019</p> <p>May 24, 2019</p> <p>May 24, 2019</p>	<p>December 31, 2019</p> <p>December 31, 2019</p> <p>December 31, 2019</p>	<p>Fully Implemented.</p> <p>Fully Implemented</p> <p>Fully Implemented.</p>	<p>TPB Accounting has prepared and recorded in its books the necessary adjusting entries which will be submitted to COA.</p> <p>An Accountant V was hired on October 2019 whose regular duties is the preparation of Financial Statements/ reports. Entries in the books are now properly reviewed.</p>	
							Fully Implemented		

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AO No. 6 Page 76	The correctness of the Allowance for Impairment on the Receivables account amounting to P9.759 million could not be established since there were no aging schedules/documents to identify the impaired accounts and there was no assessment made in CY 2018 to determine if there were indications of impairment, contrary to Paragraphs 67 and 68 of PPSAS 29. Also, receivables totaling P2.435 million remained non-moving for more than one (1) year resulting in the doubtful collectability of the accounts.	We recommended that Management:							
		1. Develop a policy on the setting up of impairment of accounts pursuant to pertinent paragraphs of PPSAS 29; and	Refer to applicable PPSAS in setting up of impairment of accounts.	Finance Department	May 24, 2019	December 31, 2019	Partially Implemented	Ongoing - Accounting Division refers to applicable accounting standards on setting up of impairment of accounts	
		2. Direct the Accounting Department to:							
		a. Prepare Aging Schedule of Receivables to substantiate the recorded Allowance for Impairment amounting to P9.759 million and, henceforth determine if there are any indications of impairment on the accounts of TPB and accordingly provide necessary adjustment; and	Accounting Division to prepare an Aging Schedule of Receivables to substantiate the recorded Allowance for Impairment.	Finance Department	May 24, 2019	December 31, 2019	Fully Implemented	Aging was prepared on year-end as support to 2019 Annual Financial Statement.	
		b. Locate the supporting documents of the receivables outstanding for more than one (1) year totalling P2.435 million and reassess their collectability.	Locate the supporting documents of the receivables outstanding for more than one (1) year totalling P2.435 million and reassess their collectability.	Finance Department	May 24, 2019	December 31, 2019	Partially Implemented	Ongoing effort in locating documents of receivables which are outstanding for more than one year. Adjustments (if necessary) shall be properly recorded in the books.	
AO No. 7 Page 27	Due from Non-Governmental Organization (NGO)/People's Organization (PO) and Accumulated Surplus/(Deficit) accounts were overstated by P1.500 million due to non-recognition of the related expense accounts in CY 2017 despite the submission of the liquidation/required documents by	We recommended that the Accounting Department effect the necessary adjustment to correct the balances of the affected accounts. Prepare the necessary reconciliation between the book and bank balances and effect the necessary adjustment where appropriate; and	TPB Accounting to prepare and record the necessary adjusting entries	Finance Department	May 24, 2019	December 31, 2019	Fully Implemented		

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	the recipient of the funds, contrary to Paragraph 7 of PPSAS 1.	Revert back to cash in bank and recognize the liability for the stale checks amounting to P437,000.							
AO No. 8 Page 79	The accuracy of the balance of the Inventory Account of P27.517 million as at December 31, 2018 was doubtful due to: (a) variance of P0.440 million between the recorded amount of issuance per General Ledger (GL) of P19.189 million and the supporting Report of Supplies and Materials Issued (RSMI) of P18.749 million; (b) variances of P0.507 million and P0.664 million between the balance per GL and per Report on the Physical Count of Inventories (RPCI) and the RPCI and per Stock Cards (SC), respectively; (c) double recording of Other Supplies and Materials Inventory account amounting to P2.190 million. Likewise, there were inconsistencies in the recording of payments totalling P3.172 million to Accu-Map, Inc. for the printing and production of five (5) destination brochures (Davao City and Samal Island, Palawan, Iloilo City and Guimaras Island, Subic and Clark, Surigao City and Siargao Island), contrary to Paragraph 16 of PPSAS 3.	We recommended that Management: 1. Direct the Accounting Department and the Property/Inventory Custodian to reconcile the variances: a. between issuance of Inventory per GL and RSMI by tracing all issuances recorded in the SCs supported by appropriate RIS and provide the Audit Team with the report on reconciliation duly supported; b. between the total of the RPCI and the GL/Trial Balance; and c. make adjustments on the books or corrections on the Inventory Reports, if necessary;	Property Custodian and Accounting Division to reconcile relative to the discrepancies in the reports on Inventory as noted by COA.	Finance Department/ Administrative Department	May 24, 2019	December 31, 2019	Fully Implemented	Finance and Administrative Department regularly reconciles its records on purchases and issuances of inventories. Necessary adjustments are recorded in the books.	
			Property Custodian to reconcile the RPCI with the SCs and maintain SC for each inventory item; and	Administrative Department	May 24, 2019	December 31, 2019	Fully Implemented	The Property Custodian will keep Stock Cards for each type of inventories in compliance with Sec. 17 of GAM Vol. 1	
			Accounting Division to prepare adjusting entries as noted herein.	Finance Department	May 24, 2019	December 31, 2019	Fully Implemented	Necessary adjusting entries were made on the books as reflected on JEV#2019-02-115 and 2019-04-178.	

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		<p>a. Double recording of Other Supplies and Materials Inventory account of P2.190 million; and</p> <p>b. Inconsistencies in the recording of payments made to Accu-Map, Inc. in the amount of P3.172 million.</p>					Fully Implemented		
							Fully implemented		
AO No. 9 Page 28	The propriety and legality of expenditures totaling P80.640 million incurred on the "Buhay Carinderia" Project, implemented in CY 2018, were doubtful due to: (a) the total cost of the contract for the project was charged to the CY 2017 budget though it was not included in the Annual Procurement Plan (APP) and Project Procurement Management Plan (PPMP) for CYs 2017 and 2018, contrary to Sections 7.1 and 7.2 of Republic Act (RA) No. 9184 or the Government Procurement Reform Act; (b) no actual savings in CY 2017 budget as the receipts vis-à-vis expenditures registered an overdraft of P256.314 million, but still said Project was charged to the budgetary allocation of said year, contrary to Section 85(1) of PD No. 1445; (c) non-deduction of five (5) per cent Final Value Added Tax (VAT) equivalent to P3.600 million from Marylindbert International, Inc. (MII), in violation of Section 114 of the National Internal Revenue Code (NIRC); and (d) various provisions of the MOA that were disadvantageous to the government.	<p>We recommended that Management:</p> <p>1. Strictly comply with Sections 7.1 and 7.2 of RA No. 9184 and Section 85(1) of PD No. 1445;</p> <p>2. Henceforth, ensure that all projects to be implemented by TPB are included in the APP/PPMP and COB;</p> <p>3. Require the MII to refund the amount for final VAT amounting P3.600 million which was not deducted in the final payment of the contract on Buhay Carinderia Project for remittance to the BIR; otherwise, a Notice of Disallowance shall be issued;</p> <p>4. Ensure that the contract entered into with the proponent is not onerous/disadvantageous to the government, exercise due diligence in the utilization of government funds;</p>	<p>TPB to send Demand Letters to MII for the refund of VAT and submission of necessary documents</p>	<p>May 24, 2019</p>	<p>December 31, 2019</p>	Fully Implemented	<p>Sponsorship activities is outside the coverage of RA 9184. The grant of assistance to private sectors and allied fields are authorized and carried pursuant to the mandate of TPB to market and promote Philippine as a premier tourism destination</p>		
				<p>May 24, 2019</p>	<p>December 31, 2019</p>	Partially Implemented	<p>Demand letters were sent to Marylindbert International to refund the VAT. However, Marylindbert has not complied as of date.</p>		
				<p>May 24, 2019</p>	<p>December 31, 2019</p>	Partially Implemented	<p>The reasonableness of the advertisement cost was considered in the project evaluation and is left to the discretion of the approving authorities. The TPB Management shall endeavor to further establish its guidelines for MICE Plus Program, the International Promotions Department and the Marketing Communications for its future sponsorship activities</p>		
				<p>May 24, 2019</p>	<p>December 31, 2019</p>	Partially Implemented			

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		<p>5. Require MII to submit: (i) the liquidation reports duly supported with relevant documents of all tranches paid/released by TPB in the total amount of P80.640 million; otherwise, a Notice of Suspension shall be issued, and (ii) details and supporting documents relative to its 20 per cent equity share on total cost of the Project; and</p> <p>6. Identify the persons liable to this onerous contract and institute appropriate legal action against them, if warranted.</p>			May 24, 2019	December 31, 2019		<p>Compliance by the parties to COA rules is integrated in the MOA and is paramount consideration in the implementation of the project, the disbursement of payments, submission of relevant liquidation reports and supporting documents. It provides for clauses on the submission of legal documents, deliverables and entitlements to TPB. The nature of the funds release is trust liability under existing COA rules and regulations. Thus, these relevant provisions justify the requirement from Finance Department for the submission of supporting documents prior the release of payment and the Demand Letter sent to Marylindbert International dated July 27, 2018 to comply with existing COA laws, rules and regulations.</p> <p>The inspection report and certifications to be issued by the implementing department covers the verification aspect of the validity of the liquidation reports of Marylindbert International as stipulated in the agreement. Demand letters were already sent to Marylindbert International for compliance of the requested documents. Pursuant to Board Resolution No. 164 series of 2018, TPB Board suspended the project.</p> <p>The Domestic Promotions Department submitted its Evaluation report of the Buhay Carindera Project.</p>	

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									Demand Letters were sent to Marylindbert International for compliance of the detailed WFP and Proof of Equity.
AO No. 10 Page 29	The TPB was unable to properly safeguard/protect its interest when it did not require I.A.G.T.O Ltd. to submit the: (a) Work and Financial Plan (WFP); (b) 20% proof of equity (POE); and (c) Audited Financial Statements (AFS) or their equivalent to determine the reasonableness of the contract amount of P45.650 million, in violation to Section 2 of PD No. 1445 and COA Circular No. 2012-001.	We recommended that Management: 1. Direct all responsible officers in the review of contract to require the submission of the necessary documents as enumerated in TPB's uncontrolled form, with No. QF-LEGD-01 Rev-00, otherwise NS/ND shall be issued by the Audit Team; and	1. For the MICE Events, the requirement of WFP, Proof of Equity and Audited Financial Statement seeks to establish the financial capability of the contracting party. Thus, the submission of the required legal documents will form as integral part of Contract/Memorandum of Agreement to be determined under the MICE guidelines.	MICE	May 24, 2019	December 31, 2019	Fully Implemented		
		2. Exercise due care in reviewing the contract particularly the reasonableness of the amount to be extended as financial sponsorship.	2. The reasonableness of the contract amount is within the purview of the Implementing Department. Thus, TPB shall consider the establishment of guidelines for MICE assisted events under the MICE PLUS PROGRAM	MICE	May 24, 2019	December 31, 2019	Partially Implemented	Alignment of the MICE Plus Program to the prevailing MICE industry Benchmark and Best Practices	Briefing with project officers on the submission of required documents relating to sponsorships and financial assistance.

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AO No. 11 Page 90	The reasonableness and validity of the nineteen (19) Financial Sponsorship contracts totaling P34.195 million and the proper implementation thereof could not be established due to: (a) incomplete documents as required in TPB ISO 9001:2015 uncontrolled form No. QF-LEGD-01 Rev-00 and the contract of sponsorship; and (b) absence of guidelines to determine the amount to be extended and the manner of the grant, contrary to Section 2, PD No. 1445.	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Submit the required documents to support disbursements made for 19 financial sponsorship contracts; otherwise, a Notice of Suspension shall be issued and, henceforth, require the Accountant to ensure that all the required documents are submitted and obtained before payment be made; and 2. Formulate/issue policy/guidelines on the grant of financial sponsorship, to include, among others, the following: <ol style="list-style-type: none"> a. The limit of financial sponsorship to be granted on a specific event or project; b. That all financial sponsorship be on a reimbursement basis to avoid cases of unliquidated funds and prevent the risks of mishandling of government funds; and c. Comprehensive guide in determining the reasonableness of the amount to be extended. 	The submission of required documents will be monitored through the checklist of requirements to be distributed by the Finance Department.	Finance/ IPD/ / DPD/ MICE/ MARCOM	May 2019	December 31, 2019	Partially Implemented	<p>PEC guidelines for financial assistance locally including institutional projects were approved by the Governing Board and already functional under the Domestic Department. The internal guidelines for financial assistance for Corporate Planning Department was approved by the COO.</p>	<p>Briefing with project officers on the submission of required documents relating to sponsorships and financial assistance.</p> <p>Finalize and Secure the approval of the Guidelines for the following department within the current year:</p> <p>MICE Department International Promotions Department MARCOM Department</p>
			The concerned offices shall formulate their respective guidelines on Financial Sponsorship/Assistance. DPD adopted its PEC Guidelines and Guidelines for Institutional Projects		2019	December 31, 2019	Partially Implemented		
							Partially Implemented		

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AO No. 12 Page 31	Financial sponsorship/assistance granted to a Local Government Unit (LGU) totaling P2 million remained unliquidated since October 2017, contrary to the pertinent provisions of the MOA.	We recommended that Management send demand letter to the City Government of Bacoor for the immediate liquidation of the financial assistance for Musiko 2017.	Demand liquidation of Financial Assistance from City of Bacoor	Finance/ Domestic	May 24, 2019	December 31, 2019	Fully Implemented		City of Bacoor liquidated the total amount of P2 million financial assistance. It has refunded the total amount of P8,775.00 JEV#2019-06-310. City of Bacoor submitted a Summary of Expenses certified by the Chief Accountant and duly received by their resident COA.
AO No. 13 Page 32	The propriety and the reasonableness of the procurement contracts totaling P22.961 million for entertainment production and lease of venues were doubtful due to the following: (a) contracts entered into by and between RRM Entertainment Production (a local company) and PDOT – Frankfurt costing P9.755 million, as performers and other various procurements totaling P9.179 million did not undergo the usual procurement process as required by RA No. 9184 and Annex H of its 2016 Revised IRR; (b) procurements for the lease of venue totaling P4.027 million were not supported with complete documents and did not undergo proper procedures on the procurement of venue for lease as required under Item 9, Lease of Real Property and Venue, Annex H, of the 2016 Revised IRR. Likewise, lease of venue/accommodation to a luxury hotel totaling P1.253 million could be considered extravagant in line with COA Circular No. 2012-003.	We recommended that Management: a. Require all concerned to comply strictly with the provisions of RA No. 9184 and its 2016 Revised IRR, COA Circular Nos. 2012 - 001 and 2012 - 003; b. Henceforth, require the BAC to undertake the procurement process, if the supplier will be a Philippine Corporation/entity, to ensure that the procurements are in accordance with the requirements of RA No. 9184 and its Revised IRR; c. Submit the documents to support procurement for lease of venue as enumerated in Annex H, 2016 Revised IRR of RA No. 9184 and COA Circular No. 2012-001 to avoid issuance of a notice of suspension; and d. Stop the practice of using luxury hotels as venue for meetings and events to avoid disallowance in audit.	TPB Management to issue policy memorandum on the strict adherence to the provisions of R.A. 9184 Comply with the COA recommendation.	PGSD OCOO PGSD	Feb. 04 2019 Feb. 04 2019	Feb. 04 2019 Feb. 04 2019	Partially mplemented Fully Implemented		Reminded all concerned department to strictly follow and comply the IRR of R.A. 9184 by issuing a Memorandum dated 04 Feb 2019 with subject "Strict compliance on the Timeline for the Alternative Modes of Procurement " Reminded all concerned department to strictly follow and comply the IRR of R.A. 9184 by issuing a Memorandum dated 04 Feb 2019 with subject "Strict compliance on the Timeline for the Alternative Modes of Procurement "
			Comply with the COA recommendation Comply with the COA recommendation		January 2019 January 2019	December 2019 December 2019	Partially Implemented Partially Implemented	To reply the AOM. The TPB management is putting its best effort in complying COA recommendation to refrain availing luxury hotel as venue for meetings and events, however, there are still instances such as:	Reminded all concerned department to strictly follow and comply the IRR of R.A. 9184 by issuing a Memorandum dated 04 Feb 2019 with subject "Strict compliance on the Timeline for the

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							<ul style="list-style-type: none"> a) During peak seasons, only 4-5 stars hotels are available even if it undergoes to a proper procurement process and follows the provisions of RA 9184 b) It involves international and foreign participants, and c) The chosen hotel is the best suitable hotel after considering its suitability of location and logistics requirements. 	Alternative Modes of Procurement	
AO No. 14 Page 33	TPB resorted to direct contracting for the procurement of five (5) Destination Map Brochures with a total contract price of P6.345 million despite it was against the opinion of its Legal Department and, there was no study/survey conducted to determine that there were no sub-dealers selling at lower prices and for which no suitable substitute can be obtained at a more advantageous terms to the government, contrary to Section 50 of the Revised IRR of RA No. 9184. Moreover, there was already payment of P2.538 million, equivalent to 40% of the contract price, made to the Contractor even without the delivery of the goods procured, contrary to Section 88 of PD No. 1445 and Section 4 of the Revised IRR of RA No. 9184.	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Strictly comply with the provisions of the Revised IRR of RA No. 9184, on the procurement of goods and Section 88 of PD No. 1445, on advance payment; 	<p>To comply with the recommendation.</p> <p>To reply with the Audit Observation Memorandum.</p>	<p>MARCOM /PGSD</p> <p>MARCOM</p>	<p>May 24, 2019</p> <p>December 31, 2019</p>	<p>Partially Implemented</p> <p>Not Implemented</p>	<p>Henceforth, internal control was instituted through a proper checking and reviewing every contract entered into by TPB as regards to advance payment under procurement of goods and ensure that the provisions of the Revised IRR of RA 9184 is being followed</p> <p>The Marketing Communications Department requested for the procurement of the printing & production of the 5 Destination Brochures (Davao, Palawan, Iloilo, Subic/Clark and Surigao/Siargao) through the attached Purchase Request dated 13 September 2016, received by the PGSD last 10 October 2016. The Pre-procurement was done last 06 October 2016 and BAC Resolution No. 2016-087 was issued by the BAC Secretariat last 04 November 2016 and NOA received by Accu-Map last 25 January 2017 and the Performance Security bond was received by TPB on 26 January 2017.</p> <p>This particular printing & production requirement of MARCOM Department was processed through BAC and the</p>		
		<ol style="list-style-type: none"> 2. Cause the immediate refund/return of the 40% advance payment in the amount of P2.538 million, otherwise a Notice of Disallowance will be issued; and 	<p>To reply with the Audit Observation Memorandum</p>	<p>MARCOM</p>		<p>Not Implemented</p>			

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		3. Hold accountable the persons involved in the procurement of five (5) Destination Map Brochures.					Not Implemented	<p>Department only monitored the flow of procurement and ensured that the goods be delivered within 3-5 months after the approval of the final brochure content and map vetting. Final Artwork approved last 07 November 2018.</p> <p>As per BAC letter dated January 20, 2020 addressed to the OIC-Audit Team Leader. "The BAC issued Resolution No. 2016-087 dated 15 December recommending alternative mode of procurement under Direct Contracting based on the representation made by the end user:</p> <ol style="list-style-type: none"> 1. TPB's Legal Department memorandum to Mr. Artem Maunahan dated 31 May 2016 stating that Direct Contracting may be resorted to due to the proprietary nature of copyrights, 2. MARCOM Department 's memorandum to Mr. Joselito V. Gregorio dated 07 October 2016 wherein it was approved on 10 October 2016. <p>It was only after BAC resolution was approved that another opinion dated 27 February 2017 was issued retracting the initial opinion given</p>	
AO No. 15 Page 34	The Cashier was not sufficiently bonded, contrary to Treasury Circular No. 02-2009; thus, exposes TPB of not being fully indemnified in case of loss of government funds through theft or misappropriation.	We recommended that Management accurately assess the total maximum accountability of the Cashier and ensure that the amount of her bond is enough to cover her actual cash accountability, pursuant to Treasury Circular No. 02-2009.	Increase the coverage bond from 25million to 75 million pesos.	PGSD	June 21, 2019	June 21, 2020	Fully Implemented	We have increased the bond coverage from 25million to 75 million	
AO No. 16 Page 34	The TPB was unable to allocate at least five (5) per cent of its Corporate Operating Budget (COB) for GAD programs,	We recommended that Management:							

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	projects and activities (PAPs); the CY 2018 GAD Plan and Budget (GPB) was not endorsed by the PCW; and the GPB was partially implemented as the allocated amounts for GAD PAPs were not fully utilized, all in contrary to the provisions of Republic Act (RA) No. 9710 or the Magna Carta of Women and Philippine Commission on Women-National Economic and Development Authority-Department of Budget and Management (PCW-NEDA-DBM) Joint Circular No. 2012-01.	<p>1. Allocate, through attribution, at least 5% of the total annual COB for the implementation of GAD-related activities as required under Section 36(a) of RA No. 9710 or the Magna Carta of Women and PCW-NEDA-DBM Joint Circular No. 2012-01;</p> <p>2. Ensure that the GPB is duly approved by the TPB GFPS and COO and submitted to the PCW on time in compliance with PCW-NEDA-DBM Joint Circular No. 2012-01;</p> <p>3. Direct the GAD Focal Point System to:</p> <p>a. Plan and require the Heads of implementing department/offices to ensure that GAD PAPs are implemented as planned to attain the GAD objectives; and</p>	<p>We are going to train our project officers to use the HG DG tool to attribute major projects of TPB.</p> <p>The 2020 GPB was signed and approved by COO and submitted to PCW on 28 July 2019 through GMMS</p> <p>THE GFPS and TWG will have a six year GAD Agenda to be the guidelines for future project and to ensure the implementation even the administration will change.</p>	<p>GFPS and TWG, PHRDD and Marketing and Promotions Sector</p> <p>GFPS and TWG, PHRDD</p> <p>GFPS and TWG, PHRDD</p>	<p>2nd Quarter of 2020</p> <p>01 July 2019</p> <p>January 2020</p>	<p>4th Quarter of 2020</p> <p>28 July 2019</p> <p>December 2025</p> <p>1st Quarter 2019</p> <p>3rd Quarter of 2019</p> <p>July 2019</p>	<p>Not Yet Implemented</p> <p>Fully Implemented</p> <p>Partially Implemented</p>	<p>Included in Projects and Program FY 2020. We are going to train our project offices to use the HG DG tool to attribute major projects of TPB.</p> <p>THE GFPS and TWG will have a six year GAD Agenda to be the guidelines for future project and to ensure the implementation even the administration will change.</p>	<p>The project officers will undergo a training workshop to be done by the GAD Expert. The TPB GFPS Secretariat will coordinate to PCW for the update, if any in using the HG DG Tool.</p> <p>The 2020 GPB was signed and approved by COO and submitted to PCW on 28 July 2019 through GMMS. The TPB GFPS will coordinate with the PPCW regarding the formulation of GAD Agenda. The GFPS Secretariat will ask the assistance and consultation to a GAD expert that will help the team to create its GAD Agenda for the next 6 years.</p> <p>Submitted the new users of GMMS to PCW through PCW System Administrator last 31 January 2019.</p> <p>The GFPS, TWG and GAD Secretariat will identify which major projects can be attributed to maximize the GAD Funds.</p>
		<p>b. Ensure compliance with the guidelines for the preparation of Annual GPB and AR to implement the Magna Carta of Women; and</p> <p>c. Maximize the utilization of the GAD funds through the implementation of GAD-related programs and projects in order to attain the objective for which funds were provided.</p>	<p>Update the roster of users in the GMMS System to be notify on the preparation of GPB and AR</p> <p>Prepare memorandum for DCOO for Marketing & Promotions to assess major</p>	<p>GFPS and TWG, PHRDD</p> <p>GFPS TWG, PHRDD and Marketing Officers</p>			<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>The GFPS and TWG will be reconstituted and orient first before the implementation.</p>	

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			projects using the prescribed tool (HGDG or GMEF) of PCW to maximize attribution of their PAP's to the Allocate in the 5% GAD Fund..						