

PART III – STATUS OF IMPLEMENTATION OF PRIOR YEAR’S AUDIT RECOMMENDATIONS

Of the 39 audit recommendations embodied in the prior years' Annual Audit Report (AAR), 16 were fully implemented and 23 were not implemented. Details are as follows:

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REFERENCE	OBSERVATIONS	RECOMMENDATIONS	ACTIONS TAKEN/ COMMENT
	corresponding understatement of the Investment Property account by the same amount, which are not in accordance with Paragraph 27 of IPSAS 1. Furthermore, non-maintenance of PPE Ledger Cards by the Accounting Section and Property Cards by the Asset and Property Management Office is not in accordance with Section 42, Chapter 10 of Government Accounting Manual, Volume I. In addition, the recorded revaluation increment of land and building under Revaluation Surplus account amounting to P422.186 million as at December 31, 2023 remained unadjusted, contrary to the Philippine Application Guideline No. 2 of IPSAS 17 affecting the fair presentation of the account and its related account in the Financial Statements. Lastly, unserviceable PPE items costing P16.580 million, with residual value of P301 were not yet disposed as at December 31, 2023, contrary to Section 79 of Presidential Decree No. 1445, depriving the Network of a higher return had these properties been immediately disposed of.	IBC-13 building and make necessary adjustments to the related accounts to correct their balances as at December 31, 2023;	
		ii. Reclassify the Condominium Unit held for lease amounting to P4.074 million to Investment Property instead of PPE in accordance with IPSAS 16; and	Fully Implemented.
		iii. Exert diligent efforts to locate and identify all documents affecting the Revaluation Surplus account and prepare the necessary adjusting entries on the affected accounts;	Not Implemented. Updated and reiterated as discussed in Part II, Observation and Recommendation No. 1 of this Report.
		d. Comply with the requirements of COA Circular No. 2020-006 dated January 31, 2020 to avail the one-time cleansing of PPE; and	Not Implemented. Updated and reiterated as discussed in Part II, Observation and Recommendation No. 1 of this Report.
		e. Instruct the Disposal Committee to prepare the IIRUP to facilitate the immediate disposal of the unserviceable	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and

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		properties and submit the same to the Accounting Section for the preparation of the necessary adjusting entries.	Recommendation No. 1 of this Report.
AO No. 2, Page 53	The faithful representation in the financial statements of the balance of the Receivables account with a carrying amount of P174.879 million as at December 31, 2023 could not be ascertained due to: (a) non-maintenance of Subsidiary Ledgers and unavailability of supporting documents for the recorded receivables aggregating P327.923 million; (b) variance between balance per books and the confirmed balance amounting to P136.071 million; (c) existence of negative balances in the total amount of P17.808 million; and (d) non-updating of the impairment on Accounts Receivable – Trade and Other Receivables accounts as at year-end, which are not in accordance with Paragraph 27 of the International Public Sector Accounting Standard (IPSAS) 1 and Paragraph 67 of IPSAS 29. Moreover, inclusion of dormant accounts totaling P318.295 million which could have been submitted to COA for Request for Authority to Write-off was noted by the Audit Team.	<p>We recommended that Management direct the Accounting Section to:</p> <p>a. Maintain SLs for the clients of the Network to facilitate monitoring of the receivables and exert diligent efforts to locate the supporting documents of the recorded Receivables account totaling P327.923 million;</p> <p>b. Make representation with the Commission Proper, this Commission as to the status of the money claim relative to the receivables from DepEd;</p> <p>c. Analyze the cause(s) of the negative balances and make the necessary adjusting entries;</p> <p>d. Establish written guidelines governing the provision or computation of Allowance for Impairment which</p>	<p>Not Implemented.</p> <p>Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 2 of this Report.</p> <p>Fully Implemented.</p> <p>Not Implemented.</p> <p>Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 2 of this Report.</p> <p>Fully Implemented.</p>

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		shall include among others, percentage to be used and accounts that are to be provided with impairment;	
		e. Assess the adequacy/ appropriateness of the Allowance for Impairment on AR-Trade and Other Receivables accounts, and make the necessary adjusting entries, if warranted; and	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 2 of this Report.
		f. Submit Request for Authority to Write-off Dormant Accounts to COA following the guidelines and procedures prescribed under COA Circular No. 2023-008 dated August 17, 2023.	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 2 of this Report.
AO No. 3, Page 60	The faithful representation in the financial statements of the balance of the Cash and cash equivalents account in the total amount of P18.574 million as at December 31, 2023 could not be ascertained due to: (a) inclusion of non-existing bank account with a balance of P8.994 million and non-conversion of US Dollar-denominated account using the closing rate as at reporting date; and (b) inclusion of negative balance of Cash collecting officer account amounting to P5.143 million as at December 31,	We reiterated our prior years' recommendations that Management direct the Finance Division to require the Accounting Section to exert diligent efforts in locating the pertinent documents relative to the non-existing bank account that remains reflected in the books and effect the necessary adjusting entry related thereto.	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 3 of this Report.
		We further recommended that Management direct the	

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		b. Immediately make representation with the BIR to confirm whether the balance of Tax Withheld at Source account particularly those from prior years could still be revalidated and be used as tax credit;	Fully Implemented.
		c. Demand from the IBC-13 clients concerned the copies of BIR Form No. 2307; and	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 4 of this Report.
		d. Moving forward, ensure that copies of BIR Form No. 2307 will be secured for all the collections of the Network.	Fully Implemented.
AO No. 5, page 68	The balance of the Sales Revenue account in the amount of P32.149 million for the year ended December 31, 2023 is overstated by P442,869 in view of: (a) recognition of unaired airtime revenue in the amount of P472,869; and (b) erroneous recording of a billing invoice resulting to a variance in the amount of P30,000. Further resulting to understatement of the related Receivables account by P30,000, which are not in accordance with paragraph 27 of the International Public Sector Accounting Standard (IPSAS) 1 and paragraph 19 of IPSAS 9. Moreover, the	We recommended that Management instruct the Finance Division to: a. Prepare the necessary adjusting entries for the noted deficiencies; and b. Moving forward, ensure the proper recognition of Sales Revenue in the correct accounting period, particularly on BCs that has 'pay before broadcast' terms by reconciling the recorded balance in the books against the actual services	Fully Implemented. Fully Implemented.

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	concerned accountable officer from the Sales and Marketing Division failed to prepare the monthly Report of Accountability for Accountable Forms relative to Broadcast Contracts (BCs) contrary to Section 17.k, Chapter 8 of the Government Accounting Manual Volume 1. Thus, improper accounting and/or monitoring of said accountable forms exposes the Network to the possible risk of misuse or loss of the BCs.	rendered or completed based on the CPs. We further recommended that Management direct the SMD to prepare and submit monthly Report of Accountability for Accountable Forms relative to BCs for ease of control and monitoring in accordance with Section 17.k, Chapter 8 of the GAM Volume I.	Fully Implemented.
AO No. 6, page 71	The faithful representation of the balances of various Liability accounts as at December 31, 2023 totaling P4.505 million could not be established due: (a) negative balances in the total amount of P2.415 million and (b) absence of Subsidiary Ledgers for all liability accounts and inadequate documentations to support the said balances, not in accordance with Paragraph 27 of International Public Sector Accounting Standard 1.	We reiterated our prior year's recommendations that Management instruct the AS to: a. Exert all efforts to locate the relevant documents, conduct a thorough analysis of prior years' transactions that lead to negative balances of the various liability accounts and prepare the necessary adjusting entries; b. Make representation with Pag-IBIG and PhilHealth to reconcile the negative balances of the pertinent liability accounts; c. Fast track the preparation of SLs for	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 5 of this Report. Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 5 of this Report. Not Implemented.

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		proper monitoring of the various liability accounts; and	Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 5 of this Report.
		d. Reconcile with the Payroll Section on the recorded year-end unremitted balance of the Due to SSS - Salary Loan account and make the necessary adjustment(s), if warranted.	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 5 of this Report.
<u>Non-Financial</u> AO No. 7, page 74	Propriety of procurements made by the Network through Shopping and Small Value Procurement (SVP) in the total amount of P3.408 million could not be established due to the non-submission of the documents required under Items C.2(b), D.8(b) and Appendix A of Annex H of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184. Further, Purchase Orders for the procurements made by IBC-13 through Shopping and SVP for CY 2023 in the total amount of P3.408 million were not supported by Certificate of Availability of Funds, contrary to Section 3.1.2 of COA Circular No. 2009-001 dated February 12, 2009.	We recommended that Management: a. Require the BAC, Purchasing, and the AS to submit all the required lacking documents to the Office of the Auditor for evaluation; b. Moving forward, strictly adhere to Items C.2(b) and D.8(b) and Appendix A of Annex H of the 2016 RIRR of RA No. 9184 relative to documentary requirements in the procurement through Shopping and SVP; and c. Strictly comply with Section 3.1.2 of COA Circular No. 2009-001 dated February	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 7 of this Report. Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 7 of this Report. Fully Implemented.

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		12, 2009 on the requirement of the Certificate of Availability of Funds, moving forward.	
AO No. 8, page 79	Inadequate documentation to support the payments on Security Services and Per diem for Board and Committee Meetings covering the period January 1 to December 31, 2023 with an aggregate amount of P3.383 million and P0.929 million, respectively, contrary to Sections 9.1.3.2 and 5.7.3 of COA Circular No. 2012-001 dated June 14, 2012, thereby casting doubt on the propriety of the transactions involved.	We recommended that Management direct the Finance Division to submit the noted lacking documentary requirements and strictly comply with COA Circular No. 2012-001 dated June 14, 2012 particularly on the disbursements relative to Security Services and Directors & Committee Members Per Diem, moving forward.	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 6 of this Report.
AO No. 9, page 81	Post-audit on the grant and liquidation of cash advances of IBC-13 for CY 2023 disclosed the following deficiencies: (a) cash advances granted totaling P1.868 million were inadequately supported with the required documentations; (b) the validity of expenses totaling P59,151 could not be ascertained due to the lack of receipts or approved Certificate of Expenses not Requiring Receipts/Reimbursement Expense Receipts; and (c) liquidation of cash advances relative to local travels were inadequately supported with the required documentations, contrary to Sections 1.1, 1.1.4.1, 1.2.2 and 1.2.4.1 of COA Circular No. 2012-001 dated June 14, 2012. Further, Daily Travel Expenses (DTE) claimed for	We recommended that Management: a. Submit the lacking documentations noted on this observation; b. Moving forward, strictly comply with the documentary requirements on the grant and liquidation of cash advances, as prescribed by COA Circular No. 2012-001 dated June 14, 2012 to avoid audit suspensions; and c. Strictly comply with the allowed DTE rates prescribed by EO No. 77 dated March 15, 2019 to avoid audit disallowances.	Fully Implemented. Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 10 of this Report. Not Implemented. Updated and reiterated, as discussed in Part II, Observation and

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	hotel/lodging exceeded the allowed amount by P6,325, contrary to the allowable DTE rate prescribed by Executive Order No. 77 dated March 15, 2019.		Recommendation No. 10 of this Report.
AO No. 10, page 87	One hundred fifty-one (151) officers and employees of IBC-13 did not accomplish and file their Calendar Year 2022 Statements of Assets, Liabilities, and Net Worth, contrary to Civil Service Commission Memorandum Circular No. 10, series of 2006 and the pertinent provisions of Republic Act No. 6713, thereby defeating the objective of promoting transparency in the civil service.	We recommended that Management: a. Strictly require all its officers and employees to comply with the requirements provided in RA No. 6713 dated February 20, 1989, specifically Sections 3 (a & b) and 8 (a), and impose the prescribed sanctions in cases of non-compliance; and b. Thereafter, submit proof to this Office that the SALNs submitted by the officers and employees of the Network were duly received by the CSC.	Fully Implemented. Fully Implemented.
AO No. 11, page 89	IBC-13 was unable to allot at least five percent of its total budget to Gender and Development (GAD)-related Programs, Activities, and Projects (PAPs) nor prepare its Calendar Year 2023 GAD Plan and Budget, contrary to Section 2.3 of the Philippine Commission on Women-National Economic and Development Authority-Department of Budget and Management Joint Circular No. 2012-01, thus, gender may not have been mainstreamed in the PAPs of	We reiterated our prior year's recommendation that Management strictly comply with the requirement to allot at least five per cent of its total budget to GAD-related PAPs and submit its prepared annual GPB to the PCW for endorsement in compliance with the above-mentioned joint circular. We further recommended that	Not Implemented. Updated and reiterated, as discussed in Part II, Observation and Recommendation No. 13 of this Report. Fully Implemented.

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	the agency. Moreover, the Network has yet to develop or integrate in its existing database GAD information to include gender statistics and sex-disaggregated data that have been systematically produced or gathered, contrary to Section 4.4 of the same Joint Circular.	Management fast track the creation of the GAD Database/sex-disaggregated data which can be used as inputs for planning, budgeting, programming, and policy formulation.	