

**PART III - STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS**

We made a follow-up on the actions taken by the Philippine Army on the implementation of prior years' audit recommendations and noted the following:

<b>Status of Implementation</b>	<b>No.</b>	<b>Percentage</b>
Implemented	15	39
Not Implemented	23*	61
<b>Total</b>	<b>38</b>	<b>100</b>

\*Out of total unimplemented recommendations, 16 were reiterated in Part II of this report.

The results of our validation are as follows:

<b>Observations and Recommendations</b>	<b>Ref</b>	<b>Management Action</b>	<b>Status of Implementation</b>	<b>Results of Audit Team's Validation</b>
<p>1. The reliability of PA's Consolidated Financial Statements cannot be established due to accounting errors and omissions totaling ₱4,526,718,411.42 which include unrecorded deposits, inventories, and PPEs, erroneous recording of fund transfers, unreconciled accounting and property records, non-preparation and submission of RSMIs, among others; thereby, resulted in the misstatement of affected accounts.</p> <p>We recommended that Management direct the concerned accountants of ASPA and Field Accounting Units (FAUs) to correct immediately all accounting errors.</p>	CAAR 2020 Pages 66-79		Not Implemented	<p>Not all accounting errors were corrected.</p> <p>Reiterated in Part II of this report.</p>

Observations and Recommendations	Ref	Management Action	Status of Implementation	Results of Audit Team's Validation
<p>2. Accounting deficiencies in recording and reporting financial transactions totaling ₱8,768,637,605.31 undermined the quality of information presented in the financial statements.</p> <p>a) require the concerned AO and the Office of the Assistant Chief of Staff for Operations (G3) to submit the lacking documentation without further delay for evaluation.</p>	<p>CAAR 2020 Pages 79-85</p>	<p>51EBde commented that letter and required documents were forwarded to COA on March 15, 2021.</p>	<p>Implemented</p>	
<p>b) direct concerned property offices of Headquarters Philippine Army (HPA) and 3ID to require the prompt submission of RIS by end users and the monthly RSMI's so that utilization of supplies/inventories will be recognized in the books as an expense in the period these were actually used;</p>		<p>APAO commented that ASPA and GSPAO are on process of reconciliation.</p> <p>APAO commented that the recognition of FOL issuances/ utilization amounting to ₱1,202,115.31 was already reconciled with 6FAU. The 6FPAO already submitted the Report of Supplies and Materials Issued (RSMI) amounting to ₱972,421.58 last February 1, 2021 and amounting to ₱229,693.73 last February 24, 2021.</p>	<p>Not Implemented</p>	<p>Reiterated in Part II of this report.</p>

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<p>c) require respective Field Property Accountability Office (FPAO) to timely submit RPCI and direct said Office to reconcile property records with the Accounting records;</p>		<p>For the 2ID, the ASPA has recognized the following JEVs:</p> <table border="1" data-bbox="743 489 1003 720"> <thead> <tr> <th>JEV Nr</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2021-001</td> <td>17,956,547.92</td> </tr> <tr> <td>2021-002</td> <td>1,609,091.96</td> </tr> <tr> <td>2021-003</td> <td>559,868.53</td> </tr> <tr> <td>2021-004</td> <td>703,809.55</td> </tr> <tr> <td>2021-005</td> <td>2,337,003.42</td> </tr> <tr> <td>2021-006</td> <td>17,661.87</td> </tr> <tr> <td>2021-011</td> <td>256,933.14</td> </tr> <tr> <td><b>Total</b></td> <td><b>23,440,916.39</b></td> </tr> </tbody> </table> <p>For the 10ID, ₱12,372.84 remained unrecorded.</p>	JEV Nr	Amount	2021-001	17,956,547.92	2021-002	1,609,091.96	2021-003	559,868.53	2021-004	703,809.55	2021-005	2,337,003.42	2021-006	17,661.87	2021-011	256,933.14	<b>Total</b>	<b>23,440,916.39</b>	Not implemented	Reiterated in Part II of this report.
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2021-001	17,956,547.92																					
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<b>Total</b>	<b>23,440,916.39</b>																					
<p>d) require the ASPA and PAO, GS to account fully the existing discrepancy of ₱1,241,878,087.25 and conduct periodic reconciliation of their respective records to identify and adjust discrepancy, if any;</p>		<p>APAO commented that ASPA and PAO-GS are on process of reconciliation.</p>	Not Implemented	Reiterated in Part II of this report.																		
<p>e) direct the Accounting and Property Units to reconcile their records pertaining to unrecorded properties and unreconciled discrepancies and thereafter, prepare the necessary journal entries, if warranted;</p>		<p>3ID commented that the causes of discrepancy were already identified except for Military, Police and Security Equipment account under RAF and Modernization Fund and Motor Vehicles account under RAF, wherein a wall-to-wall reconciliation of PPE is currently being conducted by the Office of 6FAU</p>	Not Implemented	Reiterated in Part II of this report.																		

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		<p>and 6FPAO, respectively. Adjustment in the books for affected PPE accounts will be made upon submission of the supporting documents by 6FPAO.</p> <p>APAO commented that the discrepancy between the RPCPPE of 6FPAO and Book of Accounts of 6FAU was already reconciled as of March 2021.</p>		
<p>f) direct the Chief Accountant, 14FAU to secure copy of Deed of Donation for donated properties and appraise its value, if not indicated and thereafter, draw a JEV to record donated properties in the books of accounts;</p>		<p>APAO commented that as of February 2021, donated properties were already recorded in the RPCPPE of 14FPAO and recognized in the book of accounts of 14FAU.</p> <p>As of February 12, 2021, the processing of Deeds of Donation from stakeholders was already completed. Further, the Chief, 14FAU commented that they have already</p>	<p>Implemented</p>	

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		received copies of the Deed of Donation and other supporting documents from the 14FPAO and recognition of the same were already effected in the books under JEV Nos. 2021-02-035 and 2021-02-036 both dated February 17, 2021.		
g) require the Chief, 6FAU to exert effort to verify composition of the Other Assets account amounting to ₱10,542,410.73 and make necessary adjustments, if warranted; and		3ID commented that Other Assets account had been adjusted per JEV number 2021-03-000731 dated March 29, 2021.	Implemented	
h) require the respective FPAOs to prepare and maintain Property Cards as a permanent file of their office in accordance with the form and instructions set forth in the GAM for NGAs.		In 55EBde, Management commits to prepare the PCs on each class of PPE under the same description with the same unit cost and maintain it as part of its permanent file to ensure the availability of its own data and updated information on the movement of the PPE items of the agency.	Not Implemented	Reiterated in Part II of this report.

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<p>3. The HPA continued to maintain 17 bank accounts with the LBP which are already inactive and/or considered unnecessary; hence, contrary to Section 3, DOF-DBM-COA Joint Circular No. 4-2012 dated 11 September 2012. Likewise, submission of BRS remained delayed despite enrollment of some accounts with the Landbank <i>weAccess</i>; thus, not keeping with Chapter 21 of GAM Volume I. Moreover, three MDS accounts, instead of a single account, were utilized to fund intended disbursements through two level of transfer of funds from mother account to disbursing (FCPA) account which contribute to the volume of transactions.</p> <p>a) Direct the Army Chief Accountant to submit immediately all unsubmitted BRS and observe timely submission of reports as prescribed by the GAM;</p>	<p>CAAR 2020 Pages 85-90</p>	<p>Management submitted the BRS for CY 2020.</p>	<p>Implemented</p>	<p>BRS for CY 2020 were submitted.</p>
<p>b) Consider the need to close without further delay those inactive and unnecessary accounts or provide a satisfactory explanation as to the necessity for its continued</p>		<p>FCPA commented that nine (9) bank accounts were already closed, six (6) bank accounts are for retention and two (2) bank</p>	<p>Not Implemented</p>	<p>FCPA is still waiting for confirmation on the closure of the identified bank accounts.</p>

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maintenance including the maintenance of the three primary MDS accounts; and		accounts are still waiting for confirmation of closure from LBP-Main. The letters for closure were forwarded on 21 July 2021.		
c) Revert the remaining balance of ₱32,491,553.48 under the 72-100RF account to the BTr pursuant to EO No. 431.			Not Implemented	Balance amounting to ₱85,349.81 remained unreturned.
<p>4. The balances of <i>Due from Officers and Employees</i> and <i>Other Receivables</i> accounts of six (6) field units include dormant accounts amounting to ₱1,193,394.40 and ₱3,200,276.98, respectively, which have been outstanding for 10 to 37 years, due to failure of Management to monitor liquidation of cash advances and enforce settlement of accounts; thus, collectability of the same is doubtful.</p> <p>We recommended that Management direct the concerned Accountant to:</p> <p>a) Conduct regular monitoring and analysis of receivable accounts to ensure that these are collected when becomes due and demandable;</p>	CAAR 2020 Pages 90-92	<p><i>Due from Officers and Employees</i></p> <p><u>1ID</u> - ASPA commented that they are waiting for</p>	Not Implemented	Reiterated in Part II of this report.

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		<p>the reply from the Auditor for the write-off of the dormant accounts.</p> <p><i>Other Receivables</i></p> <p><u>3ID</u> - for the remaining ₱1.4M, a letter request was sent to the AC of S for personnel, G1, 3ID dated August 26, 2021 to identify the status and whereabouts of the subject accountable officers.</p> <p><u>4ID</u> - the 10FAU will coordinate with the division PAALAC for the issuance of demand letter and with division G1 for the related documents for the write-off of the accounts.</p> <p><u>7ID</u> - still locating some Accountable Officers and Personnel who have dormant receivable accounts.</p> <p><u>52EBde</u> - requested for the write-off of</p>		

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		<p>the dormant receivable last June 3, 2021.</p> <p><u>53EBde</u> - exerting its best effort to hasten the collection of payment from a retired accountable officer to settle his accountabilities. A total of 3 demand letters were sent and received by subject officer on CY 2019. Likewise, on October 22, 2019, the Secretary of PAALAC forwarded a letter request to Chief, AFP Pension and Gratuity Management Center, GHQ requesting to hold his pension and benefits if his accountability is not settled or resolved. The same letter with such purpose was also sent to PGMC on April 29, 2021. Coordination with Secretary of PAALAC of this unit to AFP PGMC still in process on</p>		

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		monthly deductions.		
b) Exhaust all possible remedies to collect receivables and demand liquidation therefor or file appropriate judicial action against AO or against his estate, if deceased, among others; and			Not Implemented	Reiterated in Part II of this report.
c) Reassess chances of recoverability of receivables, if warranted, and consider filing a request to write-off dormant accounts with COA pursuant to COA Circular NO. 2016-005, dated December 19, 2016.			Not Implemented	Reiterated in Part II of this report.
<p>5. The <i>Due from Government Owned and/or Controlled Corporations</i> balance of ₱9,129,158,169.51 includes excess balances/unutilized fund transfers amounting to ₱2,394,848,286.08 aged three years and above which were not refunded by PITC to the Philippine Army or remitted to the Bureau of the Treasury contrary to E.O No. 431 and COA Circular 94-013.</p> <p>We reiterated our prior year's recommendation that Management:</p>	CAAR 2020 Pages 92-95			

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<p>a) Demand the immediate refund of long outstanding excess/unutilized balances totaling ₱2,394,848,286.08 and subsequently remit the same to the BTr; and</p>		<p>ASPA commented that out of the balance of ₱2,394,848,286.08 transferred to PITC for the year 2017 and below, ₱285,465,631.80 had been remitted to the BTr. Furthermore, project completion reports submitted by PITC is recorded under various JEVs amounting to ₱1,306,608,635.14 .</p>	<p>Not Implemented</p>	<p>Reiterated in Part II of this report.</p>
<p>b) Require the PITC to deliver immediately the requested items for procurement which are crucial in the Agency's operations.</p>		<p>OG4, PA mentioned the following:</p> <ol style="list-style-type: none"> <li>1. ASPA forwarded a letter to PITC dated April 21, 2021 requesting to confirm the ₱2.39B long-outstanding balances aged three (3) years and above with a ₱1.37B remaining liquidated.</li> <li>2. The PA thru OG4 forwarded a letter to PITC dated April 29, 2021 demanding the reversion of the</li> </ol>	<p>Not Implemented</p>	<p>Reiterated in Part II of this report.</p>

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		<p>₱176M since these projects are on the early stages of procurement. Further, the PA requested that PITC and ASPA reconcile the residuals/liquidation amounting to ₱554M and be subsequently returned to the BTr.</p> <p>3. Likewise, the same document dated 29 April 2021 was forwarded to the resident COA for information.</p> <p>4. Per PITC report to the PA, an amount of ₱276M remaining balance in their records contrary to the report of ASPA which is P2.39B. Out of the ₱276M remaining balance, ₱176M will be expedited by the said corporation for return to BTr.</p>		
6. The non-submission of accounting reports and supporting documents amounting to ₱412,655,610,203.21 limited the scope of audit	CAAR 2020 Pages 95-97			

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<p>and precluded prompt examination of transactions, detection and corrections of errors and deficiencies, and timely reporting of audit results to Management.</p> <p>We recommended that Management direct the concerned Chief Accountants to submit without further delay all the unsubmitted financial reports and supporting documents for CY 2020 and henceforth, observe strictly the reporting deadlines.</p>		<p><u>HPA</u> – Submitted to date is ₱396,782,450,576.96.</p> <p><u>Armor/TRADOC</u> - All financial reports and supporting documents for CY 2020 were already transmitted to COA as of 16 April 2021.6ID commented 12FAU had already sent the RANCA, RCI and DV to the COA-BARMM dated 28 April 2021.</p> <p><u>9ID</u> - Per records of OG4, 9ID, ten (10) units of lost firearms that were not recognized in the book of accounts already completed the official recording to 5FPAO dated 19 August 2021. The said lost firearms have already been</p>	<p>Not Implemented</p>	<p>Reiterated in Part II of this report.</p>

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		<p>dropped from the books of accounts. In addition, based on the findings of 5FPAO the said lost firearms were already dropped from book of accounts.</p> <p><u>10ID</u> - the Chief 11th FAU submitted the General Journal covering the period of Jan-Dec 2020 duly received by the Office of COA with total amount of ₱11,352,177,411.13, and for the current year, Chief 11FAU already submitted General Journal from January to March 2021.</p>		
<p>7. The non-implementation of 10 projects from CYs 2015-2018 costing ₱85,578,868.65 resulted in unutilized Repairs, Maintenance and Construction (RMC) Funds and non-attainment of fund's intended purpose; thus, depriving the agency of timely benefits that could have been derived therefrom had those projects been</p>	<p>CAAR 2020 Pages 97-98</p>			

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<p>implemented as programmed.</p> <p>We recommended that Management coordinate with Petron Corporation on the immediate delivery/ implementation of 10 projects under the RMC Fund and make a representation with DND on the inclusion of timeframe in the Memorandum of Agreement within which the project shall be undertaken.</p>		<p>Management provided updates on the status of the 10 projects.</p>	<p>Not Implemented</p>	<p>Reiterated in Part II of this report.</p>
<p>8. The pecuniary liability of five PA personnel who filed their requests for relief from property accountability for lost firearms contained DND Circular No. 34 resulting in the stalled issuance of COA Decisions on said requests and subsequent settlement of liability, in case requests are denied.</p> <p>We recommended that Management:</p> <p>a. Make immediate representations with concerned DND office/officials relative to updating of DND Circular No. 34; or</p> <p>b. Create a Technical Working Group that will</p>	<p>CAAR 2020 Pages 99-100</p>	<p>APAO commented that the DND released the certified copy of Department Circular No. 10 dated 17 June 2021 amending the Department</p>	<p>Implemented</p>	

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<p>primarily update both existing list of firearms and cost valuation authorized in the outdated DND Circular.</p>		<p>Circular No. 34, s. 1998, Subject: "Updated Cost Valuation of Issued or Loaned Firearms".</p>		
<p>9. The utilization of the Army General Hospital (AGH) Mess Fund was inconsistent with existing laws, rules and regulations due to: a) irregular use of income sourced from PhilHealth Trust Receipts (PHTR) as initial funding for the mess support; b) absence of legal basis or authority to open bank account for the purpose; c) lack of check and balance in the disbursement of funds; and d) improper accounting of collections and disbursements.</p> <p>We recommended that Management:</p> <p>a) Require concerned official of the Army General Hospital (AGH) to submit explanation on the use of PhilHealth Trust Receipts (PHTR) to fund the mess requirements of patients falling under non-military casualty category;</p>	<p>CAAR 2020P ages 100-104</p>	<p>AGH, HHSG commented that available records showed that AGH is not utilizing PhilHealth Trust Receipts as reported in the Explanation Letter of CO, AGH.</p>	<p>Implemented</p>	
<p>b) Direct concerned official of AGH to submit to the Audit Team legal authority in the opening of</p>		<p>Management commented that an OG1, PA directive served as the basis for opening of</p>	<p>Implemented</p>	

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bank account for Mess Fund;		account as evidenced in the Summary of Agreement dated July 18, 2018.		
c) Consider the revision of AGH SOP No. 1 particularly the provisions on signatories to disbursement vouchers; and		AGH SOP Nr 1 was revised to establish check and balance in compliance to existing policies.	Implemented	A copy of the amended procedures was furnished to the Audit Team.
d) Direct Chief Accountant to maintain subsidiary ledger for Mess Fund to monitor additions to and deductions from the Fund.		Coordinated with Chief, ASPA to maintain subsidiary ledger for the said purpose.	Implemented	
<p>10. Extremely huge amounts of cash advances ranging from ₱22M to ₱89M were granted to accountable officers by 11D, rendering government funds exposed to risk of loss or misappropriation.</p> <p>We recommended that Management pay the Service Allowance and Subsistence Allowance of members of Citizen Armed Force Geographical Unit (CAFGU), thru Cash Card System (CCS) or any similar products offered by any Government Servicing Banks or Authorized Government Depository Banks (AGDBs) to protect the interest of the government.</p>	CAAR 2020 Pages 104-106	<p><u>3ID</u> - 6FAU has fully liquidated per JEV Nr 2021-02-290 dated February 26, 2021.</p> <p><u>4ID</u> - Balances of the Accountable Officers have been fully liquidated as of March 21, 2021.</p> <p><u>52EBde</u> - commented that the unliquidated cash advance was</p>	Implemented	

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		<p>already liquidated as of March 31, 2021.</p> <p><u>AD/TRADOC</u> - the cash advance of ₱250,000.00 was liquidated on January 29, 2021 with JEV no. 2021-01-000139 while the cash advance of ₱250,550.00 was liquidated with JEV no. 2021-02-000318.</p> <p><u>7ID</u> - all unliquidated cash advances as of December 1, 2020 were refunded or deposited to their respective collecting officer.</p>		
<p>11. Recorded four (4) parcels of land in the books of 5th Infantry Division amounting to ₱270,597,823.10 were not yet registered in the name of the Division; thus, ownership thereof could not be ascertained.</p> <p>We recommended that Management facilitate the titling of four lots to prove ownership thereof and to avoid further risk of future claims by private individuals</p>	<p>CAAR 2020 Page 107</p>	<p>OG4, PA commented that per letter from the Installation Management Command, PA dated 20 August 2021, three (3) out</p>	<p>Implemented</p>	<p>Titles of the land submitted to the Audit Team were verified.</p>

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		of four (4) lots were already titled while the remaining lot cannot be processed for titling due to its classification as Timberland.		
<p>12. Deficiencies in the completion of projects in the 10ID and 51EBde were observed.</p> <p>We recommended that Management:</p> <p>a) For 10th ID, impose liquidated damages for the delays incurred in project implementation and closely monitor the completion of the projects; and</p>	<p>CAAR 2020 Pages 108- 109</p>	<p>Letter dated August 31, 2021 stated that per 11FAU, records all the following projects by JTA builders are 100% complete: Auditorium Agila Hall and Dormitory, while the delivery of one (1) lot various Heavy Equipment by China Six Eleven International Sales is also 100% fully complied.</p> <p>11FAU already charged liquidated damages for the Auditorium project amounting to ₱261, 049.07.</p>	<p>Implemented</p>	

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<p>b) For 51EBde, require the Accounting Unit to exert extra efforts to locate documents to support the projects listed under Construction in Progress.</p>		<p>A total of 14 turnover documents were forwarded to 14FAU but only 3 were recognized due to discrepancy on the project amount.</p> <p>Out of 61 CIP, 4 were classified to appropriate PPE accounts amounting to ₱8,335,319.35 and has outstanding balance of PhP334,445,442.45.</p> <p>12 out of the listed 61 CIP are Terminated Projects amounting to ₱185,960,822.05.</p>	Not Implemented	
<p>13. Certain provisions of laws, rules and regulations on reportorial requirements, funds and property management, and procurement were not faithfully adhered to; thus, indicative weak compliance monitoring by the agency. To strengthen control over PA's financial and accounting operation, we recommended that Management intensify monitoring of compliance to the existing laws, rules</p>	<p>CAAR 2020 Pages 109- 111</p>		Not Implemented	<p>Reiterated in Part II of this report.</p>

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and regulation and ensure faithful observance thereof.				
<p>14. GAD Plan and Budget and GAD Accomplishment Reports of three (3) PA units namely 4ID, 52EBde and AD/TRADOC were not submitted to the concerned Audit Teams contrary to Item V of COA Circular No 2014-001 dated March 18, 2014.</p> <p>We recommended that Management require the concerned GAD focal person to strictly observe the timely submission of the said reports to the COA Audit Team in compliance with the aforesaid COA Circular.</p>	<p>CAAR 2020 Pages 111-113</p>	<p><u>AD</u> - GAD Office, already submitted the GAD AR to Resident COA on February 18, 2021.</p> <p><u>52EBde</u> - has already submitted to the compliances on the submission of pertinent documents to COA Resident Auditor last February 3, 2021.</p> <p><u>TRADOC</u> - GAD Office has submitted a copy of GAD Plan and Budget (GPB) CY 2020 to OAGAD, PA and was received on August 24, 2021.</p>	<p>Implemented</p>	

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15. For CY 2020, only 10 of the 19 units of PA have undertaken Program, Projects and Activities in compliance with the Senior Citizen and Persons with Disability.	CAAR 2020 Pages 113-114	CMOR already programmed in APB CY 2021 a PWD/SC Comfort Room which was implemented in June 2021.	Implemented	
<p>16. Repair works on buildings and structures of the 51EBde and CMOR totaling ₱7,363,928.00 were pursued and implemented during the effectivity of RA No 11469 or the “Bayanihan To Heal As One Act” contrary to the economy measures required under NBC No. 580.</p> <p>We recommended that Management require the AC of S for Logistics (G4) to provide justification/explanation on the implementation of 25 repair works totaling ₱7,363,928.00 despite retirement on the discontinuance of repair/renovation works adopted as an economy measure under NBC NO. 580.</p>	CAAR 2020 Pages 118-119	Letter of justifications were forwarded to COA on February 11, 2021. The repair works/projects mentioned in the memo were improvement of workplace and billeting of troops, which were deemed necessary to protect the troops from the spread of virus by constructing dividers, extension of barracks and additional facilities that served as quarantine area. Justification/	Implemented	

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		<p>explanation was submitted on February 10, 2021 citing and elaborating that said repair works were all related and supportive to the COVID19 efforts of the Regiment which was duly acknowledged and accepted by the Audit Team Leader.</p>		
<p>17. Audit suspensions and disallowances totaling ₱972,831.58 and ₱119,651,878.93 respectively, remained unsettled.</p>	<p>CAAR 2020 Pages 121-122</p>	<p>ASPA commented that the audit suspension in 6ID was already settled under NSSDC No. 2019-001 amounting to ₱11,085.60.</p> <p>In the Armor Division, audit suspensions amounting to ₱921,585.00 were already settled under NSSDC Nos. 2020-001, 2020-002 &amp; 2020-003 dated 14 January &amp; 13 March 2020, respectively.</p> <p>TRADOC commented that the suspension of ₱40,160.98 has been fully settled.</p>	<p>Not Implemented</p>	<p>Reiterated in Part II of this report.</p>

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<p>18. Various accounting deficiencies in recording and reporting financial transactions amounting to ₱4,952,590,419.72 undermined the quality of information presented in the PA's Consolidated Financial Statements (FS)</p> <p>We reinforced our prior years' recommendation by recommending that Management account for and settle the unreconciled difference between the property and accounting records, and between the records of accounts of PA and PS-DBM or PITC.</p>	<p>CAAR CY 2018 Pages 57-59</p>	<p>The ASPA is currently coordinating with other agencies for reconciliation of records.</p>	<p>Not Implemented</p>	<p>Reiterated in Part II of this report.</p>
<p>19. Poor monitoring of motor vehicle registration resulted in the incurrence of penalties of ₱1,056,471.85 for late registration of 773 vehicles while 435 vehicles were not registered during the year.</p> <p>We recommended that Management require the concerned officials/personnel of five units responsible for registration to refund surcharges/ penalties due to late registration.</p>	<p>CAAR CY 2017 Pages 104-106</p>	<p>Concerned personnel of 3ID, 6ID, 7ID, AD/TRADOC, and HPA were directed to refund surcharges/ penalties for late registration.</p>	<p>Not Implemented</p>	<p>No updates on the amounts refunded were provided.</p>
<p>20. ₱31,381,780.48 intended for RCA and Salaries and Wages of</p>	<p>CAAR CY 2017</p>			

Observations and Recommendations	Ref	Management Action	Status of Implementation	Results of Audit Team's Validation
<p>military personnel lacks supporting documents to establish rightful claims.</p> <p>We recommended that Management:</p> <p>a) direct FCPA to coordinate with ASPA and account for ₱14,323,284.19 in the RCA account which should be supported with list/proper documentation; and</p>	<p>Pages 117-121</p>	<p>ASPA commented that stale checks amounting to ₱8,136,821.90 from RCA Account were remitted to BTr with Check#53507 under ASPA JEV-2018-06-012165.</p> <p>Interest income for March 2017 and June to December 2017 amounting to ₱26,267.18 and ₱29,257.11 respectively were remitted to the BTr under ASPA JEV-2018-06-007356 and JEV-2018-06-007359.</p>	<p>Not Implemented</p>	
<p>b) in cases of no valid claimant, immediately remit the amount to the BTr.</p>	<p>CAAR CY 2017 Pages 120</p>	<p>List of re-enlistees is being prepared to support the amount of ₱6,130,938.00 to determine the valid claimants; if none, said amount will be remitted to BTr.</p>	<p>Not Implemented</p>	<p>FCPA and ASPA is in the process of determining the valid claimants of the balances, if any.</p>
<p>21. Liquidations of Quick Response Funds totaling ₱50,770,751.27 not recorded in the books.</p>	<p>CAAR CY 2015 pages</p>			

<b>Observations and Recommendations</b>	<b>Ref</b>	<b>Management Action</b>	<b>Status of Implementation</b>	<b>Results of Audit Team's Validation</b>
<p>Medical equipment bought thru PITC for ₱11,572,556.00 not delivered at year-end.</p> <p>We recommended that Management direct P APC to coordinate with PITC for the immediate delivery of medical equipment and submit liquidating documents to ASPA for liquidation to DND.</p>	109-111	Medical equipment was already delivered as of December 31, 2019.	Not Implemented	QRF liquidations amounting to ₱10,878,331 remained unliquidated.