

PHILIPPINE ARMY
Matrix of Analysis on the Effects of the Misstatements on the Financial Statements
Accounting Errors
CY 2022

Paragraph No.	Accounting Errors	Amount	Accounts Affected Understatement/(Overstatement)					
			ASSETS				LIABILITIES	EQUITY
			Cash and Cash Equivalents	Receivables	Inventory	Property, Plant and Equipment		
	Cash and Cash Equivalents							
1.5	Unrecorded credit memo	3,260,456.14	3,260,456.14				3,260,456.14	
1.5	Unrecorded debit memo	19,801,597.99	(19,801,597.99)				(19,801,597.99)	
1.5	Unrecorded deposits	22,663.40	22,663.40				22,663.40	
1.5	Unrecorded checks issued	2,612,393.20	(2,612,393.20)			(2,612,393.20)		
1.5	Error in recording amount of check issued	427.00	427.00				427.00	
1.9	Non-adjustment of stale checks	465,677.18	465,677.18			465,677.18		
	Receivables							
1.11	Unrecognized RMC rebates	187,584,079.53		187,584,079.53			187,584,079.53	
	Inventories							
1.15	Non-recognition of subsidies of fuel, oil and lubricants (FOL) inventories	457,205,945.14		(457,205,945.14)			(457,205,945.14)	
1.24	Non-recognition of donated inventories	4,110,347.27		-			-	
1.30	Non-derecognition of lost semi-expendable properties	78,396.37		(78,396.37)			(78,396.37)	
	Property, Plant and Equipment							
1.34	Non-recognition of received equipment	17,054,528.56			17,054,528.56		17,054,528.56	
1.35	Non-recognition of completed project	4,475,000.00						
1.35	Non-recognition of depreciation expense of unrecorded property	75,208.33			(75,208.33)		(75,208.33)	
1.36	Non-derecognition of properties turned-over to other field units	83,567,411.46			-		-	
1.37	Non-reclassification of semi-expendable properties	3,292,461.20			(3,292,461.20)		(3,292,461.20)	
	(Over)/Understatement		(18,664,767.47)	187,584,079.53	(457,284,341.51)	13,686,859.03	(2,146,716.02)	
	Total Misstatements	783,606,592.77						
	Materiality Level (1% of Operating Expenses)	1,022,568,707.59						

Overall Reporting Materiality computed as follows:

Operating Expenses	102,256,870,759.37
Percentage	1%
Overall Reporting Materiality	1,022,568,707.59