

SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City

AGENCY ACTION PLAN and
STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2018
As of December 31, 2019

Particular (Ref. Number)	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non implementation, if applicable	Action Taken/ Action to be taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
Property, plant and equipment (COA-AOM No. 2019-01)	1. The General Ledgers (GLs) total balances of the Property, Plant and Equipment (PPE) differed by P222.993 million from the total of the Report on the Physical Count of PPE (RPCPPE) and by P459,000 from the total balances of Subsidiary Ledgers (SLs). The unserviceable property costing P12.441 million but with an undetermined net book value were not derecognized from the PPE account. Thus, the reliability of the carrying amount of PPE of	1.1 AD and the PPS to reconcile their records with the RPCPPE and adjust the books of accounts and the records of the PPS accordingly, to take up the missing and/or unrecorded PPE. PPS, in coordination with the AD, to establish accountability over the PPE not accounted for in the physical count and take appropriate action to recover the replacement value of the said equipment from the accountable officer concerned, if any.	1.1 To follow / implement actions as recommended. a. Reconciliation of records/schedule of PPE of AD against 2018 RPCPPE of PPS. b. Take up adjustments for the unrecorded/missing PPE, if any. c. PPS to verify and validate PPEs with records in AD but not accounted during the 2018 Physical Inventory and include with the RPCPPE; establish accountable employee.	Accounting Division / Property and Procurement Section	7/19	12/19	1.1 Partially implemented. Reconciliation of AD records with PPS inventory report showed: 1. There were wrong account code classification of items under RPCPPE which will be corrected in the 2019 RPCPPE. 2. There were double entries on the RPCPPE classified under "serviceable properties and unserviceable properties" which will be corrected in the 2019 RPCPPE.	Non availability of documents of PPEs dated 1980s and below.	AD hired COS/JO to focus/work on PPE matters.

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	P213.936 million as at December 31, 2018 could not be ascertained.	<p>1.2 AD - HO to adopt the format of PPELC recommended in GAM, such that: property number, estimated useful life, depreciation, and impairment loss are provided for easy reconciliation with the records of Property record;</p> <p>1.3 Inventory Committee of SRA HO to submit the RPCPPE in the prescribed format on or before January 31 of the ensuing year as required in Section 38, Chapter 10 of GAM Volume I; and</p> <p>1.4 PPS to prepare IIRUP as basis of the AD to derecognize from the books the cost of unserviceable PPE and the corresponding</p>	<p>1.2 Maintain subsidiary ledgers using the prescribed forms in the GAM Volume I</p> <p>1.3 Prepare Inventory and Inspection Report of Unserviceable Property (IIRUP) for properties found unserviceable in the conduct of 2019 Physical Inventory, for submission to COA for review and verification before adjustment /appropriate action by AD.</p> <p>1.4 Use the prescribed format of RPCPPE in the GAM Volume I.</p>			<p>3. There were items accounted under the GL but were not accounted in the RPCPPE and vice versa, but had been identified and are for verification with available documents before adjustments.</p> <p>4. There were incorrect posted totals on the RPCPPE which will be corrected in the 2019 RPCPPE.</p> <p>5. There were items that have different cost between the GL and RPCPPE and will be verified for adjustments.</p> <p>1.2 AD to implement preparation of PPELC starting 2019 procurements.</p> <p>1.3 PPS to adopt prescribed format of RPCPPE starting 2019 inventory.</p>	Non-availability of documents for tracing records		

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	of the PPSAS 16 - Investment Property.	record in the books of accounts the parcels of land in La Carlota, Negros Occidental as soon as the fair value becomes available.							
		2.4 AD of HO to comply with Paragraphs 86 and 90 of PPSAS 16 and provide the required disclosure in the Notes to FS.	2.4 Follow up and make representation with the National Housing Authority regarding: 2.4.1 payment of the residential lots in Sugartowne Homes, Batasan Hills that were awarded to them in March, 2017 for its National Government Center Housing Development Project 2.4.2 the SRA land presently occupied and used as office of CSC Main.				No response from NHA from the follow up letters sent to them.	To continuously follow up status of payment from NHA. A meeting with NHA officials is scheduled on January, 2020.	
Block Farm Program (BFP)	3 The implementation of the Block Farm Program (BFP), with budgeted amount of	3.1 Planning, Policy and Special Projects Department (PPSPD) in coordination with	3.1 Conduct consultation with the BF National Focal Person, BF Focal Persons in	PPSPD, BF National Focal Person, BF Focal persons in	2 nd week January 2020	2 nd week January 2020	Delayed.	Multi-tasked personnel from PPSPD, BF Focal Persons, MDOs	The PPSPD, BF Focal Persons and MDOs to prioritize the

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	prescribed in the project guidelines and Section 4(6) of Presidential Decree (PD) No. 1445 on the submission of complete documents on all government fund disbursements.	<p>reports to the MDOs for review and validation to address immediately the problem that are currently hampering the delivery of the interventions to the BFs.</p> <p>3.3 BFP Area Focal Persons to review the bi-monthly reports submitted by the TAs and validated by the MDOs and consolidate the same and prepare an over-all report on the status of the implementation of the BFP to be submitted to the Administrator, Manager of RDED and PPSPD.</p>	<p>3.4 Endorse the draft Memorandum Circular titled "Additional Guidelines on Monitoring and Evaluation of Interventions and Accomplishments of Block Farm Project, Addendum to MC No. 7 Series of 2017" to the Sugar Board for approval.</p> <p>3.5 Issue the new Memorandum Circular titled "Additional Guidelines on Monitoring and Evaluation of Interventions and Accomplishments of Block Farm Project, Addendum to MC No. 7, Series of 2017" to BF National Focal Persons, BF Focal Persons in Luzon/Mindanao and Visayas, Members of BF Technical Working Group, Mill District Officers, Technical Personnel, Block Farm Managers, Manager -</p>	PPSPD/Office of the Administrator/ Board Members	1 st week February 2020	1 st week February 2020	Delayed.	-do-	
				SPD/Office of the Administrator/ Records Section	3 rd week February 2020	3 rd week February 2020	Delayed.	-do-	

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			PPSPD, Manager – RDE Departments.						
SIDA- Socialized Credit Program (COA AOM-18- 03)003)	4 The delay in the issuance of Implementing Rules and Regulations required under the DA DC No. 07 - Implementing Rules and Regulations (IRR) of the SIDA Act, and the absence of evaluation and monitoring guidelines in the implementation of Socialized Credit Program (SCP) required in the IRR of SCP resulted in inadequate evaluation and monitoring of the implementation of the SCP, hence, the causes of delay in the implementation of the program were not addressed immediately. Thus, no loan was released out of the funds received in CYs 2016 and 2017 of P692.697 million as at December 31,	4.1 Formulate guidelines on the monitoring and evaluation of the implementation of the project which shall include, among others: (i) the procedures/activities to be undertaken, (b) persons responsible, (c) timelines for each activity, and (d) reporting and review. 4.2 Prepare Financial Plan for the SCP that includes targets and timelines for its implementation for CY 2019 taking into consideration the expected completion of the Program in five years commencing from the date of transfer to LBP in May 2017, as required in Section E, General Policies and Guidelines, Item No. 11 of the Joint Memorandum Circular No. 1. Series of 2019 dated January 25,	4.1 Intensify information dissemination marketing of SIDASCP. 4.2 Establish market linkage through the local government units.	SCP Management Committee, TWG, Focal Persons; RDE	6/19	12/19	Partially implemented.	Absence of approved IRR which, was approved only in January, 2018 . Delayed official reports from Land Bank as to utilization of funds or how much loans were released/approved to sugarcane farmers to gauge the effectiveness of the implementation of the SCP.	Proposal for the creation of SIDA Program Department (Ad Hoc) One Stop Shop Mechanism to undertake information drive thru the assistance of LGUs and social media OPS/FLT trainings, soil analysis proposed as post requirement for availment of SCP.

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	2018.	2019.	<p>4.3 Closely coordinate with LBP Lending Centers to address the problems/causes that hamper the release of proceeds of the loan applications of farmers the SRA have endorsed.</p> <p>4.4 Facilitate the immediate conduct of Training on Financial Literacy on one Mill District with 61 loan endorsements but without trainings to facilitate the loan releases.</p>	<p>4.3 Maximize the potentials of the Junior Agriculturists, Technical Assistants, Project Evaluation Officers in marketing the SCP.</p> <p>4.4 Schedule Strategic Planning of SCP TWG Committee</p>			<p>Junior Agriculturists had been attending series of capability trainings with infusion of technical knowledge on on-going SIDA programs like Block Farm and SCP being conducted by the Extension Services Dept.</p>	Continuing activity.	
Philippine International Trading Corporation (PITC)	5 The Philippine International Trading Corporation (PITC), as service provider of SRA for the procurement of outsourcing services of various agricultural equipment with Approved Budget Cost (ABC) of P348.535 million had not yet initiated any procurement	<p>5.1 Direct the SRA-BAC to closely coordinate with PITC-BAC and submit all the documentations required by PITC to facilitate the procurement of the equipment.</p> <p>5.2 Require the End-user to comply with the</p>	<p>5.1 Close coordination and full representation of SRA - BAC on every scheduled procurement activity by PITC BAC, the SRA Administrator/HOPE always be given feedback and consulted as deemed necessary.</p> <p>5.2 Market study and determination of ABC</p>	Administrator/ HOPE; SRA BAC/RBAC; Technical Working Group (TWG); BAC; Secretariat	7/19	12/19	<p>Being implemented.</p> <p>Implemented.</p>	<p>Occurrence of failed bidding due non-compliant with specification and documentary requirements and/or no offers submitted</p>	Re-bid to be done

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	<p>activities stipulated in the MOA after four months from signing of the agreement and fund transfer of P358.120 million. Moreover, the MOA did not provide timelines on the delivery of the procurement services and penalty clause in case of delay. Furthermore, the determination of the ABC of subject agricultural equipment was not supported by the market survey as required in the Government Procurement Policy Board (GPPB) Generic Manual of Procedures (GPM), Volume 2; thus, the ABC was not assured to be advantageous to the government.</p>	<p>GPPB GPM Volume 2 in the determination of ABC and conduct adequate market survey to ensure that ABC is the most advantageous prevailing price to the government.</p> <p>5.3 Ensure that the SRA-BAC, BAC Secretariat, and the BAC-TWG are capacitated to conduct procurement by themselves so that outsourcing service would only be resorted to if it would facilitate the procurement that SRA-BAC is not capable to handle.</p> <p>5.4 Direct the Legal Services Section to coordinate with PITC relative to the inclusion of provision in the MOA of timelines to deliver the services and the corresponding</p>	<p>were conducted by SRA TWG to come up with the ABC deemed most advantageous to the government as basis of PITC procurements using as benchmark. The end users' indicative price quotation surveyed from various suppliers of agricultural farm machinery and equipment.</p> <p>5.3 The SRA-BAC and RBAC members have been adequately capacitated through attendance in seminars and forums for better understanding of RA 9184 and its latest IRR.</p> <p>5.4 Safeguards of SRA's Interest Notwithstanding any provisions for penalty in case of PITC's delay in procurement process, there are safeguards in MOA</p>			<p>Implemented.</p> <p>Implemented.</p>			

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		penalty in case of default.	with PITC to protect the interest of SRA - refer to Section 8 Articles 8, 9, 10 and 11 which states that all performance security forfeited by PITC as warranted under the provisions of RA 9184 and its Revised IRR, shall be for the benefit of, and belong to SRA, whereas, any and all damages, liquidated or otherwise, and other penalties imposed by PITC in relation to the implementation of procurement contracts awarded through PITC under this Article shall be for the benefit of, and belong to, SRA.						
Near - Infrared (NIR) equipment Unmanned Aerial Vehicle (UAV) Drone with Radiometric Thermal Camera	6 Procurements of Near - Infrared (NIR) equipment Unmanned Aerial Vehicle (UAV) Drone with Radiometric Thermal Camera in the total amount of P1.254 million were not in accordance with the 2016 RIRR of RA No. 9184 and GPPB GPM Volume 2	6.1 The BAC and the end-user unit to strictly comply with the 2016 RIRR of RA No. 9184 to ensure that efficiency and economy, among others, in the procurement will be attained, specifically by: 6.1.1 Planning adequately the	6.1 All recommendations of COA are well noted. Management will abide for future procurements.	End users; BAC-TWG; Secretariat; PPS; Accounting	7/19	12/19	Implemented.		

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	because of the: (a) adoption of Shopping as alternative mode of procurement by splitting the contracts; (b) determination of ABC without adequate market survey; (c) incomplete documentation supporting the eligibility of the Supplier; and (d) incomplete posting of the award and notice to proceed, among others. Thus, there was no assurance that the principles of efficiency and economy in the procurement were adhered to.	<p>procurement to ensure that public bidding is generally conducted and alternative method of procurement are only resorted to during highly exceptional cases within the conditions prescribed by the 2016 RIRR of RA No. 9184.</p> <p>6.1.2 Conducting adequate market survey as basis in computing the ABC.</p> <p>6.1.3 Conducting adequate evaluation of the eligibility of the supplier in bid/quotations evaluation.</p> <p>6.1.4 Completely posting the procurement activities from Request for Price</p>							

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		<p>quotations to the posting of perfected contract as required in the IRR.</p> <p>6.2 The Accounting Division to demand payment from the supplier the penalty in the amount of P35,112 for the incurred delay in the delivery.</p> <p>6.3 PPS to prepare PO indicating all the vital information as required by COA Circular No. 96-010 and to evaluate compliance of the delivered items with the technical specifications indicated in the PO/Contract.</p>	<p>6.2 Notify the supplier of the penalty due delayed delivery and demand payment.</p> <p>6.3 PPS will comply for future procurement as recommended.</p>	<p>PPS; Accounting</p> <p>PPS PPS</p>			<p>Not implemented.</p> <p>Implemented.</p>	<p>The supplier was not informed of the audit finding and penalties due him.</p>	<p>To inform the supplier of the audit findings and demand payment thru letter.</p>
Monthly Trial Balances, Bank Reconciliation Statements, Reports of Collections and Deposits (COA AOM No.	7 The SRA did not comply with Sections 64 and 100 of Presidential Decree (PD) No. 1445 and Section 7.2.1 of COA Circular No. 2009-006, as the preparation and	7.1 We recommended that Management require the Accounting Divisions and the Cash Divisions of SRA HO and Visayas to regularly submit the Monthly Trial Balances, Bank	7.1 Assess and harmonize workflow /process of bookkeeping and reporting of Accounting Division, Budget and Treasury both in HO and Visayas.	Accounting Division; Budget and Treasury; Special Collecting Officers (SRED); Procurement and Property	9/10/2019	12/2019	Conducted meeting with SRA Accounting and IT Programmer in Visayas on September 2019 to discuss and check programs/software that can be adopted by SRA-QC.	Enhanced and installed system for CKDJ while program for bills rendered and collections, JEVs and financial statements are yet to be	Monitor the development of complete accounting system from time to time with the IT stationed in Visayas.

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18-07)	submission of Monthly Trial Balances, Bank Reconciliation Statements and Reports of Collections and Deposits were delayed ranging from 18 to 130 days, thus, errors and deficiencies, if any, could not be detected and corrected immediately.	Reconciliation Statements and Reports of Collections and Deposits within the deadlines set by the regulations.		Section				developed . Not able to submit within deadlines set based on COA Circulars. due lack of manpower.	Hire additional JO to augment lack of manpower in the AD.
Cash Advances (COA AOM No. 18-08)	8 The amounts of fidelity bonds to secure/cover the accountabilities of six Special Disbursing Officers of the SRA with cash advances in the total amount of P1.729 million were insufficient compared to the prescribed amounts in the Schedule of Bonds provided by the Bureau of Treasury (BTr) in Treasury Circular No. 02-2009, contrary to COA Circular No. 2006-005, thus, exposing government funds to	8.1 We recommended and Management agreed to comply with COA Circular No. 2006-005 by securing fidelity bond adequate to cover the accountability of the accountable officers in accordance with the Schedule of Bonds provided by the BTr in Treasury Circular No. 02-2009.	8.1 Review and check amount of bonds posted for all designated Special Collecting and Disbursing Officers, increase bond, if needed, to cover their accountabilities in compliance with Treasury Circular No. 02-2009. 8.2 Designate and assign additional personnel to handle cash advances in case of multiple SRA projects/activities scheduled to be undertaken within the	Research, Development and Extension Dept. Gender and Development Technical Committee Budget and Treasury Division Accounting Division General Administrative Division	9/2019	12/19	Implemented. Refer to updated list of collecting and disbursing officers as of December, 2019.		

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	possible loss.		same period. 8.3 Issue necessary Special Order, application with the Bureau of Treasury of the additional designated collecting and disbursing officers.						
Gender And Development (GAD)	9 The SRA's Gender and Development Focal Point System was not yet institutionalized as required by Philippine Commission on Women (PCW) - National Economic and Development Authority (NEDA) - Department of Budget and Management (DBM) Joint Circular No. 2012-01 and IRR of RA No. 9710 because the monitoring and evaluation system was not in place, and the Database/Sexual disaggregated Data was not yet developed. Moreover, only P10.630 million was utilized out of the	9.1 Head, GFPS and TWG to: 9.1.1 Formulate guidelines on the monitoring and evaluation of GAD programs, projects and activities to ensure that these are implemented as planned and the expected benefits toward gender equality and women empowerment are attained. 9.1.2 Establish/set up and maintain a GAD database to	9.1 To comply with recommendation cited in the COA-AOM on Gender and Development: 9.1.1 Formulate guidelines in monitoring and evaluation of GAD programs, projects, and activities 9.1.2 Database as basis for gender-responsive	Head, GFPS, and TWG	7/19	12/19	Delayed implementation. Not implemented.	SRA GAD Executive Committee and GAD Focal Point System were reconstituted in June, 2019, which will undertake the formulation of GAD monitoring/evaluation system. To hire COS/JO to handle establishment of	

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	amount allocated/attributed to implement GAD programs, projects and activities of P285.381 million. Thus, the fund was not maximized to deliver the benefits for gender equality and women empowerment to the intended beneficiaries. There was also discrepancy of P0.531 million in the amounts of GAD expenses reported in GAD Accomplishments Report (AR) with the Schedule of Expenses prepared by the Accounting Division.	serve as basis for gender-responsive planning, programming and policy formulation as required under Item 4.4 of PCW-NEDA-DBM Joint Circular No. 2012-01. 9.2 Accountant and GFPS to reconcile GAD expenses incurred to ensure the reliability of the data for control and monitoring purposes.	planning, programming and policy formulation. 9.2 Reconcile GAD expenses with accounting.				Partially implemented.	database. GAD staff will check and tally its records with Accounting and Budget before finalization of their reports.	
Part II - STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATION									
Property Plant and Equipment (PPE)	1. The faithful representation in the financial statements of the Property Plant and Equipment (PPE) account with carrying	1.1 The Accounting Division (AD) - HO, in the absence of subsidiary records of PPE from the defunct Agencies, to: (i) prepare PPELC based on the CY 2017 RPCPPE in the					Partially implemented. Refer to comments on Status of Implementation for 2018 COA-AOM on PPE)		

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	value of P185.176 million as at December 31, 2017 was affected due to: a) unreconciled discrepancies between the balances of the Head Office's (HO) General Ledgers (GLs) with the balances of Subsidiary Ledgers (SLs) and the Report on the Physical Count of PPE (RPCPPE) of P76.353 million and P8.231 million, respectively; and (b) non-recording of the transfer of Technical and Scientific Equipment procured using Sugarcane Industry Development Act (SIDA) fund to intended	COA prescribed format since the RPCPPE is the report of the actual PPE counted; (ii) reconcile this PPELC with Property Card maintained by the PS, and with the GL; (iii) analyze the difference and make the necessary adjustments in the books to reflect a reliable PPE balance. 1.2 AD-HO to, henceforth, conduct periodic reconciliation of PPELC with the PC based on PARs issued and reconcile the difference noted between RPCPPE and accounting records. 1.3 Property and Procurement Section (PPS), in coordination with the AD to establish accountability over the PPE not accounted for in the							
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	beneficiaries in the amount of P11.444 million in SRA-Visayas. Moreover, the unserviceable property amounting to P14.811 million included in the RPCPPE were not reported in the Inventory and Inspection Report of Unserviceable Property (IIRUP) for derecognition from the books.	physical count and take appropriate action to recover the replacement value of the said equipment from the accountable officer concerned, if any. 1.4 PPS to prepare IIRUP as basis to derecognize from the books the unserviceable PPE as required in Chapter 10, Government Accounting Manual Volume I.					-do-		
Investment Property (IP) CY 2017 AAR	2. Land account with carrying amount of P45.227 million is not reliable due to: (a) the variance in land area of lots owned by SRA between the accounting records and various legal records, and (b) unrecorded land of 976,232 square meters granted to SRA by virtue of Presidential	2.1 General Administrative Division and the Legal Division, both at HO, to secure the documents, such as but not limited to: Transfer Certificate of Title and Tax Declaration that					Partially implemented. Refer on comments on Status of Implementation 2018 COA-AOM on Investment Property) Partially implemented. Verified with the Municipal Assessor, Bureau of Lands and Registry of Deeds, all in Pampanga, as initial steps taken in validating titles/ownership of lands by SRA.		

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	Proclamation (PP) No. 421.	<p>would establish the actual area of the lots owned by SRA.</p> <p>2.2 General Administrative Division, SRA HO to expedite the hiring of a Surveyor to measure the actual area of the land owned by SRA and an Appraiser to assess the fair value of the land.</p> <p>2.3 SRA Visayas to expedite the acquisition of the Special Patent from Department of Environment and Natural Resources to ensure SRA's ownership over the land in La Carlota, Negros Occidental.</p> <p>2.4 AD of SRA Visayas to record in the books of accounts the parcels of land in La Carlota, Negros Occidental.</p>					<p>Hired DALAYA SURVEYING CO. (JO #19-263), time frame is 150 calendar days from August 13, 2019 for the contract to survey properties of SRA. To follow hiring of a Technical Assessor upon completion of the survey.</p> <p>Partially implemented.</p> <p>Not implemented.</p>		
Cash advances	3. Cash advances	3.1 We recommended					Fully implemented.		

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(CAs) CY 2017 ARR	(CAs) totalling to P1.328 million were granted to 18 SRA-HO officers and employees that were not duly designated as disbursing officers and were not bonded contrary to COA Circular Nos. 97-002 and 2006-005. Moreover, liquidations of CAs were not supported with complete and appropriate documentation, thus the propriety of the disbursements made was affected.	and Management agreed to strictly comply with COA Circular Nos. 97-002 and 2006-005 and ensure that Special Disbursing Officers who were granted cash advances are duly designated and properly bonded.							
Gender and Development Plan and Budget (GPB) CY 2017 ARR	4. The CY 2017 Gender and Development Plan and Budget (GPB) of SRA with allocation of P44.367 million was not approved/endorsed by the Philippine Commission on Women (PCW), as required under Section 8.6 of Joint	4.1 Strictly comply with EO No. 273, PCW-NEDA-DBM Joint Circular No. 2012-01, COA Circular No. 2014-01, and PCW Memorandum Circulars, specifically. 4.2 Direct the GAD focal person to:					Partially implemented. SRA GPB for 2018 with approval of PCW-DBM. Accomplishments for 2018 were		

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	<p>Circular No. 2012-01 issued by the PCW-National Economic and Development Authority (NEDA)-Department of Budget and Management (DBM), due to late submission thereof; thus, there is no assurance that the programs, projects and activities (PAPs) indicated therein were aligned with the gender issues under the Philippine Plan for Gender-Responsive Development (PPGD), 1995-2025. Despite the non-approval of the GPB, SRA implemented the planned GAD activities costing P2.943 million, however, there is no assurance that the conducted activities addressed GAD related issues.</p>	<p>4.2.1 Prepare the GPB and submit the same together with the GAD Accomplishment Report (AR) in the prescribed format to PCW for approval/endorsement within the deadline set.</p> <p>4.2.2 Submit to the Audit Team copy of the approved/duly endorsed GPB within five days from receipt thereof and, GAD AR within five working days from the end of January of the following year.</p> <p>4.3 Ensure that the GAD focal persons are adequately trained to prepare GPB and GAD AR.</p>					submitted to PCW.		

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		<p>4.4 Exert all efforts to implement the GAD activities mainstreamed within the regular programs in the approved GPB.</p> <p>4.5 We further recommended that SRA exert effort to attain CY 2018 GAD PAP's targets.</p>							
Block Farm Program (BFP) CY 2017 ARR	5. The implementation of the Block Farm Program (BFP) with budget of P324.697 million and P300.000 million in CYs 2016 and 2017, respectively, incurred considerable delay as the fund utilization in two years ending December 31, 2017 amounted only to P13.322 million in SRA - HO and P56.397 million in SRA Visayas or equivalent to 11.16 per cent utilization rate, depriving the	5.1 Formulate the guidelines on the monitoring of the implementation of the project such as: (i) preparation and submission of monitoring reports that would provide the status of implementation of the project to the Planning and Policy Department (PPD), SIDA PMO, and (ii) evaluation by the PPD of the reports so that the issues/problems hampering the attainment of the target would be addressed on a					Not implemented. Refer comments on 2018 Status of Implementation AOM – Block Farm.		

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					From	To			
	<p>block farms (BF) beneficiaries of immediate provision of farm management and technical assistance, agricultural inputs, capability training and common service facilities for improved sugarcane farm productivity. The delay was observed as: (a) the start-up capital with total budget of P129.356 million for the two-year period was not granted to BFs due to the difficulty in the accreditation by the Department of Social Welfare and Development (DSWD) of the BFs to qualify as a Civil Society Organization (CSO) to implement programs or projects using government or public funds, and (b) the procurement of</p>	<p>timely manner.</p> <p>5.2 Henceforth, conduct regular monitoring, review and evaluation of the BFs based on the Work and Financial Plan for CY 2018 to fast track the delivery of the interventions to the BFs to meet the targets as reprogrammed in CY 2018 to ensure that the accredited BFs shall finally receive the benefits of the program.</p>					-do-		

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	fertilizers and agricultural equipment was not completed during the period. Moreover, inadequate monitoring of the implementation of the Project was observed as the required reports were not prepared on time.								
Socialized Credit Program (SCP) CY 2017 ARR	6. Socialized Credit Program (SCP) with budgeted amount of P324.697 million and P300.00 million in CYs 2016 and 2017, respectively, was not yet implemented after two years the Sugar Industry Development Act was enacted due to delay in the finalization of the Implementing Rules and Regulations	6.1 Fast track the implementation of the SCP considering the delay in the formulation and signing of the IRR, so that the objectives of the Program will soon be realize. 6.2 Refrain from releasing project/program funds to the implementing agency in the absence of approved IRR and other documents, which are integral part of the MOA.					Partially implemented. As of October, 2019, LB had released loans of P96.918 million or 30% of total funds transferred equivalent to P324.697 million in year 2017.		


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	(IRR) of the Socialized Credit Facility (SCF), and inability of the farmers to comply with the required documentary requirements of the loan. Hence, the farmers/beneficiaries were not yet granted with loan to support their acquisition of production inputs, farms machineries/equipment and implements. Moreover, the documents supporting the transfer of fund of P324.697 million to Land Bank of the Philippines (LBP) were not complete as the IRR as an integral part of the Memorandum of Agreement								

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	(MOA) was not yet completed together with the Annex B – Schedule of Releases of Fund.								
Receivables CY 2016 ARR	7. The collectability of receivables aggregating P65.325 million which have been non-moving or dormant for more than 10 to 30 years could not be ascertained due to the absence of sufficient records/documents and/or the debtors no longer exist or could no longer be located, to the detriment of the government. Likewise, no allowance for impairment was provided for accounts receivable aged	7.1 Re-submit the request for write-off duly supported with the documentary requirements for writing-off of dormant accounts pursuant to COA Circular No. 2016-005 dated December 19, 2016. 7.2 Maximize efforts on the possible collections of the receivables, particularly those arising from disallowances, sales of SRA's lots located at Sugartowne Homes and claims from various debtors for sugar laboratory and					Partially implemented. Management resubmitted its request for write off and additional documents required for dormant accounts of P62.198 million on November 12, 2018. Fully implemented.		

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	more than five to eight years amounting to P0.817 million contrary to Paragraph 67 of PPSAS 29, thus not reduced to its carrying amount.	analysis fees.							
Remittances CY 2016 ARR	8 Remittances aggregating P24.804 million to a certain Foundation for anti-smuggling program and private entities out of collections of liens form importers/consignees of premix sugar were inconsistent with agency's mandate.	8.1 We recommended that for remittances of P7.822 million to certain Foundation for anti-smuggling program, Management stop the remittance of funds to the Foundation's reports on the utilization of funds and anti-smuggling activities for audit purposes.					Implemented. Stopped collections and remittances to the Foundation beginning September, 2013.		
Provision CY 2016 ARR	9 The provision on the turnover to	9.1 We recommended that Management					Not implemented. SRA could not turn over		

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	the Bureau of Treasury of funds in excess of the full settlement of the liabilities of the National Sugar Trading Corporation (NASUTRA) as provided for in Executive Order No. 114, as amended had not been complied with.	comply with Section 4 of Executive Order NO. 114, as amended, on the turnover of funds to the Bureau of Treasury.					yet to the BTr the excess funds after settlement of the liabilities of NASUTRA since there were cases still pending with the Regional Trial Court.		

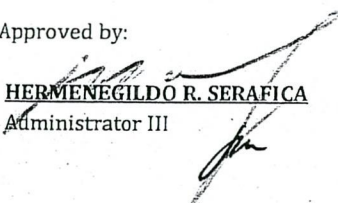
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