



**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	<p>physical count of PPE items located in 12 offices of the SRA Visayas compound, contrary to Paragraph 27 of International Public Sector Accounting Standard (IPSAS) 1 and Paragraph 3.26 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (CFGPFPRPSE). Moreover, the unserviceable PPE items with total cost of P16.077 million included in the RPCPPE were not derecognized in the books due to non-disposal thereof, resulting in the overstatement/misstatement of the PPE, Accumulated depreciation, Impairment losses, Accumulated surplus/(deficit) and other accounts affected, contrary to Paragraph 82 of IPSAS 17.</p>	<p>d. Accounting Division to prepare the corresponding accounting entries to derecognize from the books of accounts the unserviceable properties.</p> <p>e. Consider availing the one-time cleansing of PPE account balances prescribed under COA Circular No. 2020-006 dated January 31, 2020, to address the perennial issue on unreconciled balances between the Accounting and Property records; and</p> <p>f. Instruct the Head of the PPS of SRA Visayas to cancel the PARs under the names of the retired personnel and transfer the accountability to the incumbent personnel through issuance of a new PAR.</p>					<p>Center, Cagayan Mill District, Isabela Mill District, Davao Mill District, Cotabato Mill District, and Bukidnon Mill District. Meanwhile, the inventory-taking in PENSUMIL District is on-going.</p> <p>The rest of the inventory counts are set on October 3-6, 2023 for Balayan and Don Pedro Mill Districts.</p> <p>The finalization of the Inventory Count Forms, reconciliation of discrepancies, renewal of Property Acknowledgement Receipts, and the Inventory Inspection Report of Unserviceable Property will be done immediately after the completion of the</p>		

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
							inventory-taking activities.		
No. 2, Part II	The faithful representation in the financial statements of the balance as at December 31, 2022 of the Investment property-land account with carrying amount of P45.227 million could not be ascertained due to the variance of 276 square meters (sq.m.) in the area of the land located in Civil Service Commission (CSC), Batasan Hills, Quezon City, between the Tax Declaration and Transfer Certificate of Title (TCT) of 37,874 sq.m. vis-à-vis Accounting records and Annual Report of Investment property-land account of 38,150 sq.m., contrary to Paragraphs BC3.7 and BC3.13 of CFGPFRPSE. Likewise, there was no disclosure in the Notes to Financial Statements on the Investment property-land account as to the fair value of the two lots located in Quezon City with total land area of 69,204	a. Direct the PPMD/concerned Department to furnish the Accounting Division the result of the survey on the parcel of land located in Batasan Hills, Quezon City, as basis of the latter to make necessary corrections on the area of the subject land and on the cost thereof; and  b. Require the Accounting Division to: <b>b.1.</b> Compare the actual land area of the parcel of land located in Batasan Hills, Quezon City, upon receipt of the result of survey with the Accounting records, and prepare adjusting entries, if warranted; and <b>b.2.</b> Provide necessary and adequate disclosures on the Investment property-land account in the Notes to Financial Statements in consonance with the disclosure	The General Administrative Division to initiate and facilitate the appraisal of the land located in Civil Service Commission (CSC), Batasan Hills, Quezon City. The Accounting Division will then use the amount determined in reporting the Investment Property.	Administrative and Finance Department	August 2023	October 2023	Partially Implemented.	The appraisal service will be availed through negotiated procurement and was requested for processing last August. The Request for Quotation was published on September 20, with the closing of bids set for September 26, 2023. Following the appropriate procurement process, the Property and Procurement Section estimates the services to be completed and the results to be obtained by October.	



**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	<p>b. The delivered accessories for the farm tractors, such as, power harrows and fertilizer applicators in the total amount of P10.482 million were not used and remained idle because these were not suitable in the area located in Bukidnon, Batangas, and Cotabato;</p> <p>c. No trainings were conducted by the SRA or the suppliers on the use of the delivered machineries and equipment, contrary to Rule 3.1 (C) i of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 10659, thus resulting in the non-utilization of the machineries and equipment or not utilized to their full potential/capacity; and</p> <p>d. In SRA Visayas: (i) two irrigation facilities remained idle due to the lack of water source where the Block Farm associations are located,</p>	<p>with Rule 3.1 (C) i of the IRR of RA No. 10659;</p> <p>d. Find ways to put in use the idle irrigation facilities, otherwise, investigate the persons involved in the construction thereof and hold them responsible/liable, if warranted;</p> <p>e. Transfer the incompatible equipment and machineries in the Visayas to other locations where these could be utilized; and</p> <p>f. Consider providing financial assistance to the Block Farm association concerned for the repair of the farm implement so it can be utilized.</p>	<p>were unutilized to address the issues raised and to gather additional info/concerns of the beneficiaries.</p>					<p>May 2023. A total of 1,215 participants attended the training. These include the block farm members, mill district personnel, ABE personnel, farm machinery suppliers, and MDDC representatives. The said training presents the actual field demonstration of farm tractors, proper hitching &amp; adjustments of implements, and proper care and maintenance of various machineries.</p> <p>There are demonstrations being conducted by the suppliers of respective machineries delivered in the block farms. However, more</p>	
			<p>c. The ESD sought help from the Agricultural &amp; Bio-system Engineering (ABE) to conduct demonstration/training/orientation on</p>			Fully Implemented.			

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	while some of Block Farm associations were hesitant to spend additional expenses for the use of water pumps; (ii) Farm implements were leased out by the Block Farm associations instead of them using the agricultural equipment at their own sugarcane farms due to incompatibility to the soil type of the specifications of these pieces of equipment; and (iii) one of the farm implements was unused or idle due to the mulboard, which was deformed or bent and needs alignment, however, the Block Farm association does not have the financial capacity to shoulder the repairs.		the proper operation & maintenance of the farm machinery & equipment					trainings are needed to capacitate the tractor operators on the proper handling and maintenance of the said farm machineries and equipment for the BF members and operators.	
No. 4, Part II	The funds transferred to Non-Government Organizations (NGOs)/Civil Society Organizations (CSOs) by the SRA HO and Visayas in the amounts of P3.221 million and P3.943 million, respectively, or	Management to direct the PMO and the Accounting Division and Accounting Section of the SRA HO and Visayas, respectively, to demand from the NGOs/CSOs concerned the immediate submission of the	Send demand letters to NGOs/CSOs concerned and direct the immediate submission of the Liquidation Reports together with	Project Management Office; Accounting Division (HO); Accounting	July 2023	December 2023	Partially Implemented.	The Accounting Division (HO) and Accounting Section (Visayas) regularly send letters to the NGOs/CSOs with unliquidated fund	

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	aggregating P7.164 million intended for the implementation of various projects remained unliquidated as of December 31, 2022, due to lack of monitoring by the Project Management Office (PMO), contrary to Section 5.4 of COA Circular No. 2007-001 dated October 25, 2007, and Section 2.2 of COA Circular No. 2012-01 dated June 14, 2012.	Liquidation Reports/Fund Utilization Reports together with relevant supporting documents, and to return any unutilized amount.	relevant supporting documents, and to return any unutilized amount of fund transfers.	Section (Visayas)					transfers. As of date, only P1.093 million out of P7.164 million were liquidated and taken up in the books.
No. 5, Part II	The existing rules and regulations relative to GAD were not fully complied with, in view of the following deficiencies:  a. The GAD Agenda, as the Agency's strategic framework and plan on gender mainstreaming and achieving gender equality and women's empowerment, was not prepared by the SRA, which was not consistent with Section 5.1 of Philippine Commission on Women (PCW), National Economic and Development	a. GFPS to formulate the six-year GAD Agenda of the SRA in accordance with PCW MC No. 2018-04;	a. GFPS is currently working on the finalization of GAD goals and its corresponding 6-year activities that will form part of the GAD Agenda and eventually for Board approval.	GFPS, Sugar Board	Sept. 2023	December 2023	Ongoing.	GFPS was reconstituted with most of the members lacking the appropriate knowledge and skills to prepare a GAD Agenda	To finalize the GAD Agenda on or before the upcoming 2024 GAD Strategic Plan and Year-End Assessment

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	<p>Authority (NEDA), and Department of Budget and Management (DBM) Joint Circular (JC) No. 2012-01; and PCW Memorandum Circular (MC) No. 2018-04 dated September 19, 2018, thus, existing priority gender-issues and/or specific GAD mandates and targets of the Agency may not have been completely identified and addressed;</p> <p>b. Separate Responsibility Center (RC) and RC code for GAD Focal Point System (GFPS) were not created/assigned for GAD-related expenses and transactions, contrary to Sections 4.2 and 4.4 of COA Circular No. 2021-008 dated September 6, 2021, thus, may result in the difficulty of properly accounting the GAD budget <i>vis-à-vis</i> utilization; and</p>	<p>b. Accounting and Budget Divisions to create/assign RC for GFPS and RC code in consonance with COA Circular No. 2021-008; and</p>	<p>b. Accounting and Budget Divisions working together to create/assign RC for GFPS and RC code in consonance with COA Circular No. 2021-008</p>	<p>Accounting and Budget Divisions</p>	<p>January 2023</p>	<p>December 2023</p>	<p>Not Implemented.  Responsibility Center is for modification.</p>	<p>To closely monitor the identified PAPs in the GAD Plan and Budget to ensure that the GAD PAPs are fully implemented to address the gender issues of the SRA and its clientele</p>	<p>To follow-up with Accounting and Budget Divisions the creation/assignment of Separate Responsibility Center (RC) and RC code for GAD Focal Point System in adherence to Circular No. 2021-008</p>



**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	c. Only P128.486 million of P187.136 million or 68.66 per cent of the GAD allocated funds in CY 2022 were utilized due to the partial implementation of the six out of the 12 identified Programs, Activities, and Projects (PAPs).	c. Moving forward, ensure that the identified PAPs in the GAD Plan and Budget be fully implemented to address the gender issues of the SRA and its clientele.	c. Establishment of a monitoring system or database to ensure that the GAD PAPs are fully implemented to address the gender issues of the SRA and its clientele.				Not Implemented.	To establish a monitoring system to ensure that the GAD PAPs are fully implemented to address the gender issues of the SRA and its clientele	
<b>Part III: Status of Implementation of Prior Years' Audit Recommendations</b>									
<b>CALENDAR YEAR 2021 AAR</b>									
No. 1, <b>Part III (2021 AAR)</b>	The Property, Plant, and Equipment (PPE) account as at December 31, 2021 with carrying amount of P1.442 billion was overstated by P22.950 million due to: (a) recognition as PPE of Service Fees (SF) amounting to P5.379 million incurred by Sugar Regulatory Administration (SRA) Visayas relative to the agricultural equipment procured for Sugar Industry Development Act (SIDA) projects, contrary to Paragraph 30 of International Public Sector Accounting	a. Accounting Section of SRA Visayas to prepare necessary adjusting entries to correct the SF recognized under PPE account totaling P5.379 million; and	a. Accounting Section of SRA Visayas to prepare the necessary adjusting entries to correct the service fee charged by PITC which was initially recognized as PPE.	Accounting Section	January 1, 2022	May 31, 2022	Fully Implemented.	Adjusted to reclassify/correct entries to "Other MOOE" were made per JEV No. 22-05-0590.	

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	Standard (IPSAS) 17, which also resulted in the understatement of Maintenance and Other Operating Expense (MOOE) account by the same amount; and (b) non-derecognition of unserviceable properties costing P17.571 million in the books of accounts of the SRA-Head Office (HO) in view of the non-disposal thereof, contrary to Paragraph 82 of IPSAS 17 and, likewise misstated the Accumulated Depreciation and Impairment Loss-PPE accounts in undetermined amounts.	<p>b. Property and Procurement Section (PPS) of SRA-HO to determine the proper mode of disposal of the unserviceable properties, either for destruction, donation or sale; and cause the immediate disposal thereof to avert further deterioration, reduction in salvage value and possible loss.</p> <p>Likewise, we reiterated our previous year's recommendation that Management direct the SRA-HO Committee on Disposal/PPS to conduct an inventory of unserviceable properties, prepare the IIRUP to facilitate disposal, and submit the same to the Accounting Division upon disposal of unserviceable properties, as basis by the latter in the derecognition form the books of accounts.</p>	b. To cause the preparation of Inventory and Inspection (I&I) Report for proper documentation of disposal of unserviceable properties				Not Implemented.  <i>(Note from COA: Reiterated and updated in Part II – Observation and Recommendation No. 1 of this Report.)</i>		
<b>No. 2, Part III</b>	The faithful representation and verifiability in the financial statements (FSS) as at December	a. Inventory Committees to conduct complete physical inventory or count of PPE							

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
<b>(2021 AAR)</b>	31, 2021 of the balance of the PPE account costing P1,831.177 million [net of Construction in Progress (CIP)-Buildings and Other Structures account of P0.947 million] and Accumulated Depreciation of P390.500 million or with carrying amount of P1,440.677 million could not be established due to unreconciled variances totaling P928.170 million between the balances per books vis-à-vis the RPCPPE of P903.007 million (cost), caused by, among others: (a) incomplete conduct of physical inventory in SRA Visayas; and (b) incorrect computation of total cost of some PPE items in the RPCPPE, contrary to Paragraph 3.26 of the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (CFGPFRPSE) and Paragraph 27 of IPSAS 1.	<p>annually then prepare the corresponding RPCPPE; and</p> <p>b. Accounting Division of HO and Accounting Section of Visayas and the PPS of HO and Visayas to reconcile their records and effect the necessary adjustments or corrections on the affected records to arrive at reconciled balances.</p>					<p>Not Implemented.</p> <p><i>(Note from COA: Reiterated and updated in Part II – Observation and Recommendation No. 1 of this Report.)</i></p> <p>Not Implemented.</p>		
<b>No. 3, Part III</b>	The faithful representation in the FSS of the balance as at December 31, 2021 of	a. Management to:							

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
(2021 AAR)	Investment Property (IP)-Land and Buildings accounts with carrying amount of P48.221 million could not be ascertained due to variance of 276 square meters (sq. m.) between the area of parcel of land located in Civil Service Commission (CSC), Batasan Hills, Quezon City per Tax Declaration of 37,874 sq. m. vis-à-vis per Annual Report of Investment Property of 38,150 sq. m., contrary to Paragraph BC3.7 of CFGPFRPSE. Likewise, there are no appropriate disclosures in the Notes to FSs on the IP-Land and Buildings accounts, such as, explanation of why the fair value of IP cannot be determined reliably, rental revenue, and direct operating expenses arising from IP, contrary to Paragraphs 86 and 90 of IPSAS 16.	<p><b>a.1.</b> Direct the PPS of SRA-HO or concerned Department to submit to the Accounting Division the result of survey on the parcels of land located in Batasan Hills, Quezon City as basis in verifying whether to adjust the cost of the land recognized in the IP-Land account; and</p> <p><b>b.</b> Accounting division of SRA-HO to:</p> <p><b>b.1.</b> Compare the actual land area of the parcel of land located in Batasan Hills, Quezon City upon receipt of the results of survey, with that recognized in the accounting records,</p> <p><b>b.2.</b> Provide necessary and adequate disclosures on the IP-Land and Buildings accounts in the Notes to FSs in compliance</p>					Not Implemented.  <i>(Note from COA: Reiterated and updated in Part II – Observation and Recommendation No. 2 of this Report.)</i>		

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
		with Paragraphs 86 and 90 of IPSAS 16.							
<b>No. 4, Part III (2021 AAR)</b>	Administrative costs – SF amounting to P5.379 million pertaining to the agricultural equipment procured by the SRA through outsourcing services of the PITC were improperly charged against the SIDA Fund, which is not in conformity with Rule 11.6 of the Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 10659 issued under the Department Circular (DC) No. 07, Series of 2015 of the Department of Agriculture (DA), thus depleting the SIDA Fund for other expenditures not related to the purpose for which the Fund was established.	Revert back to the SIDA Fund the total amount of P5.379 million representing administrative costs, SF and VAT on SF, for the procured agricultural equipment, and to charge said administrative costs to the Corporate Fund of SRA, in consonance with Rule 11.6 of the IRR of RA No. 10659.					Fully Implemented.		
<b>No. 5, Part III (2021 AAR)</b>	The distribution of 159 out of 180 units of agricultural machineries and farm equipment costing P216.426 million to Block Farm Program beneficiaries was not covered by a MOA between the SRA and	a. Develop written policies and specific guidelines on the distribution of agricultural machinery, farm equipment and other implements to Block Farm Program beneficiaries, to be approved					Fully Implemented.	The request for approval of the Deed of Donation of farm equipment and machineries to participating block farms that have	

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	the beneficiaries in the absence of existing policy and specific guidelines on the matter; thus, the responsibilities/obligations of the parties were not properly defined to ensure achievement of the objective for which these farm implements were given to the beneficiaries. Likewise, 21 units were not yet distributed by SRA Visayas, hence, depriving the intended beneficiaries on the immediate use of these farm implements.	by the SRA Board, as basis for the execution of a MOA between the SRA and the beneficiaries so as to establish responsibilities/obligations of the concerned parties; and  b. Fast track the distribution of the remaining 21 units of farm implements to qualified Block Farm Program beneficiaries.					Fully implemented.	satisfied all the requirements to be grantees of SIDA-funded sugarcane farming equipment, irrigation and other facilities was approved per Board Resolution No. 2021-026.  Copies of Deed of Donation and Memorandum of Agreement (MOA) were already submitted to COA.	
<b>No. 6, Part III (2021 AAR)</b>	The funds transferred by SRA Visayas to various Non-Governmental Organizations (NGOs)/Peoples' Organizations (POs), now Civil Society Organizations (CSOs), totaling P3.943 million remained unliquidated as at December 31, 2021, despite the lapse of less than one year to over two years from the due date of liquidation	Top Management to instruct SRA Visayas to demand the immediate liquidation from the NGOs/POs concerned of the fund transfers totaling P3.943 million, as required under COA Circular No. 2007-001 dated October 25, 2007, and to return any unutilized amounts, including interest, if any, as provided under COA Circular					Not Implemented.  <i>(Note from COA: Reiterated and updated in Part II – Observation and Recommendation No. 4 of this Report.)</i>		

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	of the funds as specified in the MOA, contrary to COA Circular Nos. 2007-001 and 2012-001 dated October 25, 2007 and June 14, 2012, respectively.	No. 2012-001 dated June 12, 2012.							
<b>No. 7, Part III (2021 AAR)</b>	Only 31.97 per cent or P221.585 million of SRA-HO's total insurable assets of P693.041 million were insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS), which is not in consonance with RA No. 656, otherwise known as the Property Insurance Law, as amended by Presidential Decree (PD) No. 245. Thus, SRA would not be indemnified/compensated in case of damage to or loss of not insured properties, in case of fortuitous event or force majeure or casualty.	Management to require the PPS in SRA-HO to prepare the PIF as required under COA Circular No. 2018-002 and, to ensure that all insurable assets of the Agency be duly covered with insurance, pursuant to RA No. 656, as amended by PD No. 245.					Fully Implemented.		
<b>No. 8, Part III (2021 AAR)</b>	The existing GAD rules and regulations were not strictly complied with by SRA in CY 2021, considering the following:  a. SRA was not able to submit the GAD Accomplishment						<i>(Note from COA: Reiterated and updated in Part II – Observation and Recommendation No. 5 of this Report.)</i>		

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	<p>Report (AR) to the Philippine Commission on Women (PCW), for review, contrary to Section 37.A of Rule VI - Institutional Mechanisms of the Implementing Rules and Regulations (IRR) of RA No. 9710, or the Magna Carta of Women (MCW);</p> <p>b. The data and information in the CY 2021 GAD Plan and Budget (GPB) of SRA were not comparable with the data in the GAD AR, thus making it difficult to verify whether the programs, activities and projects (PAPs) undertaken as reported in the GAD AR were aligned with the PAPs shown in the GPB, and budget reported in the GAD AR differed by P1.531 million as compared with that reported in the GPB; and</p>	<p>a. Head of GFPS to, moving forward:  <b>a.1.</b> Submit the GAD AR to PCW within the timeframe for review, and thereafter, submit to COA the duly reviewed GAD AR, for audit and verification;</p> <p><b>a.2.</b> Ensure that the data and information in the GPB are comparable with the data in the GAD AR and, all GAD PAPs indicated in the GPB are undertaken to maximize the utilization of GAD budget; and</p> <p>b. Heads of the implementing departments/offices to monitor the assigned GAD PAPs within their jurisdiction to ensure that the PAPs are duly implemented to attain the GAD objectives.</p>	<p>a.1 Signed 2021 and 2022 GAD AR was already submitted to PCW and COA</p> <p>a.2. To establish a monitoring system or database to ensure that the GAD PAPs indicated in the GPB are comparable with the data in the GAD AR</p> <p>b. To reconstitute GFPS and include additional division chiefs/heads of other departments/offices as TWG Members that will supervise and monitor the assigned GAD PAPs within their jurisdictions.</p>			<p>Fully Implemented.</p> <p>Not Implemented.</p> <p>For review and consultation</p>	<p>PCW requested more supporting documents as Means of Verifications (MOVs)</p> <p>Absence of a Special Order Reconstituting the GFPS to include additional division chiefs/heads of other departments/offices as TWG Members</p>	<p>To prepare and submit the required supporting documents as Means of Verifications (MOVs) on scheduled time</p> <p>To issue a Special Order Reconstituting the GFPS</p>	



**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	c. Only P4.604 million was utilized out of the allocated/attributioned GAD funds of P68.372 million; thus, the Agency was not able to fully address the identified gender issues for the CY 2021, as contained in the GPB.							GAD Attributions were anchored in budget utilization of Adopt A Sugarcane Farming and SIDA programs such as the Block Farming and Scholarship	
<b>CALENDAR YEAR 2020 AAR</b>									
<b>No. 1, Part III (2020 AAR)</b>	Out of the total fund transfer amounting to P547.103 million made by SRA to the Philippine International Trading Corporation (PITC) for the procurement of outsourcing services of various agricultural equipment, only P 245.953 million or forty per cent was utilized/liquidated as of December 31, 2020 or a balance of P299.150 million contrary to COA Circular No. 94-013 dated December 13, 1994. Likewise, the procurement transactions undertaken by PITC showed a considerable delay despite the lapse of more than two years	a. Direct the Legal Department to coordinate with PITC relative to the inclusion of provision in the supplemental MOA of timelines to deliver the services and the corresponding penalty in case of default;  b. Direct the SRA-BAC to closely coordinate with PITC to expedite the procurement so that the SRA beneficiaries may derive the benefits due them and constantly remind					Fully Implemented.  The agricultural equipment were already procured/ delivered by the PITC and the unused fund transfers were returned to SRA in the total amount of P71.852 million.  Fully Implemented.		

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	since the signing of the agreement and fund transfer made by SRA.	PITC on the urgency of the procurement on hand; and  c. Henceforth, strictly comply with the provisions of COA Circular No. 94-013 dated December 13, 1994.					Fully Implemented.		
<b>CALENDAR YEAR 2018 AAR</b>									
<b>No. 1, Part III (2018 AAR)</b>	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 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	Management to require the Accounting Division to demand payment from the supplier the penalty in the amount of P35,112 for the incurred delay in the delivery.					Closed.		To demand supplier to pay the penalty in the amount of P35,112 since request for extension was disapproved/disallowed.

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022


Reference	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			
	principles of efficiency and economy in the procurement were adhered to.								
<b>No. 2, Part III (2018 AAR)</b>	1. 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 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.	Management to require the Accounting Divisions and the Cash Divisions of SRA HO and Visayas to regularly submit the Monthly Trial Balances, Bank Reconciliation Statements and Reports of Collections and Deposits within the deadlines set by the regulations.					Partially Implemented.	Requested from PPSPD (MIS) to review and develop an accounting system to fast track the preparation of reports.	
<b>CALENDAR YEAR 2016 AAR</b>									
<b>No. 1, Part III (2016 AAR)</b>	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.	a. 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.					Closed.	The SRA Management already provided 100 per cent Allowance for impairment loss on dormant or non-moving receivables.	

**SUGAR REGULATORY ADMINISTRATION**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2022  
 As of September 26, 2023

COA AAR 2022

Reference	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			
	Likewise, no allowance for impairment was provided for accounts receivable aged more than five to eight years amounting to P0.817 million contrary to Paragraph 67 of IPSAS 29, thus not reduced to its carrying amount.	b. 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 analysis fees.					Closed.		Despite efforts exerted by Management, the collection of the dormant receivables is already remote or nil.
<b>CALENDAR YEAR 2010 AAR</b>									
<b>No. 1, Part III (2010 AAR)</b>	The provision on the turnover to 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.	Management to comply with Section 4 of Executive Order No. 114, as amended, on the turnover of funds to the Bureau of Treasury.					Closed.		The SRA could not turn over the excess funds to the BTr since the claimants filed cases and are still pending with the Regional Trial Court (See Note 8.4 to Financial Statements).

Agency sign-off:



**ATTY. BRANDO D. NOROÑA**  
 Deputy Administrator II for  
 Administration and Finance