

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 September 30, 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 Property, Plant and Equipment (PPE) is presented in the Statement of Financial Position at carrying amount of PPE of P213.936 million as at December 31, 2018. However, the PPE General Ledger (GL) balance of P505.537 million differed by P222.993 million from the total of the Report on the Physical Count of Property, Plant and Equipment (RPCPPE) and by P459,000 from the Subsidiary Ledger (SL). Also, unserviceable property costing	1.1 Accounting Division (AD) and the Property and Procurement Section (PPS) to reconcile their records with the RPCPPE and adjust the books of accounts and the records of PPS accordingly, to take up the missing and/or unrecorded PPE. 1.2 PPS, in coordination with the AD, to establish the 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. 1.3 AD Head Office (HO) to	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. 1.2 Maintain subsidiary ledgers using the prescribed forms in	Accounting Division / Property and Procurement Section	7/19	12/19	Reconciliation on going. -AD (HO) is 40% finished in identifying PPEs unaccounted for against the 2018 RPCPPE after which has to be coordinated with PPS/checking of PARs to establish accountability of employees. - Schedule of PPEs per account are also to be revised to include accumulated depreciation and remaining useful life of PPEs. -AD and PPS started maintaining SL /PC cards prescribed by		

	P12.441 million were not derecognized from PPE account in undetermined net book value as required in paragraph 82 of the Philippine Public Sector Accounting Standard (PPSAS 17).	adopt the format of PPE Ledger Card in Government Accounting Manual (GAM), such that property number, estimated useful life, depreciation and impairment loss are provided for easy reconciliation with the Property record.	the GAM Volume I 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.				GAM I beginning 2019 procurement of PPEs.		
		1.4 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;	1.4 Use the prescribed format of RPCPPE in the GAM Volume I.				Not implemented in 2018 RPCPPE but this will be done in 2019 conduct of inventory.		
		1.5 PPS to prepare Inventory and Inspection Report of Unserviceable Property as basis of the AD to derecognize from the books the cost of unserviceable PPE and the corresponding accumulated depreciation, as required in Chapter 10 of GAM Volume 1.							
Investment Property (COA AOM 19-02)	2. The Investment Property (IP) account with total cost of P61.261 million and carrying amount of 48.923 million does not faithfully	2.1 General Administrative Division (GAD) and the Legal Department, both at HO, to effect the reconciliation of the land areas recorded in the books in the various legal	2.1 To hire a Technical Surveyor to measure the actual area of land in Quezon City and Luzon owned by SRA and an Appraiser who will then assess its fair market value	General Administrative Division (GAD) Legal Department Accounting	9/11/2019	3/30/2020	Engaged DALAYA SURVEYING CO (Job Order #19-263, terms. 150 calendar days from receipt of JO) for the relocation survey of		


	<p>represent the land and land improvements owned by SRA in the FS due to the variance in land area lots in the accounting records and various legal records and unrecorded land of 976,232 square meters granted to SRA by virtue of Presidential Proclamation (PP) No. 421. Also the IP account lacks the necessary disclosures in the Notes to FS required in Sections 86 and 90 of the PPSAS 16 Investment Property.</p>	<p>documents by expediting the: (1) Hiring of a Surveyor to measure actual area of the land owned by SRA and an Appraiser to assess the fair value of the land , and © titling of the retained portion of the lot in Floridablanca, Pampanga</p> <p>2.2 SRA Visayas to secure expeditiously the Special Patent from Department of Environmental and Natural Resources to ensure SRA's ownership over the land in La Carlota, Negros Occidental.</p> <p>2.3 AD-SRA Visayas to record in the books of accounts the parcels of land in La Carlota , Negros Occidental as soon as the fair value becomes available</p> <p>2.4 AD-HO to comply with Paragraphs 86 and 90 of PPSAS 16 and provide the required disclosure in the Notes to FS.</p>	<p>(FMV).</p> <p>2.2 To coordinate with the Regional Registry of Deeds (Pampanga) for the requirements/documents in the titling of the SRA retained portion lot in Floridablanca.</p> <p>2.3 Take adjusting entries to correct amount of Land account per Accounting books based on the outcome of Action 1 and 2.</p> <p>2.4 Follow up and make representation with the National Housing Authority regarding a.) 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 and b.) the SRA land presently occupied and used as office of CSC Main.</p>	<p>Division</p> <p>Legal Dept. (VISAYAS) Property and Procurement Section Accounting Dept.</p>	<p>9/19</p>	<p>12/19</p>	<p>SRA lands in Quezon City and Pampanga.</p> <p>No appraiser contracted yet.</p> <p>No titling process/activities yet.</p> <p>Survey of the 2 lots equivalent to 976,232 square meters had been completed. Appraisal of the land was awarded on July 17, 2019 to Asian Appraisal Co., Inc.</p> <p>With request to authorize ATTY. J. JADOC to pursue and transact/act on behalf of SRA for the application of Special Patent from DENR.</p>	<p>Provision of budget for the contract of an Appraiser and final Terms of Reference based on the market survey. Meanwhile, actual location of the land has to be established first..</p> <p>Lot appraisal is pre requisite to application for Special Patent from DENR.</p>	
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<p>Monthly Trial Balances, Bank Reconciliation Statement, Reports of Collections and Deposits (COA AOM No. 18-07)</p>	<p>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 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.</p>	<p>7.1 Accounting and Budget and Treasury 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 so that preventive and corrective measures could be undertaken immediately.</p>	<p>7.1 Hire additional staff to augment existing manpower. 7.2 Assess and harmonize workflow /process of bookkeeping and reporting of Accounting Division, Budget and Treasury both in HO and Visayas. 7.3 Adopt system /software installed in SRA Visayas in the preparation of schedules of accounts. Request IT to develop / computerized preparation of financial statements, Journal Entry Voucher preparation, recording and monitoring of bills rendered, PPE and corresponding depreciation, etc. 7.4 Set calendar of activities aimed to submit within deadlines of reports, 7.5 Communicate or request from Land Bank early submission of bank statements.</p>	<p>Accounting Division Budget and Treasury Special Collecting Officers (SRED) Procurement and Property Section Computer Programmer /PPSPD-Management and Information System Land Bank</p>	<p>9/10/2019</p>	<p>2/2020</p>	<p>Consultation meeting/discussion with IT based in SRA Visayas done in September, 2019, Will request IT - Visayas to harmonize accounting system of Visayas with QC,, develop system for all journals including monitoring of bills, recording of PPE, etc.</p>	<p>Late reports/ availability of data such as bank statements and collection reports from field offices</p>	
<p>Cash Advances (COA AOM No. 18-08)</p>	<p>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 P1.729 million were insufficient compared to the prescribed amounts in the Schedule of Bonds</p>	<p>8.0 Management to comply with COA Circular No. 2006-005 by securing fidelity bonds 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.</p>	<p>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</p>	<p>Research, Development and Extension Dept. Gender and Development Technical Committee Budget and Treasury</p>	<p>9/2019</p>		<p>100 %</p>		

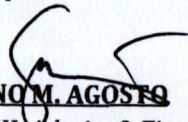
	provided by the Bureau of Treasury (BTr) in Treasury Circular No. 02-2009, contrary to COA Circular No. 2006-005, thus, exposing government funds to possible loss.		handle cash advances in case of multiple SRA projects/activities scheduled to be undertaken within the same period. 8.3 Issue necessary Special Order, application with the Bureau of Treasury of the additional designated collecting and disbursing officers.	Division Accounting Division General Administrative Division					
SIDA-Socialized Credit Program (COA AOM-18-03)003)	3. 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 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, 2018.	3.To fast track implementation of the program, the SIDA SCP-TWG and Focal persons are directed to: a. Formulate guidelines in the monitoring and evaluation of the implementation of the project which shall include among others: (1) procedures/activities to be undertaken ; (2) persons responsible; (3) timelines for each activity and (4) reporting and review' b) Prepare Financial Plan for the SCP that includes targets and timeliness 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	3.1 Intensify information dissemination marketing of SIDASCP. 3.2 Establish market linkage through the local government units. 3.3 Maximize the potentials of the Junior Agriculturists, Technical Assistants, Project Evaluation Officers in marketing the SCP 3.4 Schedule Strategic Planning of SCP TWG Committee,	SCP Management Committee, TWG, Focal Persons; RDE	6/19	12/19	On going.	Absence of approved IRR which, finally was approved in January, 2018	- Proposal for the creation of SIDA Program Management Department (Ad Hoc) One Stop Shop Mechanism - Intensify information drive with the assistance of LGUs, social media - OPS/FLT trainings and soil analysis be considered as post requirements (on going negotiation) - Conducted SCPMC Meetings on the following dates: May 27, 2019, August 7, Sept 6 to amend

		<p>dated January 25, 2019.</p> <p>c. 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 and</p> <p>d.) 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>								the IRR
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