

# DEVELOPMENT ACADEMY OF THE PHILIPPINES ANNUAL AUDIT REPORT FOR CY 2015

## EXECUTIVE SUMMARY

### Introduction

The Development Academy of the Philippines (DAP) is one of the key government institutions for development. It was created by virtue of Presidential Decree (PD) 205 dated June 7, 1973, amended by PD 1061 on December 9, 1976 and Executive Order No. 288 signed on July 25, 1987.

The Academy is mandated to discharge a multi-faceted role as think-tank/conceptualizer, designer, initiator and catalyst relative to the development initiatives that are being taken by other government agencies and instrumentalities.

In pursuit of these multi-faceted roles, the Academy's strategy is to create development champions government-wide hence the thrust toward people development—through learning and development interventions that foster and promote the culture of transformational leadership among government executives.

To complement these people-development efforts, the Academy also (1) promotes the conduct of scientific, interdisciplinary and policy-oriented researches; and (2) provides technical assistance and consultancy services in support of the development efforts of client-agencies.

The Academy also discharges the role as the country's National Productivity Organization. As such, the Academy interfaces with and implements, in the country, the programs the Asian Productivity Organization (APO).

The Academy derives direction from an 11-member Board of Trustees. With the exception of the DAP President, the other 10 trustees are ex-officio members, representing key government offices enumerated below:

- |     |  |               |
|-----|--|---------------|
| 1.  | Office of the President (OP), Philippines              | Chairman      |
| 2.  | Civil Service Commission (CSC)                         | Vice-Chairman |
| 3.  | Department of Agriculture (DA)                         | Member        |
| 4.  | Department of Environment and Natural Resources (DENR) | Member        |
| 5.  | National Economic and Development Authority (NEDA)     | Member        |
| 6.  | Department of Agrarian Reform (DAR)                    | Member        |
| 7.  | Department of Budget and Management (DBM)              | Member        |
| 8.  | Department of Education (DepEd)                        | Member        |
| 9.  | Department of Finance (DOF)                            | Member        |
| 10. | Department of Health (DOH)                             | Member        |

As of December 31, 2015, the Academy has 56 regular and 242 co-terminus employees. Its principal officers are:

President	Antonio D. Kalaw, Jr.
Senior Vice President – Programs	Magdalena L. Mendoza
Senior Vice President - Support Operations	Bernardo A. Dizon
Senior Vice President and Dean – GSPDM	Dr. Gloria J. Mercado

The Academy's main offices are housed at the DAP Building located in San Miguel Avenue, Pasig City, with a satellite office (DAP sa Mindanao or DSM) located in Davao City. The venue of the Academy's seminar and residential training is located in DAP Conference Center in Barangay Sungay, Tagaytay City.

### Financial Profile

Shown below are the comparative financial position and financial performance of DAP for Calendar Years (CYs) 2015 and 2014.

#### Comparative Financial Position (in Philippine Peso)

<u>Particulars</u>	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Assets	699,827,425	668,369,534	31,457,891
Liabilities	415,511,702	391,468,875	24,042,827
Equity	284,315,723	276,900,659	7,415,064

#### Results of Operations (in Philippine Peso)

<u>Particulars</u>	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Gross Revenue	359,434,132	302,469,870	56,964,262
Subsidy Income-NG	162,517,200	137,866,522	24,650,678
Total Operating Income	<u>521,951,332</u>	<u>440,336,392</u>	<u>81,614,940</u>
Operating Expenses	<u>514,536,268</u>	<u>437,644,616</u>	<u>76,891,652</u>
Net Income	<u>7,415,064</u>	<u>2,691,776</u>	<u>4,723,288</u>

### Scope of Audit

The audit covered the accounts and operations of DAP for CY 2015. The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected are based on the professional judgment of the auditor including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

## **Independent Auditor's Report on the Financial Statements**

The Auditor rendered an unqualified opinion on the fairness of the presentation of the financial statements of the DAP for the CY 2015.

### **Summary of Audit Observations and Recommendations**

Below is a summary of the significant audit findings and recommendations for CY 2015 as detailed in Part II of the report.

1. The Development Academy of the Philippines was unable to comply with Section 10 of Republic Act (RA) 9184 also known as the Government Procurement Reform Act of 2003 as well as the documentary requirements of COA Circular no. 2012-001 dated June 14, 2012 on the procurement of the Security Services for the Calendar Year (CY) 2015 in the amount of ₱4.726 million.
  - 1.1. DAP was unable to conduct public bidding for the hiring of security guards for CY 2015.
  - 1.1. Disbursements for security services for CY 2015 amounting to ₱3.909 million were approved for payment despite incomplete supporting documents required under Section 9.1.3.2 of COA Circular no. 2012-001 dated June 14, 2012.

We recommended that Management:

- a. Require the Bids and Awards Committee to formulate policies for the improvement of its procurement planning and conduct competitive bidding on the Academy's procurement of goods, services and infrastructure projects;
  - b. Adhere to the documentary requirements of COA Circular No. 2012-001 and other applicable laws to support each transaction in the disbursements of government funds; and
  - c. Submit the certified true copy of official receipts issued by the concerned government agencies as proof of remittance as well as certified true copy of attendance sheets of the security guards assigned to the Academy.
2. DAP managed and utilized its resources within the bounds of their approved Corporate Operating Budget (COB) for CY 2015.

We recommended that Management continue to work and implement their plans, projects and programs within the approved appropriation that will result in a balanced budget and avoid overdraft.

3. Project Cost in the amount of ₱2.4 million was fully recognized as income despite the Project being incomplete by 18.66 per cent equivalent to ₱447,952 as of December 31, 2015.

We recommended that Management:

- a. Recognize the revenue upon completion of the Project's activities deliverables. Adjust the books accordingly by reducing the revenue allocated to the remaining project activities and record the amount under Deferred Credits;
  - b. Make final negotiation with Philippine Council for Agriculture and Fisheries (PCAF) whether the project will be pushed through or not; if not, request PCAF to provide a waiver stating therein that DAP is free from any obligations relative to the unfinished project and the disposition of the remaining balance in the amount of ₱447,952; and
  - c. Require project officers/personnel to closely monitor the status of project implementation to avoid any slippages and to take immediate and appropriate corrective measures, if any.
4. Out of the 23 Quality Management System (QMS) related projects conducted by the DAP amounting to ₱17.872 million, only 84.56 per cent or ₱15.113 million were completed within the timeline as of yearend.

We recommended that Management require project officers/personnel to closely monitor and keep track of the status of project implementation. Prepare reports detailing the extent of project implementation and recommended corrective measures to have the project finish within timeline as stated in the contract.

5. The Academy complied with the provisions of Section 18, Rule No. III of the Implementing Rules and Regulations (IRR) of RA No. 7875, National Health Insurance Act of 2013, on the deduction and remittance of mandatory contributions. However, remittance reports were not in accordance with the mode as prescribed under PhilHealth Circular No. 025, Series-2012.

We recommended that Management continue the timely withholding and remittance of PhilHealth premium contributions and adopt the Electronic Premium Remittance System (EPRS) as stated in PhilHealth Circular No. 025, Series-2012, which includes the list of employees and their PhilHealth numbers.

#### **Summary of Total Audit Suspension, Disallowances and Charges as of Year-end**

As of December 31, 2015, ₱8,184,615.47 audit disallowances remained unsettled.

#### **Status of Implementation of Prior Year's Audit Recommendations**

Of the 28 audit recommendations contained in last year's Annual Audit Report, 21 were implemented, three were partially implemented and four were not implemented.

## **TABLE OF CONTENTS**

<b>PART I - AUDITED FINANCIAL STATEMENTS</b>	
Independent Auditor's Report	1
Statement of Management Responsibility for Financial Statements	3
Statement of Financial Position	4
Statement of Profit or Loss	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to Financial Statements	8
<b>PART II - AUDIT OBSERVATIONS AND RECOMMENDATIONS</b>	25
<b>PART III - STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS</b>	44
<b>PART IV - ANNEX</b>	51

**PART I**  
**AUDITED FINANCIAL STATEMENTS**



*Republic of the Philippines*  
**COMMISSION ON AUDIT**  
*Commonwealth Avenue, Quezon City, Philippines*

**INDEPENDENT AUDITOR'S REPORT**

**THE BOARD OF DIRECTORS**  
Development Academy of the Philippines  
DAP Building  
San Miguel Avenue, Pasig City

We have audited the accompanying financial statements of the Development Academy of the Philippines, which comprise the Statement of Financial Position as of December 31, 2015, Statement of Income and Expenses, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a Summary of Significant Accounting Policies and Other Explanatory Information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted state accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Public Sector Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Development Academy of the Philippines as of December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with generally accepted state accounting principles.

**Report on Supplementary Information Required Under  
BIR Revenue Regulation 15-2010**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees paid or accrued during the taxable year described in Note 24 to the financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The information has been subjected to auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**COMMISSION ON AUDIT**

  
**REBECCA Y. RAGSAG**  
Supervising Auditor – Audit Group H  
Cluster 6, Corporate Government Sector

May 30, 2016



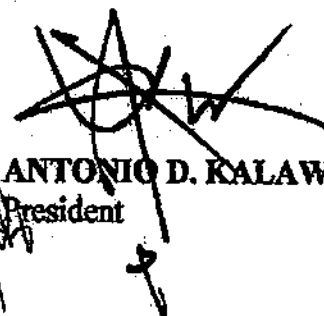


**STATEMENT OF MANAGEMENT RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The management of the Development Academy of the Philippines is responsible for all information and representations contained in the accompanying Balance Sheet as of December 31, 2015 and the related Statement of Income and Expenses and Cash Flow for the year then ended. The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use of disposition and liabilities are recognized.

*Anatalia S. Barawidan*  
**ANATALIA SD BARAWIDAN**  
Acting Managing Director  
Finance Department

  
**ANTONIO D. KALAW, JR., CESO I**  
President

**DEVELOPMENT ACADEMY OF THE PHILIPPINES****Statement of Financial Position****As of December 31, 2015**

(With Corresponding Figures as of December 31, 2014)

(In Philippine Peso)

	Notes	2015	2014 (As Restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4.2/5	85,396,521	42,247,055
Investments	4.5/10	64,020,000	20,000,000
Trade and Other Receivables - Net	4.3/6	186,222,676	222,398,558
Inventories - Net	4.4/7	4,238,209	3,510,681
Prepaid Expenses	8	44,470,695	44,637,595
Other Current Assets	9	1,989,950	1,896,647
<b>TOTAL CURRENT ASSETS</b>		<b>386,338,051</b>	<b>334,690,536</b>
<b>Non-current Assets</b>			
Investments	4.5/10	140,007,000	150,007,000
Property and Equipment - Net	4.6/11	168,790,116	181,831,693
Research and Development		4,291,780	1,439,827
Other Non-Current Assets	12	400,478	400,478
<b>TOTAL NON-CURRENT ASSETS</b>		<b>313,489,374</b>	<b>333,678,998</b>
<b>TOTAL ASSETS</b>		<b>699,827,425</b>	<b>668,369,534</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payables	13	133,387,874	116,575,458
Inter-Agency Payables	14	10,938,226	8,127,525
Other Payables	15	39,606,592	49,061,971
<b>TOTAL CURRENT LIABILITIES</b>		<b>183,932,692</b>	<b>173,764,954</b>
<b>Non-current Liabilities</b>			
Deferred Credits	16	188,977,192	180,530,325
Other Long-Term Liabilities	17	42,601,818	37,173,596
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>231,579,010</b>	<b>217,703,921</b>
<b>TOTAL LIABILITIES</b>		<b>415,511,702</b>	<b>391,468,875</b>
<b>EQUITY</b>		<b>284,315,723</b>	<b>276,900,659</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>699,827,425</b>	<b>668,369,534</b>

The notes on pages 8 to 24 form part of these financial statements.

**DEVELOPMENT ACADEMY OF THE PHILIPPINES**  
**Statement of Profit or Loss**  
**For the Year Ended December 31, 2015**  
**(With Corresponding Figures for CY 2014)**  
**(In Philippine Peso)**

	Notes	2015	2014 (As Restated)
<b>INCOME</b>			
General Income			
Consultancy/Research Fees		282,089,038	232,633,274
Income from Operation of Restaurants/Canteen/Eateries		35,544,528	31,095,221
Income from Operation of Dormitories/Cottages		23,438,204	18,701,651
Rent Income		13,201,356	12,427,383
Other Service Income		604,581	598,805
Miscellaneous Income		2,065,551	5,164,473
<b>GROSS INCOME</b>		<b>356,943,258</b>	<b>300,620,807</b>
<b>EXPENSES</b>			
Personal Services 21			
Salaries and Wages		99,268,151	90,150,208
Other Compensation		26,584,546	25,667,406
Personnel Benefits Contribution		13,731,447	12,505,305
Other Personnel Benefits		27,286,724	20,473,106
<b>Total Personal Services</b>		<b>166,870,868</b>	<b>148,796,025</b>
Maintenance and Other Operating Expenses 22			
Professional Services		119,874,014	103,419,350
Supplies and Materials Expenses		49,356,304	46,667,194
Training and Scholarship Expenses		19,256,001	20,522,247
Non-Cash Expenses		73,633,611	39,165,096
Utility Expenses		23,587,934	20,593,167
Travelling Expenses		19,781,187	18,980,318
Repairs and Maintenance Expenses		8,003,868	8,232,457
Communication Expenses		7,995,629	6,213,180
Rent Expenses		5,320,161	4,537,256
Taxes, Insurance Premiums and Other Fees		2,663,330	1,321,066
Advertising Expenses		1,794,915	1,404,479
Extraordinary and Miscellaneous Expenses		414,414	418,377
Other Maintenance and Other Operating Expenses		15,984,032	17,364,404
<b>Total Maintenance and Other Operating Expenses</b>		<b>347,685,400</b>	<b>288,848,591</b>
<b>TOTAL EXPENSES</b>		<b>514,536,268</b>	<b>437,644,616</b>
<b>INCOME (LOSS) FROM OPERATION</b>		<b>(157,593,010)</b>	<b>(137,023,809)</b>
Other Income (Expenses)			
Interest Income		2,241,507	2,149,563
Gain on Forex/(Loss) on Forex or Sale of Assets		279,528	(275,827)
Financial Expenses		(30,161)	(24,673)
<b>NET INCOME (LOSS) BEFORE SUBSIDY</b>		<b>(155,102,136)</b>	<b>(135,174,746)</b>
<b>SUBSIDY FROM THE NATIONAL GOVERNMENT</b>	23	<b>162,517,200</b>	<b>137,866,522</b>
<b>NET INCOME</b>		<b>7,415,064</b>	<b>2,691,776</b>

The notes on pages 8 to 24 form part of these financial statements.

**DEVELOPMENT ACADEMY OF THE PHILIPPINES**  
**Statement of Changes in Equity**  
**For the Year Ended December 31, 2015**  
 (With Corresponding Figures for CY 2014)  
 (In Philippine Peso)

	Notes	2015	2014 (As Restated)
<b>GOVERNMENT EQUITY</b>	18		
Balance, Beginning/End of the Year		47,500,000	47,500,000
<b>DONATED CAPITAL</b>	19		
Balance, Beginning/End of the Year		161,897,942	161,897,942
<b>RETAINED EARNINGS</b>	20		
Balance, Beginning of the Year, As Restated		67,502,717	64,810,941
Net Income		7,415,064	2,691,776
Balance, End of the Year, As Restated		74,917,781	67,502,717
<b>EQUITY</b>		<b>284,315,723</b>	<b>276,900,659</b>

The notes on pages 8 to 24 form part of these financial statements.

**DEVELOPMENT ACADEMY OF THE PHILIPPINES**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**  
 (With Corresponding Figures for CY 2014)  
 (In Philippine Peso)

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Receipts from Customers	928,003,022	753,792,347
Cash Paid to Suppliers and Employees	(847,739,693)	(762,888,664)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>80,263,329</b>	<b>(9,096,317)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Proceeds from Investments Maturities	279,578,124	296,008,000
Placements in Short-Term Investments	(312,031,250)	(249,154,057)
Acquisition of Property, Plant and Equipment	(6,771,334)	(19,079,014)
Interest Income	1,450,504	2,308,815
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(37,773,956)</b>	<b>30,083,744</b>
<b>UNREALIZED FOREIGN EXCHANGE GAIN (LOSS)</b>	<b>660,093</b>	<b>16,205</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>43,149,466</b>	<b>21,003,632</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>42,247,055</b>	<b>21,243,423</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>85,396,521</b>	<b>42,247,055</b>

The notes on pages 8 to 24 form part of these financial statements.

**DEVELOPMENT ACADEMY OF THE PHILIPPINES**  
**NOTES TO FINANCIAL STATEMENTS**  
(All amounts in Philippine Peso unless otherwise stated)

**1. CORPORATE INFORMATION**

The Development Academy of the Philippines (DAP) is one of the key government institutions for development. It was created by virtue of Presidential Decree (PD) 205 dated June 7, 1973, amended by PD 1061 on December 9, 1976 and Executive Order (EO) No. 288 signed on July 25, 1987.

The Academy is mandated to discharge a multi-faceted role as think-tank/conceptualizer, designer, initiator and catalyst relative to the development initiatives that are being taken by other government agencies and instrumentalities.

In pursuit of these multi-faceted roles, the Academy's strategy is to create development champions government-wide hence the thrust toward people development—through learning and development interventions that foster and promote the culture of transformational leadership among government executives.

To complement these people-development efforts, the Academy also 1) promotes the conduct of scientific, interdisciplinary and policy-oriented researches; and 2) provides technical assistance and consultancy services in support of the development efforts of client-agencies.

The Academy also discharges the role as the country's National Productivity Organization. As such, the Academy interfaces with and implements, in the country, the programs the Asian Productivity Organization (APO).

The Academy derives direction from an 11-member Board of Trustees. With the exception of the DAP President, the other 10 trustees are ex-officio members, representing key government offices enumerated below:

1.	Office of the President (OP), Philippines	Chairman
2.	Civil Service Commission (CSC)	Vice-Chairman
3.	Department of Agriculture (DA)	Member
4.	Department of Environment and Natural Resources (DENR)	Member
5.	National Economic and Development Authority (NEDA)	Member
6.	Department of Agrarian Reform (DAR)	Member
7.	Department of Budget and Management (DBM)	Member
8.	Department of Education (DepEd)	Member
9.	Department of Finance (DOF)	Member
10.	Department of Health (DOH)	Member

The Academy's human resource complement as of December 31, 2015 stood at 298 warm bodies. Of this number, 56 are holding CSC-appointments with "permanent-status" while 242 were appointed on a "Co-Terminus status (with Project)" basis.

The Academy's main offices are housed at the DAP Building located in San Miguel Avenue, Pasig City, with a satellite office (DAP sa Mindanao or DSM) located in Davao City. The venue of the Academy's seminar and residential training is located in DAP Conference Center in Barangay Sungay, Tagaytay City.

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

The Academy's financial statements were prepared in accordance with State Accounting Principles. DAP uses the chart of accounts prescribed under the New Government Accounting System (NGAS) for Government-Owned and Controlled Corporations (GOCCs) with minor modifications to suit the needs of the Academy.

## **3. FINANCIAL STATEMENTS**

The Balance Sheet and Statement of Income and Expenses includes the overall resources and results of operations of the Academy's core business (technical assistance, research, professional education, and training) as well as proceeds from the support business operations (lease/rentals and related services) using DAP facilities located in DAP Conference Center in Tagaytay City, and from its headquarter-building in DAP Building in Pasig City.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.1. Revenue and Expense Recognition**

The Academy uses the accrual basis of accounting wherein income and expenses are recognized and recorded in the books of accounts at the time they are earned and incurred.

The operating revenues of the Academy are sourced from providing technical assistance, research, professional education, training, rentals for the use of conference facilities, cafeteria services and office/facilities. The different income generating units of the agency recognize income in the following manner:

#### **4.1.1. *Technical Assistance, Professional Education, Research and Training***

Income from these core businesses are recognized when billed and accrued based on the terms of the contract.

#### **4.1.2. *Rent for Use of Conference Facilities***

Income from support business arises mainly from room accommodation, use of cottages and other facilities normally done in relation to the core business. Income from cash customers is recognized upon receipt of payment, while income from non-cash customers is recognized upon billing.

#### **4.1.3. *Cafeteria Services***

Income is recognized when orders are served to walk-in clients and to those who are using the Academy's facilities and upon billing for institutional reservations or functions.

#### 4.1.4. Office/Facilities Rental

Revenue is recognized as earned based on the terms of the lease/rent contracts.

#### 4.2. Cash and Cash Equivalents

This account includes peso and dollar savings and peso current deposit accounts in Philippine National Bank (PNB), Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP). Bank accounts in dollars are converted to pesos using the Bangko Sentral ng Pilipinas (BSP) reference rate at year end.

Trust funds received from projects are deposited in a separate account with the Academy's depository bank.

#### 4.3. Accounts Receivables

Accounts receivables are stated at face value less trade discount granted, if any. The Academy periodically evaluates collectability of receivables and provides allowance for probable losses. Probable losses on trade receivables are debited as losses and charged against the results of operations and credited to allowance for doubtful accounts. The basis of computing allowance for doubtful accounts is as follows:

<u>Age</u>	<u>Rate (in per cent)</u>
1-60 days	1
61-180 days	2
181 days-1 year	3
More than 1 year	5

Accounts determined as uncollectible/worthless were endorsed to the Commission on Audit (COA) for approval of writing-off the accounts. The request was already returned to the Academy for additional requirements.

#### 4.4. Inventories

Inventories consist of office supplies, medicines, food and beverages stored in Pasig and in Tagaytay City. The agency uses the perpetual inventory system in accounting for these items and records inventories at cost less discounts taken. Free items are also debited to the inventory account and credited to income.

Perishable items such as meat and vegetables are charged directly to expense and recorded upon preparation of vouchers.

The Academy adopts the First-in First-Out (FIFO) method of costing the issuance and usage of all kinds of supplies.



In the event of obsolescence or impairment, the cost of inventories is written down to its net realizable value by recognizing *Impairment Losses and Allowance for Obsolescence*.

#### 4.5. Investments

Short-term investment consists of High Yielding Savings Account (HYSA), which were recorded at face value. The LBP-HYSA account has a term of one (1) month and is classified as *current asset*.

The long-term investments consist of the Bureau of Treasury Fixed Term Notes (BTR FXTN 5-72) and Development Bank of the Philippines Tier 2 Capital Notes, which have a five-year term and a ten-year term, respectively. These long term investments, which were recorded at face value are classified as *non-current assets*.

#### 4.6. Property and Equipment

Land and land improvements are stated at cost.

The title and ownership over these properties were originally in the name of the Academy. However, in 1982, the Corporate Financial Institutions (CFIs) comprising the original DAP Board of Trustees incorporated the "DAP Building Incorporated" (DBI), transferred the ownership from DAP to DBI.

Reference to COA Audit Observation Memorandum (AOM) No. 2013-03 dated July 8, 2014, stating among other that the Academy should "avail all legal remedies to resolve the ownership of the other lots where the DAP building is located", re findings that properties of DAP covered by TCT No. 32172, No. 32173, and No. 32174 that were later changed to TCT No. 56453, No. 56454, and No.56455, respectively in the name of DBI on the strength of a Deed of Conveyance; the Academy sought the Legal Opinion of the Department of Justice (DOJ) through the Office of the Government Corporate Counsel (OGCC), which read: "Did the Development Academy validly convey its land properties covered by TCT No. 32172, No. 32173, and No. 32174 located at San Antonio Village, Pasig City in favor of DAP Building Inc.?"

The Secretary of Justice has issued a Legal Opinion stating among others that the transfer of said properties from DAP to DBI is void ab-initio.

The Honorable Secretary of Justice came-up with the Legal opinion No. 45 s.2014 in favor of the DAP claim as presented in the letter of the Justice Secretary addressed to the DAP President, Antonio D. Kalaw, Jr. that pertinently reads: "...the subject Deed is void from the beginning or in-existent, albeit the reason now is because the act done is expressly prohibited by law."

For others, property and equipment are carried at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the item according to the capitalization benchmark prescribed by the Commission on Audit. Depreciation is computed using the straight-line method and assets are depreciated over the following estimated useful lives:

<u>Fixed Assets</u>	<u>Estimated Life</u> <u>(in years)</u>
Building and Structures	
DAP – Pasig	30
DAPCC – Tagaytay	30
Furniture, Fixtures and Equipment	
Audio-visual equipment	5
Air-conditioning equipment	10
Dormitory furniture and fixtures	10
Cafeteria furniture and equipment	10
Office furniture and fixtures	10
Carpets, rugs and curtains	5
IT equipment – computers	5
Library books	5
Motor vehicles	7
Machineries and equipment	
Communications and power	10
Medical and dental	10
Other tools and equipment	5

#### 5. CASH AND CASH EQUIVALENTS

This account is composed of cash in bank and cash in the hands of officers and employees broken down as follows:

Particulars	2015	2014
Cash in Bank		
Savings Account	56,567,106	14,514,005
Current Account	12,890,698	13,925,470
Peso Time Deposit	619,565	618,372
Dollar Account	10,684,631	11,501,082
Totals	<u>80,762,000</u>	<u>40,558,929</u>
Cash with Officers and Employees		
Collecting Officer	2,447,464	7,700
Disturbing Officer	1,598,975	1,054,043
Revolving Fund- Advances	588,082	626,383
	<u>4,634,521</u>	<u>1,688,126</u>
<b>Total</b>	<u><b>85,396,521</b></u>	<u><b>42,247,055</b></u>

The amount also includes funds for Department of Agrarian Reform (DAR) "K-Agrinet" project, Department of Agriculture (DA) – Aurora E-Village and Executive

Development Program for Schools, Colleges and Universities (from Disbursement Acceleration Program fund).

**6. TRADE AND OTHER RECEIVABLES-NET**

Particulars	2015	2014 (As Restated)
Account Receivable	213,043,680	249,554,419
Due from Officers and Employees	543,083	288,472
Other Receivables	943,469	863,223
	<u>214,530,232</u>	<u>250,706,114</u>
Allowance for Doubtful Accounts	(28,307,556)	(28,307,556)
<b>Total</b>	<u><b>186,222,676</b></u>	<u><b>222,398,558</b></u>

Accounts receivable pertains to trade receivables from various government agencies and private entities arising from fees for technical, research and training services rendered by the Academy as well as from the use of its conference facilities in Tagaytay City.

The amount of ₱18.616 million covering the period of CY1977 to CY2005 and representing 7.47 per cent of the total receivables had very low collection probability. As such, this was submitted to COA for endorsement to appropriate offices for writing-off. The COA has returned this to the Academy for additional requirements.

**7. INVENTORIES – NET**

Particulars	2015	2014
Office Supplies Inventory	3,018,581	2,637,682
Food Supplies Inventory	908,862	699,905
Other Supplies Inventory	310,766	173,094
<b>Total</b>	<u><b>4,238,209</b></u>	<u><b>3,510,681</b></u>

Majority of the inventories are office supplies good for three months consumption. Food supplies are for the operations of the Cafeteria in Pasig City and DAPCC in Tagaytay City. Other supplies include janitorial supplies, spare parts for maintenance of the Academy's vehicles, tiles and other minor fittings for the building maintenance, and medicines for the Clinic.

## 8. PREPAID EXPENSES

Particulars	2015	2014 (As Restated)
Prepaid Expenses	952,993	1,054,414
Advances to Contractors	5,687,371	5,819,904
Deferred Charges	37,478,935	37,464,710
Other Prepaid Expenses	351,396	298,567
<b>Total</b>	<b><u>44,470,695</u></b>	<b><u>44,637,595</u></b>

This account represents prepayments made by the Academy for insurance premiums to GSIS and subscription to newspapers and magazines.

Advances to contractors represent deposits to hotels and venues for the conduct of various activities of the Academy and to be deducted from the final payments.

Deferred charges account consists of Input Vat, Tax withheld for Corporate Income Tax and Tax withheld for Output Tax.

Other prepaid expenses account pertains to annual membership fees paid to various organizations.

## 9. OTHER CURRENT ASSETS

Some of the Academy's projects were obtained through competitive public bidding, establishing an account pertaining to Guaranty Deposits largely refers to the issuance of bidder's performance bonds.

## 10. INVESTMENTS

The short-term investment to LBP-HYSA amounts to ₱ 64.020 million while the long term investments in the BTR FXTN 5-72 and DBP-Tier 2 Capital Notes amount to ₱120 million and ₱20 million, respectively.

The Academy continuously monitors the net gains on these investment-placements and makes necessary arrangements to ensure gains are maximized for the Academy.

## 11. PROPERTY, PLANT AND EQUIPMENT – NET

Details of the account are as follows:

	Land and Building/ Construction in Progress	Arts, Arche- ological& Others	PPE Held In-trust	Office, IT and Com- munication Equipment	Other Equipment	Motor Vehicles	Total
<b>Cost</b>							
Balance, January 1, 2015	201,066,005	1,453,360	27,679	50,368,700	37,699,888	24,571,906	315,187,536
Restatement	0	0	0	0	0	0	0
Bal. Jan. 1, 2015, as restated	201,066,005	1,453,360	27,679	50,368,700	37,699,888	24,571,906	315,187,536
Additions	1,732,307	0	26,786	7,906,122	1,374,913	0	11,040,128
Disposals	0	0	0	(4,141,616)	(933,265)	(1,263,500)	(6,338,381)
Adjustments	(5,929,802)	0	(27,679)	1,330,251	4,769,455	0	142,225
<b>Balance, December 31, 2015</b>	<b>196,868,510</b>	<b>1,453,360</b>	<b>26,786</b>	<b>55,463,457</b>	<b>42,910,989</b>	<b>23,308,406</b>	<b>320,031,508</b>
Less: Accumulated Depreciation	0	0	0	0	0	0	0
Balance, January 1, 2015	79,948,900	0	0	26,167,755	16,159,827	11,079,361	133,355,843
Restatement	0	0	0	0	0	0	0
Bal. Jan. 1, 2015, as restated	79,948,900	0	0	26,167,755	16,159,827	11,079,361	133,355,843
Additions	12,436,928	0	0	4,848,490	3,528,455	2,391,259	23,205,132
Disposals	0	0	0	(3,158,276)	(837,779)	(1,137,150)	(5,133,205)
Adjustments	0	0	0	(165,460)	(20,918)	-	(186,378)
<b>Balance, December 31, 2015</b>	<b>92,385,828</b>	<b>0</b>	<b>0</b>	<b>27,692,509</b>	<b>18,829,585</b>	<b>12,333,470</b>	<b>151,241,392</b>
Net Book Value							
<b>December 31, 2015</b>	<b>104,482,682</b>	<b>1,453,360</b>	<b>26,786</b>	<b>27,770,948</b>	<b>24,081,404</b>	<b>10,974,936</b>	<b>168,790,116</b>
December 31, 2014	121,117,105	1,453,360	27,679	24,200,945	21,540,059	13,492,545	181,831,693

## 12. OTHER NON-CURRENT ASSETS

The carrying amount of property, plant and equipment that have become unserviceable are reclassified to other assets account. When these assets are

disposed, the carrying amount lodged in the other assets account is derecognized and a gain or loss from disposed assets is recognized.

### 13. PAYABLES

This account consists of the following:

Particulars	2015	2014 (As Restated)
Accounts Payable	130,337,437	114,224,092
Due to Officers and Employees	3,050,437	2,351,366
<b>Total</b>	<b><u>133,387,874</u></b>	<b><u>116,575,458</u></b>

Accounts Payables account pertains to obligations to suppliers arising from trade.

Due to Officers and Employees account includes unclaimed salaries and other benefits of separated and existing DAP employees.

### 14. INTER-AGENCY PAYABLES

Particulars	2015	2014 (As Restated)
Due to GSIS	2,303,253	(152,092)
Due to Pag-ibig	269,411	53,993
Due to Philhealth	230,057	41,633
Due to BIR	8,600,082	6,638,795
Due to Other NGA's	(464,577)	1,545,196
<b>Total</b>	<b><u>10,938,226</u></b>	<b><u>8,127,525</u></b>

Other accounts are withholding taxes, premiums deducted from employees as well as the Academy's share (as mandated employer's contribution) for remittances to BIR, GSIS, PhilHealth and PAG-IBIG.

Due to Other NGAs account is made up of K-Agrinet and Aurora E-Village Project funds under the temporary custodianship of the Academy. These funds will be eventually transferred to partners.

## 15. OTHER PAYABLES

This account consists of the following:

Particulars	2015	2014 (As Restated)
Guaranty Deposits Payable	3,736,866	4,925,462
Performance Bonds / Bidders Bond	7,108,867	6,879,523
Other Payables	28,760,859	37,256,986
<b>Total</b>	<b>39,606,592</b>	<b>49,061,971</b>

Guaranty Deposits Payables consist of 10 per cent retention fee due to contractors which are currently retained by the agency and rental deposits for DAP's leasing operations.

Other Payables refer to the peso amount of accumulated leave credits of resigned and retired employees totaling ₱2.7 million which is expected to be paid within the next 12 months and miscellaneous trust liabilities in the custody of the agency for specific projects.

## 16. DEFERRED CREDITS

Particulars	2015	2014 (As Restated)
Deferred Credits- 15 per cent Breakages	2,578,413	2,190,104
Deferred Credits to Income	151,825,825	143,301,649
Provision for Output Tax- Year 2003 onwards	19,832,634	20,298,252
Provision for Output Tax- Year 2002 below	14,740,320	14,740,320
<b>Total</b>	<b>188,977,192</b>	<b>180,530,325</b>

Provision for output tax for year 2003 onwards consists mainly of 12 per cent output value added tax (VAT) provided on trade receivables based on various clients for consultancy services; use of conference facilities; cafeteria and lease operations of the Academy. The remittance of these items to BIR is withheld pending collection of such receivables.

On the other hand, the "Provision for output tax for CY 2002 and below" pertains to accounts receivables that have been considered either as worthless or doubtful of collection for varied reasons. The Academy shall write-off these accounts once the write-off for the corresponding receivables is approved by the COA.

## 17. OTHER LONG-TERM LIABILITIES

The account balance represents the peso equivalent of accumulated leave credits of credits by the current rate. This account is adjusted annually in order to present the current value.

## 18. GOVERNMENT EQUITY

This account consists of contributions by the five (5) founding institutions of the Academy to the Endowment Fund in initial operations of the Academy, as well as the recent additions espoused by then late DBM Secretary Emilia Boncodin. The initial contributions were used to procure piece of land where the main headquarters of the Academy was built, while the latter endowment fund were released to the Academy in tranches over years.

To date, the Academy safeguards the said funds as they were placed in long termed investment placements to ensure maximum return to the Academy without impairing the principal amounts.

Institution	Contribution	Basis
BangkoSentral ng Pilipinas	9,500,000	PD 205 (June 6, 1973)
Land Bank of the Philippines	9,500,000	PD 205 (June 6, 1973)
Government Service Insurance System	9,500,000	PD 205 (June 6, 1973)
Philippine National Bank	9,500,000	PD 205 (June 6, 1973)
Social Security System	9,500,000	PD 205 (June 6, 1973)
<b>Total</b>	<b>47,500,000</b>	

## 19. DONATED CAPITAL

This account includes donations from the National Government through the Office of the President (OP). The said amount is to remain unimpaired and shall be returned to the contributor/donor in the event of the dissolution of the Academy. Additional amount totaling ₱115 million was granted to the Academy by the National Government pursuant to the General Appropriations Act for calendar years (CYs) 2005 to 2009 as follows:

Particulars	2015	2014
Donations from the National Government		
Office of the President	20,000,000	20,000,000
General Appropriations Act CY 2005	50,000,000	50,000,000
General Appropriations Act CY 2006	35,000,000	35,000,000
General Appropriations Act CY 2007	10,000,000	10,000,000
General Appropriations Act CY 2008	10,000,000	10,000,000
General Appropriations Act CY 2009	10,000,000	10,000,000
Development Bank of the Philippines	16,788,579	16,788,579
CCMD/FAPE	8,700,000	8,700,000
Various Donors	1,409,363	1,409,363
<b>Total</b>	<b>161,897,942</b>	<b>161,897,942</b>



## 20. RETAINED EARNINGS

In accordance with Philippine Accounting Standard (PAS) No. 8, Accounting Policies, Changes in Accounting Estimates and Errors, the Retained earnings beginning balance of calendar year 2013 was restated as reported on the Annual Audit Report for CY 2014 in the amount of ₱2,691,776 as follows:

Particulars	Amount
Retained Earnings, January 1, 2013, unrestated	64,810,941
Net Income, December 31, 2014 as stated	5,882,205
Adjustments:	
Performance-based bonus	(3,008,500)
Cost of Check debited by bank	(235,000)
Travelling Expenses	(171,720)
Cancellation/replacement of bills	(60,000)
Honoraria	(35,479)
Consultancy Services	(3,870)
Refund of salaries during scholarship grant	251,525
Bank charge reversed by bank	46,400
Cancelled Checks	14,215
Reclassification entries	10,949
Interest income	1,051
Net Income, December 31, 2014, as restated	<u>2,691,776</u>
Retained Earnings, December 31, 2014, As Restated	<u>67,502,717</u>

## 21. PERSONAL SERVICES

The following schedule shows the breakdown of Personal Services expense.

Particulars	2015	2014 (As Restated)
Salaries and Wages		
Salaries and Wages – co-terminous	74,578,875	65,248,653
Salaries and wages – regular	24,689,276	24,901,555
Total	<u>99,268,151</u>	<u>90,150,208</u>
Other Compensation		
Year-end bonus	8,383,555	7,719,943
Personnel economic relief allowance	6,997,727	6,375,818
Representation allowance	3,439,000	3,374,420
Transportation allowance	2,199,954	2,160,711
Honoraria	1,773,457	1,852,686
Cash gift	1,481,875	1,394,375
Clothing and uniform allowance	1,430,000	1,180,000
Overtime and night pay	708,978	783,453
Longevity pay	170,000	210,000
Productivity incentive allowance	0	616,000
Total	<u>26,584,546</u>	<u>25,667,406</u>

Particulars	2015	2014 (As Restated)
Personnel Benefits Contribution		
Life and retirement insurance contributions	11,936,557	10,884,416
PhilHealth contributions	1,092,200	984,231
Pag-IBIG contributions	353,462	319,650
ECC contribution	349,228	317,008
Totals	<u>13,731,447</u>	<u>12,505,305</u>
Other Personnel Benefits		
Terminal leave benefits	9,641,430	9,529,406
Other personnel benefits	17,645,294	10,943,700
Totals	<u>27,286,724</u>	<u>20,473,106</u>
<b>Total Personal Services</b>	<u><b>166,870,868</b></u>	<u><b>148,796,025</b></u>

## 22. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

The following schedule shows the breakdown of the MOOE:

Particulars	2015	2014 (As Restated)
Professional Services		
Consultancy services	63,424,524	48,936,282
Other professional services	48,240,831	37,986,294
Security services	5,254,744	5,244,832
Janitorial Services	2,525,578	3,183,565
Environment/sanitary services	281,443	7,669,615
Auditing services	146,894	398,762
Totals	<u>119,874,014</u>	<u>103,419,350</u>
Supplies and Materials expenses		
Food supplies expenses	29,309,199	26,970,344
Office supplies expense	10,718,986	10,270,310
Maintenance, materials and supplies	5,079,670	4,480,757
Fuel, oil and lubricants expenses	2,749,325	3,712,287
Drugs and medicines expenses	155,191	111,523
Textbooks and Instructional Materials	0	3,606
Other supplies expenses	1,343,933	1,118,367
Totals	<u>49,356,304</u>	<u>46,667,194</u>
Utility expenses		
Electricity expenses	17,141,274	18,350,744
Water expenses	1,093,503	1,044,589
Cooking gas expenses	1,021,224	1,126,914
Totals	<u>19,256,001</u>	<u>20,522,247</u>
Training and Scholarship expenses		
Training expenses	70,547,783	38,648,044
Scholarship expenses	3,085,828	517,052
Totals	<u>73,633,611</u>	<u>39,165,096</u>

Particulars	2015	2014 (As Restated)
Non-cash expenses		
Bad debts expenses	0	369,027
Depreciation – office building	12,436,928	10,829,874
Depreciation- office/IT/Medical and dental equipment	5,923,795	5,239,221
Depreciation – furniture and fixtures	2,602,649	2,137,707
Depreciation – motor vehicles	2,391,259	1,817,853
Depreciation – library books	233,303	199,485
Totals	<u>23,587,934</u>	<u>20,593,167</u>
Traveling expenses	<u>19,781,187</u>	<u>18,990,318</u>
Repairs and Maintenance expenses		
Office building	6,126,080	6,816,737
Motor vehicles	1,557,165	1,221,945
Office equipment	320,623	193,775
Furniture and fixtures	0	0
Totals	<u>8,003,868</u>	<u>8,232,457</u>
Communication expenses		
Telephone expense – landline	3,075,523	3,160,003
Internet expenses	2,543,504	989,759
Telephone expense – mobile	1,822,281	1,706,626
Cable, satellite, telegraph & radio expenses- TTC	196,316	198,446
Postage and deliveries	358,005	158,346
Totals	<u>7,995,629</u>	<u>6,213,180</u>
Rent expenses	<u>5,320,161</u>	<u>4,537,256</u>
Advertising expenses		
Printing, binding and reproduction expenses	1,470,353	481,596
Advertising expenses	826,958	645,512
Promotion and marketing expenses	200,847	-
Subscription expenses	159,043	172,189
Transportation and delivery expense	6,129	21,769
Totals	<u>2,663,330</u>	<u>1,321,066</u>
Taxes, Insurance premiums and Other fees		
Insurance expenses	1,519,288	1,071,890
Taxes, duties and licenses	143,130	192,307
Membership dues and contributions to organization	74,442	76,708
Fidelity bond premiums	58,055	63,574
Totals	<u>1,794,915</u>	<u>1,404,479</u>
Extraordinary and Miscellaneous expenses	<u>414,414</u>	<u>418,377</u>
Other MOOE	<u>15,984,032</u>	<u>17,364,404</u>
Total MOOE	<u>347,665,400</u>	<u>288,848,591</u>

### 23. SUBSIDY FROM THE NATIONAL GOVERNMENT

This account pertains to the following:

Particulars	2015	2014
Authorize under the General/ Appropriations Act Support to the Productivity Development Center (PDC). Cash received from the Department of Foreign Affairs representing allotments from International Committee (ICF) for support of the Academy's PDC implementing projects approved by the Asian Productivity Organization (APO).	10,400,000	10,000,000
The National Government Career Executive Development Program-Project Managers Development Program (NGCESDP-PMDP) per GAA Republic Act No. 10352	132,467,200	127,866,522
Harmonization of National Government Performance Monitoring Information and Reporting System (Phase IV)	19,650,000	
<b>Totals</b>	<b>162,517,200</b>	<b>137,866,522</b>

### 24. REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY THE BIR UNDER REVENUE REGULATION NO. 15-2010

On the November 25, 2010, the BIR issued Revenue Regulations (RR) No. 15-2010 prescribing the manner of compliance in connection with the preparation and submission of financial statement accompanying the tax returns. Under the said RR, it is required that, in addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may be adopted, the Notes shall include information on taxes, duties and license fees paid or accrued during the taxable year.

In compliance with the requirements set forth by RR 15-2010, the information on taxes, duties and licenses paid or accrued during the taxable year as follows:

#### 24.1 Value Added Tax (VAT)

Particulars	2015	2014
Vatable Sales/Receipts of Services – Private	44,390,348	45,522,192
Sale to Government	165,258,530	100,940,013
Zero to Government	0	0
Exempt Sales/Receipts	0	0
Total Sales/Receipts (Total Vatable Gross Receipts)	209,648,878	146,462,205
Multiply by: Tax rate	12%	12%
Total Output VAT for the year	25,157,865	17,575,465

Particulars	2015	2014
Allowable Input Tax	33,825,963	37,132,465
Input Tax Carried Over from Previous Period	33,302,451	36,711,150
Input Tax Deferred on Capital Goods Exceeding ₱1 Million from Previous Quarter	523,512	421,315
Current Year's Domestic Purchases of:		
Goods Other than Capital Goods	15,358,403	14,432,770
Services	4,197,111	4,424,103
	11,161,292	10,008,667
<b>Total Available Input Tax</b>	<b><u>49,184,366</u></b>	<b><u>51,565,235</u></b>

Particulars	2015	2014
Tax Credits/Payments		
Monthly VAT Payments – previous two months	0	0
Creditable Value-Added Tax Withheld	4,647,668	5,162,108
<b>Total Tax Credits/Payments</b>	<b><u>4,647,668</u></b>	<b><u>5,162,108</u></b>

#### 24.2 Excise Taxes

There are no transactions subject to excise taxes for the years ended December 31, 2015 and 2014. As defined by the BIR, excise tax is a tax on the production, sale, or consumption of a commodity on good manufactured or produce in the Philippine for domestic sale or consumption of for any other disposition; and or good imported.

#### 24.3 Other taxes, local and national

This account consists of taxes and licenses paid for the years ended December 31, 2015 and 2014 as follows:

Particulars	2015	2014
Under Taxes, Insurance Premiums and other Fees:		
20% Final tax on Interest Income on Investment and bank deposit	560,377	631,316
Insurance Premium on Property Plant and Equipment	1,439,134	1,026,414
Taxes on Property	19,422	31,300
Premiums on bonds	58,055	61,575
Business Permits and Licenses	113,088	150,815
<b>Totals</b>	<b><u>2,190,076</u></b>	<b><u>1,901,420</u></b>

#### 24.4 Withholding Taxes

The Company's withholding taxes for the years ended December 31, 2015 and 2014 are as follows:

##### Withholding tax on compensations

Particulars	2015	2014
Total withheld tax for the year	15,260,105	13,403,020
Less: Payments made from January to November 2015	13,941,458	12,784,898
Withholding Tax still due and payable	<u>1,318,647</u>	<u>618,122</u>

##### Expanded withholding tax

Particulars	2015	2014
Total withheld tax for the year	15,156,932	11,940,035
Less: Payments made from January to November 2015	11,914,748	10,638,548
Withholding Tax still due and payable	<u>3,242,184</u>	<u>1,301,487</u>

##### Final tax withheld (GMP)

Particulars	2015	2014
Total withheld tax for the year	6,394,724	6,678,745
Less: Payments made from January to November 2015	5,802,854	6,203,623
Withholding Tax still due and payable	<u>591,870</u>	<u>475,122</u>

##### Final tax withheld (Non-Resident Alien)

Particulars	2015	2014
Total withheld tax for the year	89,397	0
Less: Payments made from January to November 2015	89,397	0
Withholding Tax still due and payable	<u>0</u>	<u>0</u>

**PART II**  
**AUDIT OBSERVATIONS AND**  
**RECOMMENDATIONS**

## AUDIT OBSERVATIONS AND RECOMMENDATIONS

1. The Development Academy of the Philippines (DAP) was unable to comply with Section 10 of Republic Act (RA) 9184 also known as the Government Procurement Reform Act of 2003 as well as the documentary requirements of Commission on Audit (COA) Circular No. 2012-001 dated June 14, 2012 on the procurement of the Security Services for Calendar Year (CY) 2015 in the amount of P4.726 million.

- 1.1. DAP was unable to conduct public bidding for the hiring of security guards for CY 2015.

- 1.1.1. Section 4 of RA 9184 provides that *"the Act shall apply to the Procurement of Infrastructure Projects, Goods, and Consulting Services, regardless of source of funds, whether local or foreign, by all branch and instrumentalities of government, its department, office and agencies, including government owned and controlled corporations and local government units."*

Section 5(h) of RA 9184 defines Goods as *"all items, supplies, aterials and general support services including non-personal or contractual services such as the repair and maintenance of equipment and furniture, as well as trucking, hauling, janitorial, security, and related or analogous services as procurement of materials and supplies provided by the procurement entity for such services."*

- 1.1.2. Section 10 of RA 9184 requires that *"All Procurement shall be done through Competitive Bidding except as provided in Article XVI of this Act."*

- 1.1.3. Likewise, Section 27 of the General Provisions of the General Appropriation Act (GAA) of 2015 is quoted hereunder:

*"All departments, bureaus and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy, SUCs, and GOCCs, and LGUs are hereby authorized to enter into service contracts with other government agencies, private firms, Civil Society Organizations (CSOs), or individuals for services related or incidental to their respective functions and operations, whether on a part-time or full-time basis."*

*Service Contracts may include the following:*

*xxx (b) Janitorial services, security and other related services, whenever practicable and cost-efficient for the government. xxx*

*The foregoing service contracts shall be entered into by the agency through public bidding or alternative methods of procurement in accordance with RA No. 9184 and its IRR, subject to pertinent budgeting, accounting and auditing rules and regulations."*

- 1.1.4. The three-year Memorandum of Agreement (MOA) between DAP and the Security Agency for one Lot Security Services for DAP Facilities in Pasig



and Tagaytay City was executed on December 19, 2011 for the period January 1, 2012 to December 31, 2014.

1.1.5. During CY 2014, the Academy was unable to conduct a public bidding for the hiring of security services for CY 2015, resulting in the absence of a most responsive and complying winning bidder of security services in violation of Section 10 of RA 9184.

1.2. Disbursements for security services for CY 2015 amounting to ₱3.909 million were approved for payment despite incomplete supporting documents required under Section 9.1.3.2 of COA Circular no. 2012-001 dated June 14, 2012.

1.2.1. During CY 2015, DAP has made payments for security services as follows:

DV No.	DV Date	Period Covered	Amount (Gross)
15020487	2/26/2015	January 1 to 31, 2015	430,070.90
15030649	3/26/2015	February 1 to 28, 2015	430,070.90
15040438	4/23/2015	March 1 to 31, 2015	430,070.90
15050425	5/21/2015	April 1 to 30, 2015	430,070.90
15060605	6/25/2015	May 1 to 31, 2015	430,070.90
15100611	10/27/2015	July 1 to 31, 2015	439,682.99
15100599	10/27/2015	August 1 to 31, 2015	439,682.99
15100600	10/27/2015	September 1 to 30, 2015	439,682.99
15120374	12/12/2015	October 1 to 31, 2015	439,682.99
<b>Total</b>			<b>3,909,086.46</b>

1.2.2. It is stated in Section 9.1.3.2 of COA Circular No. 2012-001 re: Revised Guidelines and Documentary Requirements for Common Government Transactions that two of the documentary requirements for the payment of security service area (1) the proof of remittance to concerned agency and/or GOCCs (e.g. BIR, SSS, Pag-IBIG, PhilHealth); and (2) the copy of the attendance.

1.2.3. In our audit, we observed that the payments made to Security Agency for the services rendered for CY 2015 were supported only by contractor's affidavits issued by the Security Agency and that the amounts withheld from the salaries of its employees have been remitted to the BIR, SSS Pag-IBIG and PhilHealth. This document cannot be considered though as proof of remittance issued by the Security Agency instead of official receipts by the concerned agencies.

1.2.4. Non-submission of the documents to prove the remittances and copies of the attendance sheets is contrary to Section 9.1.3.2 of COA Circular no. 2012-001.

**1.3. We recommended that Management:**

- a. **Require the Bids and Awards Committee to formulate policies for the improvement of its procurement planning and conduct competitive bidding on the Academy's procurement of goods, services and infrastructure projects;**
- b. **Adhere to the documentary requirements of COA Circular No. 2012-001 and other applicable laws to support each transaction in the disbursements of government funds; and**
- c. **Submit the certified true copy of official receipts issued by the above-mentioned concerned government agencies as proof of remittance as well as certified true copy of attendance sheets of the security guards assigned to the Academy.**

**1.4. Management commented that for CY 2016, the Academy has already started requiring the additional documents stated in the AOM regarding payment for security services. Further, it explained that bids conducted by the Academy are in accordance with R.A. No. 9184 which included the security services and that,**

- 1.4.1. **There was a delay in the procurement process for security services due to unforeseen developments.**
- 1.4.2. **DAP and the Security Agency forged an Interim Security Service Contract for the first semester of CY 2015 pending the completion of the competitive public bidding. Subsequently, this was extended on a month-to-month basis up to the end of same year. DAP management informed the Government Procurement Policy Board (GPPB) in compliance with GPPB Resolution No. 23-2007.**
- 1.4.3. **A Notice of Award dated November 24, 2015 was granted to the Security Agency as the sole bidder.**
- 1.4.4. **In compliance with the audit recommendation, all certified true copies of Official Receipts as proof of remittances to BIR, SSS, Pag IBIG and Philhealth for CY 2015 were submitted by the Security Agency. As to Attendance Sheets, the Security Agency will provide these documents starting in January 2016.**

**2. DAP managed and utilized its resources within the bounds of their approved Corporate Operating Budget (COB) for CY 2015.**

- 2.1. **Total approved budget for CY 2015 for Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE) totalled ₱564.901 million while actual expenditures/disbursements amounted to ₱514.536 million that resulted in the savings of ₱50.365 million as follows:**

Particulars	Budget	Actual	Savings/ (Deficit)
Personal Services	178,721,000	166,870,868	11,850,132
Maintenance and Other Operating Expenses	386,180,000	347,665,400	38,514,600
<b>Total</b>	<b>564,901,000</b>	<b>514,536,268</b>	<b>50,364,732</b>

- 2.2. Management's action to limit the incurrence of expenditures/disbursements within their approved budget and even lesser is commendable and noteworthy.
- 2.3. However, the Academy was unable to finish their Project with the National Agricultural and Fishery Council (NAFC) entitled "Development of Monitoring and Evaluation Management System (MEMS) for National Agricultural and Fishery Council (NAFC) (Phase I)" in the amount of P447,952 as of December 31, 2015. The Project was aimed to enhance Philippines Council for Agriculture and Fisheries' (PCAF) capacity to perform its secretariat work as mandated by Republic Act (RA) Number 8435; Agriculture and Fisheries Modernization Act (AFMA) of 1997 and to assist the Department of Agriculture (DA) in the broad-based monitoring and evaluation of the agriculture and fisheries modernization process through the development and installation of PCAF's MEMS.
- 2.4. According to the DAP Project Officer, PCAF through a meeting waived the completion of the remaining activities due to the Organization's rationalization and transition resulting in an incomplete project. Thus, the net savings of the Academy amounted to P50.365 million less the aforementioned unfinished project in the amount of P447,952 equivalent to P49.917 million.
- 2.5. Section 29 of the Philippine Constitution in relation to Section 4 of PD 1445 (State Audit Code of the Philippines) states that:
- "No money shall be paid out of the Treasury except in pursuance of an appropriation made by law or other specific authority."*
- 2.6. We recommended that Management continue to work and implement their plans, projects and programs within the approved appropriation that will result in a balanced budget and avoid overdraft.
3. Project Cost in the amount of P2.4 million was fully recognized as income despite the Project being incomplete by 18.66 per cent equivalent to P447,952 as of December 31, 2015.
- 3.1. On November 2013, the Academy entered into a MOA with the National Agricultural and Fishery Council (NAFC) to undertake the project titled: Development of Monitoring and Evaluation Management System (MEMS) for National Agricultural and Fishery Council (NAFC-Phase I). The Project aimed to enhance Philippine Council for Agriculture and Fisheries' (PCAF) capacity to perform its secretariat work as mandated by Republic Act (RA) No. 8435; Agriculture and Fisheries Modernization Act (AFMA) of 1997 and to assist the DA in the broad-based monitoring and evaluation of the agriculture and fisheries modernization process through the development and installation of PCAF's MEMS.

- 3.2. In consideration of the services to be rendered by DAP, NAFC is required to pay the amount of ₱2.4 million in accordance with the completion of the following Project activities and deliverables:

Activities/Expected Outputs	Amount (in Peso)	Date Paid
Submission of Detailed Work Plan	₱ 1,160,212.00	2/11/14
Conduct of Orientation on MEMS for Top Management and General Employees (1 Batch), Initial Gap Assessment, and Training/Workshop on Development and Documentation of MEMS and Procedures (2 Batches)	639,788.00	8/28/14
Implementation of Monitoring and Evaluation in selected units and conduct of Training/workshop on Monitoring and Evaluation Results Analysis and Report Writing (2 Batches), Management Review, and Final Gap Assessment	600,000.00	2/10/2015
<b>Total</b>	<b>₱ 2,400,000.00</b>	

- 3.3. On December 15, 2014, NAFC affirmed that the Project had ended and officially certified that the Project outputs have been delivered and satisfactorily conformed to the provisions of the agreements and its Office's standards.
- 3.4. However, review of documents showed that some Project activities were not done in accordance with Project Implementation Plan. Project Completion Report submitted to PCAF dated February 11, 2015 disclosed that management review and final gap assessment of the project was not conducted with an allocated amount of ₱447,952. The Academy requested the submission of the relevant documents pertaining to the conduct of the remaining Project activities but no action was taken by PCAF. According to the DAP Officer, PCAF through a meeting waived the completion of the remaining activities due to the Organization's rationalization and transition resulting in an incomplete project, thus depriving the government of the benefits that could have been derived from the completed contract.
- 3.5. Likewise, verification of accounting records disclosed that revenues in the amount of ₱2.4 million from this project were fully recognized as of December 31, 2015 despite the unfinished Project.
- 3.6. International Framework Reporting Standards 15, Revenue Recognition, Section 15, par. 35 states that:

*"An entity recognizes revenue over time if one of the following criteria is met:*

- 3.6.1. *The customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;*
- 3.6.2. *The entity's performance creates or enhances an asset that the customer controls as the asset is created; or*

**3.6.3. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date."**

**3.7. We recommended that Management:**

- a. Recognize the revenue upon completion of the Project's activities deliverables. Adjust the books accordingly by reducing the revenue allocated to the remaining project activities and record the amount under Deferred Credits;**
- b. Make final negotiation with PCAF whether the Project will be pushed through or not; if not, request PCAF to provide a waiver stating therein that DAP is free from any obligations relative to the unfinished project and the disposition of the remaining balance in the amount of P447,952; and**
- c. Require project officers/personnel to closely monitor the status of project implementation to avoid any slippages and to take immediate and appropriate corrective measures, if any.**

**3.8. Management already adjusted its revenue account and recorded the deferred credit account. Likewise, monitoring of project implementation by project officers/personnel is already in place. Initial activities for the conduct of the management review and final gap assessment have been undertaken by the Academy. Actual outputs are being finalized and final completion is targeted in June 2016.**

**4. Out of the 23 Quality Management System (QMS) related projects conducted by the DAP amounting to P17.872 million, only 84.56 per cent or P15.113 million were completed within the timeline as of year-end.**

**4.1. One of DAP's targets for CY 2015 Major Final Output was the improved Effectiveness and Efficiency of the Government Organizations Assisted. The Academy targeted 17 agencies to establish an International Organization Service (ISO) 9001 Certifiable Quality Management System (QMS) as per Performance Agreement to Government Commission for GOCCs (GCG). DAP shall assist aforesated agencies through the enhancement of their service process and the development of their respective QMS Certifiable to ISO 9001.**

**4.2. ISO 9001:2008 specifies requirements for a quality management system where an organization:**

**4.2.1. Needs to demonstrate its ability to consistently provide product that meets customer and applicable statutory and regulatory requirements; and**

**4.2.2. Aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity with customer and applicable statutory and regulatory requirements.**

- 4.3. As of December 31, 2015, the Academy disclosed that they completed 17 out of the 23 projects relative to QMS ISO9001:2008. However, six project activities relative to the latter were not implemented within the timeline agreed upon by the parties, depriving the government of the benefits that could have been derived from the timely completion of the contract, as shown on the next page.

NO.	PROJECT/PROGRAM /ACTIVITY NAME	CLIENT/ AGENCY	TOTAL PROJECT COST (Gross)	DATE STARTED	TARGET COMPLETION DATE	% OF COMPLETION (as of 12/31/15)	TOTAL COST INCURRED	UNUTILIZED AMOUNT	REMAINING ACTIVITIES/PENDING PROJECT OUTPUTS
1	DOH-Health Human Resource Development Bureau - Capacity Development for CHD Regional Offices and DOH Regional Offices and DOH Representatives	DOH-HEALTH HUMAN RESOURCE DEVELOPMENT BUREAU	3,000,000.00	13-Jan-14	30-Nov-15	88%	2,644,658.65	355,443.35	Submission and acceptance of the Final Report
2	Standards Bureau of the Department of Social Welfare and Development- Quality Management System (QMS) Certifiable to ISO 9001:2008 for the Standards Bureau of the Department of Social Welfare and Development	STANDARDS BUREAU OF THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD)	2,294,668.00	01-Aug-12	31-Dec-15	86%	2,194,668.00	100,000.00	Surveillance Audit
3	DENR- Development of A QMS Certifiable to ISO 9001:2008 for the DENR	DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES (DENR)	3,841,600.00	01-Dec-14	30-Dec-15	37%	1,406,088.41	2,435,513.59	QMS mandatory Procedures 1. Control of Documents 2. Control of Records 3. Internal Quality Audit 4. Control of Nonconforming Service 5. Corrective Action 6. Preventive Action  Completion and submission of training documentation report of Training Course on

NO.	PROJECT/PROGRAM /ACTIVITY NAME	CLIENT/ AGENCY	TOTAL PROJECT COST (Gross)	DATE STARTED	TARGET COMPLETION DATE	% OF COMPLETION (as of 12/31/15)	TOTAL COST INCURRED	UNUTILIZED AMOUNT	REMAINING ACTIVITIES/PENDING PROJECT OUTPUTS
4	BJMP-Development of QMS Certifiable to ISO 9001:2008 for the BJMP	BUREAU OF JAIL MANAGEMENT AND PENOLOGY (BJMP)	667,475.00	05-Jun-14	30-Jun-15	90%	591,726.93	66,748.07	Internal Quality Audit (IQA) Completion and submission of activity documentation reports of Technical Guidance 4on IQA and Management Review Submission of Readiness Review Report Project on-hold
5	Philippine Charity Sweepstakes Office- Development of a Quality Management System (QMS) Certifiable to ISO 9001:2008 for the Philippine Charity Sweepstakes Office	PHILIPPINE CHARITY SWEEPSTAKE S OFFICE	571,200.00	01-Oct-13	30-Mar-15	90%	514,080.00	57,120.00	Project for Termination
6	DAR CARAGA Region - Progress and Process Monitoring Agrarian Reform Community Connectivity and Economic Support Services(ARCESS) in Region XII	ARCESS - DAR XIII	1,750,000.00	15-Jun-13	30-Apr-15	99%	1,730,000.00	20,000.00	Project Acceptance and Closure Report



4.4. We recommended that Management require project officers/personnel to closely monitor and keep track of the status of project implementation. Prepare reports detailing the extent of project implementation and recommended corrective measures to have the project finish within timeline as stated in the contract.

4.5. The Academy replied that it is upon the client's initiative to request time extension of the project's implementation as provided in the contract signed by both parties. Further, a monitoring system already exist where project officers/personnel are required to submit the status of their projects and these are presented in their Units and the Center's quarterly and semester's review.

5. The Academy complied with the provisions of Section 18, Rule No. III of the Implementing Rules and Regulations (IRR) of RA No. 7875, National Health Insurance Act of 2013, on the deduction and remittance of mandatory contributions. However, remittance reports were not in accordance with the mode as prescribed under PhilHealth Circular No. 025, series 2012.

5.1. Section 18, Rule No. III of the IRR of RA No. 7875, National Health Insurance Act of 2013 states that:

*"a. The member's monthly contribution shall be deducted and withheld automatically by the employer from the former's salary, wage or earnings. The premium contributed shall be divided equally between the employer and the employed. The employer's counterpart shall not, in any manner be charged to the employee;*

*b. The monthly premium contribution of employed members shall be remitted by the employer on or before the date prescribed by the Corporation;*

*c. The remittance of premium contribution by the employer shall be supported by a Remittance List to be submitted regularly to the Corporation."*

5.2. Records showed that the Academy complied with the timely remittance of PhilHealth premium contributions which is every 20<sup>th</sup> day of the month following the applicable period, as follows:

Applicable Month (2015)	DAP-Pasig	DAP sa Mindanao		
	Amount	Date Remitted	Amount	Date Remitted
January	175,550.00	2/10/2015	4,175.00	2/11/2015
February	179,775.00	3/10/2015	3,500.00	3/10/2015
March	175,000.00	4/10/2015	3,500.00	4/13/2015
April	178,500.00	5/8/2015	3,500.00	5/11/2015
May	179,575.00	6/10/2015	3,500.00	6/11/2015
June	177,425.00	7/10/2015	3,500.00	7/13/2015
July	177,150.00	8/10/2015	3,500.00	8/11/2015

Applicable Month (2015)	DAP-Pasig	DAP sa Mindanao		
	Amount	Date Remitted	Amount	Date Remitted
August	177,700.00	9/10/2015	3,500.00	9/11/2015
September	175,025.00	10/9/2015	3,500.00	10/13/2015
October	181,187.50	11/10/2015	3,550.00	11/11/2015
November	179,450.00	12/14/2015	3,550.00	12/16/2015
December	181,625.00	1/11/2016	3,550.00	1/13/2016

- 5.3. Verification of records showed that PhilHealth Contribution Remittance Report for the month which contain the list of employees of DAP that support the payment does not contain all the PhilHealth numbers of employees and was not received by the PhilHealth personnel on duty, however an official receipt was issued to evidence payment thereof. Also, interview with Finance personnel disclosed that the required Electronic Premium Remittance System as the mode of preparation and submission of transmission of Employer's Remittance Report was not practiced nor followed.
- 5.4. Paragraph 2 of the said Circular states that:
- "all employers are required to use and/or adopt the Electronic Premium Remittance System (EPRS) as the mode of preparation and submission or transmission of Employer's Remittance Report (RF-1). As such, all other reporting schemes (such as the PhilHealth Premium Remittance System, Excel format of RF-1 and softcopy format generated thru payroll extraction) shall gradually phased out except for the PhilHealth Premium Remittance Scheme Positive/Negative (PPRS-PN)."*
- 5.5. In view of the foregoing, we recommended that Management continue the timely withholding and remittance of PhilHealth premium contributions and adopt the EPRS as stated in PhilHealth Circular No. 025, Series-2012, which includes the list of all employees and their PhilHealth numbers. <sup>PI</sup>
- 5.6. Management commented that while the DAP's remittances are not yet done online, rest assured that all employees' PhilHealth contributions are remitted. In an effort to comply with said Circular, representation were made with the PHIC for guidance and instruction. As required, Management had already sent to PHIC the Academy's master list with the name of employees and their PhilHealth numbers. Once PHIC's list are reconciled with the DAP's list, they shall proceed with the orientation and installation of the on-line system. The system shall thereafter be operational by the middle of June 2016.
6. Management has recognized in their accounting books various expenditures incurred as intangible assets under the account, Research and Development (202-100), resulting in deviation from the Philippine Public Sector Accounting Standard (PPSAS) No. 31.

Particulars	Amount
Balance, January 1, 2015	₱ 1,309,853.78
Costs incurred during 2015	2,851,953.00
Balance, December 31, 2015	<u>₱ 4,161,806.78</u>

6.1. Paragraph 16 of PPSAS 31 defines an Intangible Asset as an identifiable or separable non-monetary asset without physical substance. Paragraph 28 of the same PPSAS also states:

*"An intangible asset shall be recognized if, and only if:*

- 1) *It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity, and*
- 2) *The cost or fair value of the asset can be measured reliably."*

6.2. Our audit of the account Research and Development amounting to ₱4.162 million showed that the items recorded were various expenses incurred in connection with the formulation of policies.

6.3. Moreover, Paragraph 52 of PPSAS 31 states that all expenditures incurred in connection with research and development activities should be recognized as expense and not as an intangible asset.

6.4. Paragraph 52 of PPSAS 31 states:

*"No intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Expenditure on research (or on the research phase of an internal project) shall be recognized as an expense when it is incurred."*

6.5. Due to the recognition of the related expenditures as assets, the amount of total assets as of December 31, 2015 is deemed overstated, while the amount of total expenses incurred for CY 2015 is understated by ₱2.852 million.

6.6. We recommended that Management make necessary adjusting journal entries to reclassify the recorded expenditures and to recognize the future expenditures in relation to research and development as expense as mentioned in Paragraph 52 of PPSAS 31.

6.7. Management commented that the increase in the Research and Development (R & D) Account (292-100) is attributed to the following:

- development of new products; and
- enhancement of existing products to make it more relevant to the needs of the market

- 6.7.1. Works in product development include: developing, pilot-testing and perfecting the product based on pilot test feedbacks. Likewise, product development has no definite client but is expected to produce outputs that may not yield immediate returns but are marketable and will assure medium and long-term financial recovery.
- 6.7.2. R&D in DAP is treated as an investment and as such, it is always covered by an Investment Recovery Plan. The R & D account is subsequently reduced by recognizing expenses charged on the income received from the clients who find a need to use the research. Hence, reclassification entries, as recommended, are no longer needed.

#### Auditor's Rejoinder

- 6.8. Verification disclosed that there are R & Ds which do not yield return because no client availed to use the research. In this case, the cost of investment in the R & D are charged to expense after three years or commitment period of the Originating Center. Thus, we recommended that research be conducted when there is a client request to avoid incurrence of expenditure which may not be recovered due to lack of client's interest for it.

#### 7. Verification of Liquidation of Cash Advances granted disclosed the following:

- 7.1. Vehicle rental payments totaling ₱189,800 for CY 2015 were supported only with Acknowledgement Receipts (ARs) or Reimbursement Expense Receipt (RERs).
  - 7.1.1. Most of the projects of the Academy required conduct of seminars, training, conferences and researches in the different regions of the Philippines and necessitate travel from one area to another.
  - 7.1.2. Audit of liquidation of cash advances showed that some vehicle rentals ranging from ₱900 to ₱6,000 were supported only with AR/RER. The propriety of the AR/RER could not be established due to the absence of the following documents: (1) approved itinerary/trip ticket indicating the name of the passengers, the purpose of the travel, the destination with the corresponding time and dates; (2) justification for the necessity of hiring vehicles other than the ordinary mode of transportation; if feasible: (3) canvass from three suppliers/vehicle owners; (4) photocopy of the valid identification card of the driver with signature, contact numbers, the Certificate of Registration of the vehicle hired, Land Transportation Office (LTO) issued Official Receipt (OR) and driver's license of hiring vehicles as required by Section 340 of Government Accounting and Auditing Manual (GAAM), Volume I which states that:

*"as a general rule, only the ordinary public conveyances or customary modes of transportation shall be used. The use of special hires of PUs, garage cars, launches, motorboats, sailboats and bancas shall not be allowed unless justified by the prevailing*

*circumstances, such as but not limited to, carrying large amount of cash, bulky equipment which cannot be conveniently transported through ordinary mode of transportation x x x."*

**7.2. Supporting documents relative to the team building conducted on August 4 and 20, 2015 in the amount of ₱189,128.20 were incomplete.**

7.2.1. On August 4, 2015, the Asset Management Center (AMC) of the Academy held a team building and industry benchmarking activity at the Manila Ocean Park and Hotel and Vikings at Mall of Asia with 205 personnel.

7.2.2. Documents showed that the Academy disbursed ₱189,128.20 for the team building. It was noted that no quotation was done for the venue selection, contrary to the procurement law (Section 50 of IRR, Direct Contracting). Also, verification of liquidation documents disclosed the following:

7.2.2.1. The Team Building Proposal was approved without the program content;

7.2.2.2. Team building was held for two days, August 4 (1<sup>st</sup> Batch) and 20 (2<sup>nd</sup> Batch), 2015 which was not in accordance with the approved itinerary which was for one day only;

7.2.2.3. No attendance sheet was signed on the date the team building was held; and

7.2.2.4. No report was submitted after the Team Building was done.

**7.3. Lead time between the receipt of liquidation documents from the Accountable Officer (AO) and its recording was not in accordance with Section 5.3 of COA Circular No. 1997-002, which states that:**

*"Within ten (10) days after receipt of the report and supporting documents from the AO, the Accountant shall verify the report, record it in the books and submit the same with all the vouchers/payrolls and supporting documents to the Auditor. The cash advance shall be considered liquidated upon the recording thereof by the Accountant in the books of accounts although not yet audited by the COA auditor."*

7.3.1. Some liquidation of cash advances were recorded for more than 10 days after the receipt of supporting documents from the AO. Moreover, liquidation of cash advance through JEV No. 15-07-1398 was recorded in the books of the Academy though the evaluation of supporting documents is still in process. In case liquidation documents are not complete causing the delay in the recording, the person with the cash advance must be notified immediately for compliance on the submission thereof.

7.3.2. It was noted that the Academy is using DAP Transaction Form which will track the processing and liquidation of cash advances, however, verification of documents showed that this form was not properly used as intended due

to some unfilled portion, particularly the "Processing Action" portion, indicating the time lapses in processing of documents for each department involved. Also, some liquidation of cash advances do not have DAP Transaction Form as attachment.

**7.4. Accountable Officers (AOs) are given additional cash advances despite of its unsettled liquidation balance.**

**7.4.1. Provisions of Section 89 of PD 1445 and the penal provisions under Section 128 of the same law, both of which are herein quoted in full to wit:**

*"Section 89. Limitations on Cash Advance. - No cash advance shall be given unless for a legally authorized specific purpose. A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served. No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is settled or a proper accounting thereof is made."*

*"Section 128. Penal Provision. - Any violation of the provisions of Sections xx 89, xx of this code or any regulation issued by the Commission implementing these sections, shall be punished by a fine not exceeding one thousand pesos or by imprisonment not exceeding six (6) months, or both such fine and imprisonment in the discretion of the court." (Underscoring ours).*

**7.4.2. Records disclosed that cash advances were granted even though some employees have unsettled liquidation balances from previous cash advances, thus, showing that the Academy gives additional cash advances to AOs with existing unsettled liquidation balances, contrary to the above provisions.**

**7.5. We recommended that Management:**

- a. **Submit adequate documents to support liquidation of cash advances in order for us to validate/verify the reliability of the disbursements such as; (1) approved itinerary/trip ticket indicating the name of the passengers, the purpose of the travel, the destination with the corresponding time and dates; (2) justification for the necessity of hiring vehicles other than the ordinary mode of transportation; if feasible: (3) canvass from three suppliers/vehicle owners; (4) photocopy of the valid identification card of the driver with signature, contact numbers, the Certificate of Registration of the vehicle hired, Land Transportation Office (LTO) issued Official Receipt (OR) and driver's license;**
- b. **Submit required documents to support the team building and justify why the approved itinerary was not followed;**
- c. **Strictly enforce liquidation of all cash advances immediately after purposes for which they were granted have been served or period allotted for their liquidation whichever comes first;**

- d. Refrain from granting additional cash advances to AOs with unsettled cash advances;
- e. Enforce the use of DAP transaction form to strengthen the control in the liquidation of cash advances; and
- f. Institute appropriate legal sanctions against AO who fails to liquidate cash advances within the period prescribed by law and regulations.

7.6. Management commented that since operation flow of the Academy necessitates travel from time to time, a maximum of two (2) cash advances were granted for those who travel frequently and who had no sufficient time to liquidate immediately, provided however that it is in accordance with COA Circular 248 and EO 298. Likewise, Management complied with the documentary requirements lacking for the above mentioned transactions.

**8. Certain deficiencies were noted relative to CY 2015 Gender and Development (GAD) activities:**

8.1. DAP has not constituted its GAD Focal Points (GFPS) contrary to IRR of the Magna Carta of Women states that:

8.1.1. "Section 36 of the Implementing Rules and Regulations of Republic Act No. 9710, otherwise known as the Magna Carta of Women

(b) *Creation and/or Strengthening of the GAD Focal Points (GFP).  
All departments, . . .*

*The GAD Focal Point System shall be composed of the agency head or local chief executive, an executive committee with an Undersecretary (or its equivalent), local government unit official, or office in a strategic decision - making position as Chair; and a technical working group or secretariat which is composed of representatives from various divisions or offices within the agency or local government unit.*

**Section 37 (c) 1. Composition of the GFP System –**

*To ensure sustainability of initiatives in the NGAs, LGUs, and other government instrumentalities, the GFP shall be established composed of the agency head or LCE, an executive committee, and a technical working group (TWG) or secretariat.*

*For NGAs and other government instrumentalities, the GFP executive committee shall be chaired by an Undersecretary or its equivalent, with the bureau and service directors or their equivalent as members. In cases where the agency head is not of Cabinet Secretary rank, the next highest official shall be*

*designated as Chair of the GFP executive committee."*  
*(emphasis ours)*

- 8.2. The members of the GAD Focal Point (GFP) did not undergo GAD training which was not in conformity with Section 37 of the IRR of the Magna Carta of Women.**
- 8.2.1. Under Section 37 of the of the IRR of the Magna Carta of Women requires that the agency/LGU shall ensure that all members of the GFP undergo capacity building programs on gender and development which shall include but not be limited to: Gender Sensitivity Training (GST), gender analysis, GAD planning and budgeting, and gender audit.
- 8.2.2. Members of the GAD Focal Point (GFP) did not undergo capacity building programs on gender and development contrary to Section 37 of the said IRR.
- 8.3. DAP was unable to formulate its GAD plans and budget for CY 2015 contrary to the PCW-NEDA-DBM Joint Circular No. 2012-01.**
- 8.3.1. The Philippine Commission on Women, National Economic and Development Authority, Department of Budget and Management (PCW-NEDA-DBM) issued Joint Circular No. 2012-01 to provide the guidelines for the preparation of the annual GAD plans and budgets and accomplishment reports to implement the Magna Carta of Women. PCW-NEDA-DBM Joint Circular No. 2012-01 took effect beginning 2013 for the GAD planning and budgeting process of FY 2014.
- 8.3.2. Section 2.3 of the PCW-NEDA-DBM Joint Circular No. 2012-01 states that pursuant to the Magna Carta of Women and the General Appropriations Act (GAA), all government departments, including their attached agencies, offices, Bureaus, State Universities and Colleges (SUCs), Government-Owned and Controlled Corporations (GOCCs), Local Government Units (LGUs) and other government instrumentalities shall formulate their annual GAD plans and budgets (GPBs) within the context of their mandates to mainstream gender perspectives in their policies, programs and projects. It further provides that GAD Planning shall be integrated in the regular activities of the agencies, the cost of implementation of which shall be at least five per cent of their total budgets.
- 8.3.3. For CY 2015 DAP has not formulated its GPB contrary to the requirement of PCW-NEDA-DBM Joint Circular No. 2012-01.
- 8.4. Cost of GAD related activities amounted only to 0.04853 per cent of the total corporate operating budget.**
- 8.4.1. Cost incurred for GAD related activities of P316.473 million is only .04853 per cent of the total approved budget of P652.087 million. This amount was considered an insignificant portion, an indication that the Academy had been giving less priority to support the commitment of the National Government to the Gender-Responsiveness Development envisioned by



DBM, NEDA and PCW or that there are GAD related activities conducted by DAP that the cost of which will inadvertently not consolidated in the total cost incurred for GAD activities.

8.4.2 Section 3.4 of the General Guidelines in GAD Planning and Budgeting states that:

*"Mainstreaming gender perspectives in agency GAD objectives, programs, activities and projects (PAPs) to attain the desired outcomes for GAD shall be a priority in GAD planning and budgeting, Using the 5% GAD budget for gender mainstreaming is a way for agencies to influence the entire agency program, plan and budget. To aid gender mainstreaming, agencies shall perform gender analysis using existing tools, such as the Harmonized Gender and Development Guidelines (HGDG), to ensure that the different concerns of women and men are addressed equally and equitably in their PAPs. Activities to address these differential concerns through capacity development on GAD or GAD-focused activities shall be included in agency GPBs."*

8.5. We recommended that Management:

- a. **Create GAD Focal Point and conduct trainings on gender sensitivity and gender-responsive planning before undertaking GAD Planning and Budgeting; and**
- b. **Strictly comply with provisions of PCW, NEDA and DBM Joint Circular No. 2012-01 and formulate GAD plan and budget and incorporate GAD programs, activities and projects to the Academy's operations. Be aware and conscious that the aforementioned are already integrated in DAP operation, their cost to be totaled to comprise the five per cent requirement.**

8.6. Management commented that DAP is currently constituting its GAD Focal Points (GFP) and correspondingly a Special Order is being finalized. Once the GAD focal points have been constituted by the Academy, we will be moving forward on the gender training. Coordination will be made with PCW to conduct training on Gender Sensitivity Training (GST), gender analysis, GAD Planning and budgeting and gender audit and schedule of GFPs. To continually build on their capacity, technical resource from the Civil Service Commission shall also be tapped for the Gender Sensitivity Training Facilitators.

8.6.1. While it is true that for CY 2015, ₱316.473 million is only 0.04853 per cent of the total Academy's corporate operating budget, this corresponds only to expenses incurred by the staff development unit of Human Resources Development Department (HRMDD) on GAD-related activities, projects and programs. GAD-related activities are likewise integrated into the operations of the Academy. Starting CY 2016, DAP commits to be keener in keeping track of the GAD activities, and in the ensuing years. Management will be more focused and purposive in accounting for the GAD and GAD-related

activities by including personnel services of employees who have handles GAD related projects, senior citizen being engaged by the organization including PWDs, and the benefits and allowances paid for the availment of Magna Carta of Women. Management will further include new projects and activities that will be carried out in pursuit of thrusts and one of these is the conversion of the clinic into a health and wellness center. Also, they will be monitoring closely the project implementation so they can accurately account the expenses that are GAD-related by attribution.

**Summary of Total Audit Suspension, Disallowances, and Charges as of Year-end**

Below is the summary of the unsettled suspension, disallowances, and charges as of December 31, 2015. The details are presented in Annex A.

<b>Audit Action</b>	<b>Beginning Balance January 1, 2015</b>	<b>Issued</b>	<b>Settled</b>	<b>Ending Balance December 31, 2015</b>
Suspensions	P 0	P 0	P 0	P 0
Disallowances	8,204,574.45	0	19,958.98	8,184,615.47
Charges	0	0	0	0
<b>Total</b>	<b>P 8,204,574.45</b>	<b>P 0</b>	<b>P 19,958.98</b>	<b>P 8,184,615.47</b>

**PART III**

**STATUS OF IMPLEMENTATION OF PRIOR  
YEAR'S AUDIT RECOMMENDATIONS**

## STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

Of the 28 audit recommendations contained in last year's Annual Audit Report, 21 were fully implemented, three were partially implemented and four were not implemented.

REFERENCE	OBSERVATION	RECOMMENDATIONS	STATUS OF IMPLEMENTATION
1.AAR 2014 AO No. 1 Page 26	The Development Academy of the Philippines (DAP) was unable to comply with the provisions of Republic Act (RA) No. 7656, particularly Section 3, in the remittance of the 50 per cent share of its annual net earnings to the National Government amounting to ₱2.056 million.	Remit to the Bureau of Treasury the amount of ₱2.056 million representing the 50 per cent of its net earnings for the year ended December 31, 2013.	Not Implemented  The Academy did not declare dividends for CY 2013 because they have incurred a Net Loss before Government Subsidy in the Income Statement.
2.AAR 2014 AO No. 2 Page 26	Unutilized funds amounting to ₱1.5 million out of the ₱165 million Disbursement Acceleration Program (DAP) fund released to the Academy for the Executive Development Project for Schools, Universities and Colleges were not yet returned to the Bureau of Treasury (BTr) as of December 31, 2014 despite the Supreme Court ruling on DAP dated July 1, 2014.	Return the unutilized DAP fund in its custody amounting to ₱ 1.5 million.	Fully Implemented
3.AAR 2014 AO No. 3 Page 28	Liquidation reports of the project regarding Energy Efficiency and Conservation as contained in the contract entered into by and between the Department of Energy (DOE) and the Development Academy of the Philippines (DAP) showed that the amount returned by the Academy to DOE representing unutilized fund exceeded by ₱33,282.32.  Supplies purchased and	a. Request DOE to refund/return the excess amount of ₱33,282.32 it received from DAP;  b. Practice prudence so that government funds are safeguarded and that excessive expenditures are prevented;  c. Submit the documents evidencing the distribution of supplies to workshop participants; and	Fully Implemented  Fully Implemented  Fully Implemented

REFERENCE	OBSERVATION	RECOMMENDATIONS	STATUS OF IMPLEMENTATION
	<p>charged to the Project amounting to ₱260,580 lacked documents to support its distribution causing the transaction to be excessive as defined in COA Circular No. 2012-003.</p> <p>DOE Project fund amounting to ₱104,419.64 was utilized to acquire equipment in the name of the Academy causing doubt as to the validity and propriety of charging these acquisitions to said Fund.</p>	<p>d. Coordinate with DOE relative to the ownership of the purchased equipment charged to DOE project fund however booked as the Academy's property.</p>	<p>Fully Implemented</p>
<p>4.AAR 2014 AO No. 4 Page 31</p>	<p>Purchases amounting to ₱471,425.58 from the Department of Budget and Management-Procurement Service (DBM-PS) were not supported with delivery receipts, inspection and acceptance reports which is required under COA Circular No. 2009-001 dated February 12, 2009 resulting in doubtful existence, validity and accuracy of the Supplies Inventory account.</p>	<p>a. Submit and attached to the Journal Entry Vouchers (JEV) the delivery receipts and inspection and acceptance reports of the goods that were already delivered and received by the Academy;</p> <p>b. Periodically reconcile and monitor the purchases vis-à-vis delivered supplies and materials from the DBM-PS. Also, coordination shall be maintained among personnel from the Accounting and Property Office to ensure the correctness of the property inventory account; and</p> <p>c. Adjust the advance payment of undelivered items to Due from DBM-PS.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Not Implemented</p>
<p>5.AAR 2014 AO No. 5 Page 32</p>	<p>Allowance for Doubtful Accounts for Accounts Receivable from CY 1977 to CY 2003 with a year-</p>	<p>a. Direct the FAO to adjust the rates used by Management in the determination of</p>	<p>Fully Implemented</p>

REFERENCE	OBSERVATION	RECOMMENDATIONS	STATUS OF IMPLEMENTATION
	<p>end balance of ₱28.308 million was overstated by ₱26.601 million due to the adoption of rates ranging from 12 to 100 per cent, instead of one to five per cent prescribed in Section 66 of the NGAS Manual, Volume 1.</p>	<p>allowance for bad debts pursuant to Section 66, NGAS, Volume 1, and adjust accordingly the computed allowance for bad debts by ₱26.601 million; and</p> <p>b. Use the prescribed rates in the computation of the allowance for bad debts and exclude in the computation accounts receivable from government agencies.</p>	<p>Fully Implemented</p>
<p>6.AAR 2014 AO No. 6 Page 34</p>	<p>Due to the inability of DAP Management to identify the depositors/payors of funds credited/posted in the bank statement issued by the Land Bank of the Philippines (LBP), Cash in Bank- Local Currency, Savings Account in the amount of ₱1.810 million remained as reconciling items as of December 31, 2014.</p>	<p>a. Prepare the bank reconciliation statements in accordance with COA Circular No. 92-125 A dated March 4, 1992 which requires <i>"the Accountant to prepare correcting/adjusting entries for discrepancies/errors or other reconciling items requiring corrections by the agency immediately after the Treasury/Bank Reconciliation Statement were made and after those items were properly analyzed and verified."</i> Analyze and verify the nature of the entries in the bank statement and those in the books of the agency in order to properly record the reconciling items and reflect the correct account balance in the financial statements;</p> <p>b. Request from LBP copy/ies of the debit and credit memo as reference/source information to support/evidence the recording of the</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>

REFERENCE	OBSERVATION	RECOMMENDATIONS	STATUS OF IMPLEMENTATION
		<p>transactions in the books of DAP; and</p> <p>c. Facilitate the identification of postings in the bank statements corresponding to collections from the clients/payors of DAP or other parties.</p>	Fully implemented
7.AAR 2014 AO No. 7 Page 37	Collections through clients' direct transfer of fund to the depository account of the Academy resulted in the accumulation of unrecorded cash deposits and inability to issue official receipts or equivalent contrary to Section 3.1 of COA Circular No. 2013-007 dated September 18, 2013 and Section 68 of PD 1445.	<p>a. Establish guidelines on collections through clients' direct transfer of fund to the depository account of the Academy; and</p> <p>b. Consider COA Circular No. 2013-007 dated September 18, 2013 relative to the adoption of electronic collection system.</p>	<p>Partially implemented</p> <p>The Treasury Division is experiencing difficulty in the identification of the bank-to-bank transactions since the clients were depositing to the DAP's account without information to identify them. The clients usually do not write details of their payment in the deposit slip/s particularly the name of the agency/person paying, the bill number/s and contact numbers. In this regard, the Treasury Division shall continue to reconcile the above transactions. In order to minimize if not eradicate future bank-to-bank payments problems, the Treasury Division is proposing to management to avail of the LANDBANK On-line Collection System that will solve this matter. This will address the identification of the payor and other information pertaining to DAP's collections.</p>
8.AAR 2014 AO No. 8 Page 38	The Academy spent ₱22.633 million for foreign travels for the Executive Development Program	a. Submit the curriculum, board resolutions and other documents evidencing the	Fully implemented

REFERENCE	OBSERVATION	RECOMMENDATIONS	STATUS OF IMPLEMENTATION
	<p>(EDP) for Schools, Universities and Colleges (SUCs) funded by the Disbursement Acceleration Program contrary to Section 7 of Executive Order 248-A dated August 29, 1995.</p> <p>Foreign Academic Travel (FAT) to Netherlands dated November 30, 2013 to December 8, 2013 disclosed that the Academy incurred ₱108,800 in going to Paris from Benelux, Netherlands which was not part of the travel itinerary and activities, therefore, unnecessary as defined in COA Circular No. 2012-003.</p> <p>Review of documents supporting the liquidation of payment of the airfare, accommodation and Daily Subsistence Allowance (DSA) of the FAT participants revealed some inconsistencies with COA Circular No. 2012-01, Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions</p> <p>Suspended and refunded excess DSA granted to FAT participants (SUC Presidents and officers of the Academy) who travelled to New Zealand amounting to ₱180,936.97 were not reverted to DAP funds, thereby, understating the reported unutilized amount of ₱1.5 million to be returned to the Bureau of Treasury (BTr).</p>	<p>authorization of each FAT;</p> <p>b. Limit foreign travels to those which are necessary, will involve minimal cost and shall contribute greatly to the attainment of the objective of the activity/program;</p> <p>c. Submit liquidation documents in accordance with COA Circular No. 2012-01;</p> <p>d. Practice prudence in the disbursement of government funds; and</p> <p>e. Return the suspended and refunded excess amount of DSA granted to FAT participants to the Bureau of Treasury in addition to the ₱1.5 million reported unutilized DAP funds.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Not Implemented</p> <p>Except for two SUC Presidents amounting to ₱19,114.24, all others have refunded the excess DSA granted to them. Efforts have been exhausted to collect this amount by emailing and calling up the 2 SUC Presidents but these yielded negative results.</p>



REFERENCE	OBSERVATION	RECOMMENDATIONS	STATUS OF IMPLEMENTATION
<p>9.AAR 2014 AO No. 9 Page 42</p>	<p>The Academy could have earned at least ₱2.686 million had it enforced and implemented the 10 per cent escalation clause provided in the lease contract upon its renewal and the imposition of the 1.4 per cent interest per day of default in payment.</p>	<p>a. Review the contracts to determine the reasonableness of rental rates, whether the term and conditions are still applicable and/or reasonable, and advantageous to DAP;</p> <p>b. Cause the preparation and perfection of the lease contracts to include the escalation and penalty charges to all lessees in case of default on paying the rental fees;</p> <p>c. Enforce the lessee to pay interest in all payments in default and include/ add the escalation of 10 per cent every year upon the renewal of the lease contracts; and</p> <p>d. Collect the amount of ₱2.686 million or take appropriate action to collect from the lessees concerned.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Partially Implemented</p>
<p>10.AAR 2014 AO No. 10 Page 45</p>	<p>The accuracy and validity of the PPE account balances as of December 31, 2014 amounting to ₱315.188 million is doubtful because it is not reconciled with the physical inventory balance totaling ₱317.924 million or a discrepancy of ₱2.736 million.</p>	<p>We recommended that Management instruct the Financial Accounting Office (FAO) to reclassify the various unserviceable, defective or obsolete PPE items totaling ₱7.186 million to "Other Assets" account and adjust the corresponding Depreciation Expense and Accumulated Depreciation accounts.</p>	<p>Fully Implemented</p>
<p>11.AAR 2014 AO No. 11 Page 47</p>	<p>The PPE accounts and the corresponding Depreciation Expense and Allowance for Depreciation accounts were all overstated due to non-</p>	<p>Instruct the Financial Accounting Office (FAO) to reclassify the various unserviceable, defective or obsolete PPE items totaling ₱7.186 million to "Other</p>	<p>Fully Implemented</p>

REFERENCE	OBSERVATION	RECOMMENDATIONS	STATUS OF IMPLEMENTATION
	reclassification of unserviceable items of property to Other Assets account.	Assets' account and adjust the corresponding Depreciation Expense and Accumulated Depreciation accounts.	
12.AAR 2014 AO No. 12 Page 48	The Academy implemented various Gender and Development (GAD) programs, projects and activities amounting to P374,571 in consonance with Joint Circular No. 2012-01 and Section 33 of the General Appropriation Act (GAA).	Identify and monitor GAD activities, programs and projects mainstreamed in their operations with their corresponding cost to form part of the DAP overall GAD activities, programs and projects and budget.	Not Implemented

**Details of Audit Disallowances, Charges and Suspensions**

Date	Number	Payee/ Payor	Amount
10/25/2011	ND 11-003-400 (11)	Alan S. Cajés	18,481.50
10/25/2011	ND 11-004-400 (11)	Gloria J. Mercado	24,642.00
12/7/2011	ND 11-001-100 (10)	Various officials	227,019.10
12/8/2011	ND 11-010-400 (11)	Roberto C. Julian	64,685.25
12/8/2011	ND 11-009-400 (11)	Guia Tan	92,407.50
12/8/2011	ND 11-008-400 (11)	Eufemia C. Yap	46,203.75
12/8/2011	ND 11-007-400 (11)	Kenneth Hatigan-Go	83,166.75
12/8/2011	ND 11-006-400 (11)	Elena Herrera	258,741.00
12/8/2011	ND 11006-400 (11)	Various employees	150,741.00
2/29/2012	ND 12-002-837 (11)	Magdalena L. Mendoza	15,440.95
6/11/2012	ND 12- 014-100 (11)	42 various payees	90,081.69
6/11/2012	ND 12-015-816 (11)	Monica D. Sallendres	2,212.00
6/11/2012	ND 12-021-771 (11)	Rosandro G. Bertis	912.27
6/11/2012	ND 12-022-771 (11)	Ergels del Rosario	960.00
8/31/2012	ND 12-024-837 (11)	Magdalena L. Mendoza	34,191.49
8/21/2012	ND 12-023-837 (11)	Bernardo Dizon	38,000.00
10/10/2012	ND 12-026-400 (11)	Criselda Abesamis	23,625.00
10/10/2012	ND 12-027-400 (11)	Kenneth G. Ronquillo	172,125.00
10/10/2012	ND 12-028-400 (11)	Lilbeth C. David	263,250.00
10/10/2010	ND 12-028A-400 (11)	Mario Villaverde	50,625.00
10/10/2012	ND 12-030-400 (11)	Liesel P. Lagrada	64,125.00
10/10/2012	ND 12-031-400 (11)	Ruben John A. Basa	70,875.00
10/10/2012	ND 12-032-400 (11)	Benjamin E. Diokno	54,000.00
10/10/2012	ND 12-033-400 (11)	Eduardo P. Banzon	533,250.00
10/17/2012	ND 12-034-400 (11)	Oiga Virtusio	40,500.00
10/17/2012	ND 12-035-400 (11)	Tomas B. Lopez	54,000.00
10/17/2012	ND 12-036-400 (11)	Alberto Romuladez, Jr.	67,500.00
10/17/2012	ND 12-037-400 (11)	Carlo Irwin A. Panelo	70,875.00
10/17/2012	ND 12-038-400 (11)	Alberto G. Herrera	36,963.00
10/17/2012	ND 12-039-400 (11)	Grace Gorospe-Jamon	47,250.00
10/17/2012	ND 12-040-400 (11)	Jocelyn E. Gomez	30,750.00
11/9/2012	ND 12-041-400 (11)	Jesus C. Anunciacion	12,934.25
11/9/2012	ND 12-042-400 (11)	Marlon Romulo U. Domingo	4,052.50
11/9/2012	ND 12-043-400 (11)	Rosalie Joan Sotelo	3,388.40
11/9/2011	ND 12-044-400 (11)	Genevive Almonares	7,043.53
11/9/2012	ND 12-045-400 (11)	Allan G. Bacudo	3,094.56
11/9/2012	ND 12-046-400 (11)	Artemio P. Habitan	4,373.10
11/9/2012	ND 12-047-400 (11)	Maximo G. Marques	6,854.64
11/9/2012	ND 12-048-400 (11)	Crizaldo G. Santos	869.76
10/4/2012	ND 12-025-100 (11)	47 various payees	159,717.99
6/10/2014	ND 2014-01 (11)	Employees of DAP Pasig and Tagaytay	5,197,573.25
12/22/2014	ND-2014-02 (14)	Various SUCs Presidents	19,114.24
12/22/2014	ND 2014-03 (11)	Gloria J. Mercado	38,000.00
<b>Total</b>			<b>8,184,615.47</b>