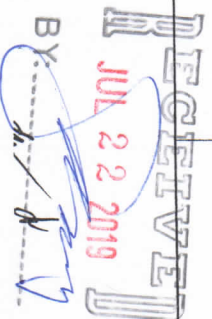


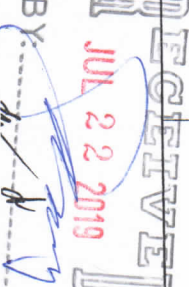
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AOM No. 2019-01-(18) dtd February 11, 2019	The handling, maintenance and disbursing function of funds was performed by another permanent employee other than those duly appointed or designated as SDOs which is not in accordance with the guidelines under Sec. 4.1.5 and 4.1.6 of COA Circular 97-002 dated February 10, 1997 in the granting and utilization of cash advances.	Stop the transfer of cash advances from one accountable officer to another in compliance with the provisions of COA Circular 97-002 and COA Memo 2013-04.	Management shall immediately make the necessary action/s to avoid recurrence of such events.	Various Divisions	Mar-19	Apr-19	Full	-	-
	The Cash Disbursement Record (CDR) and the Report of Cash Disbursement Disbursement were not duly accomplished to record the special cash advances granted contrary to GAM.	Comply with the instructions in Appendices 40, 41, 49 and 50 of GAM in accomplishing CDR and Record of Cash Disbursement to ensure that all information and data required are recorded in aforesaid forms;	Management shall immediately comply with this recommendation.	Budget & Cash	Mar-19	Apr-19	Full	-	-
	Various accountable forms found in the custody of the Cashier/Collecting Officer are already obsolete, spoiled/cancelled or outdated and due for disposal.	Immediately dispose all obsolete accountable forms in the custody of the AO in conformity with the guidelines in GAM.	Immediately dispose all obsolete accountable forms in the custody of the AO in conformity with the guidelines in GAAM.	Budget & Cash	Mar-19	Apr-19	Full	-	-
AOM No. 2019-02-(18) dtd February 13, 2019	CITEM does not maintain the required Subsidiary Ledger (SL) for each account in the General Ledger (GL), contrary to the pertinent provisions under Appendix 6 of GAM.	Comply with the required books of accounts of SL and GL as well as their maintenance to ensure the accuracy of the recorded transactions as stated in Appendices 5 & 6 of GAM.	This is noted. Controllership to conform with the required formats of SL and GL.	Controllership	Mar-19	Apr-19	Full	-	-

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AOM No. 2019-03-(18) dtd February 15, 2019	Discrepancy in the total amount of P1,127,048.33 between CRJ and SL was noted due to error in posting of collections to other accounts, thus, misstating their balances.	Exercise due diligence and care in recording transactions in the books of accounts to avoid misstatements of account balances and unnecessary adjustments.	Adjustments were made in the books on December 2018.	Controllership	Mar-19	Apr-19	Full	-	-	
AOM No. 2019-04-(18) dtd February 15, 2019	Various transactions on Rent Expense and Prepaid Rent accounts with a total amount of P24,926,404.65 were not supported by CAF contrary to Section 86 of PD 1445 and GPPB Circular 05-2018.	Submit the required CAF for the aforementioned transactions. Ensure to attach/submit the required CAF for all contracts entered into by and between CITEM and contracting parties including rent contracts as required under GPPB Circular 05-2018.	Submitted the CAFs for the aforementioned transactions last March 21, 2019.	Controllership	Mar-19	Apr-19	Full	-	-	
	Some transactions were erroneously recorded as Rent Expense in the amount of P413,328.57 and Prepaid Rent of P10,543.20 instead of recording them to Training Expense and Other Prepayments of the same amount, hereby overstating Rent Expense and Prepaid Rent and understating Training Expense and Other Prepayments.	Reflect the necessary adjusting entry/ies in the CITEM Book and submit all DVs and their supporting documents promptly as required.	Adjustments were made in the books on December 2018.	Controllership	Mar-19	Apr-19	Full	-	-	




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AOM No. 2019-05-(18) dtd February 25, 2019	Various contracts in the procurement of trucking services entered into by and between CITEM and Seahawk Transport Inc. in the total amount of P64,960.00 were observed to have been implemented inconsistent with the provision of RA 9184, casting doubt on the validity of said transactions.	(1) Comply with the provision of Sec. 54.1 of IRR of RA 9184.	The trucking services was emergency in nature as the open flatbed truck by CITEM was rejected by the company which is about to lend CITEM its pieces for Manila FAME. Seahawk's services was engaged after the lowest bidder backed-out from the deal. Seahawk was also adviced to lower its bid up to the amount bidded by the original lowest bidder.	Procurement	Mar-19	Apr-19	Full	-	-
		(2) State the name of the person who altered the quotation of Seahawk Transport, Inc. from P30,000 to P26,960 and the reason for such alteration.	Procurement Officer Mariess Montemayor altered the quotation of Seahawk as it agreed to do the job at the price originally bidded by the lowest bidder after it backed-out.	Procurement	Mar-19	Apr-19	Full	-	-
AOM No. 2019-06-(18) dtd February 25, 2019	Office Building has a negative net book balance or carrying value in the amount of P2,861,009.16 due to recording of some erroneous entries or transactions in the Accumulated Depreciation-Office Building account.	(1) Adjust accordingly the erroneous entries made.	Adjustments were made in the books on December 2018.	Controllership	Mar-19	Apr-19	Full	-	-
	Minor repairs were erroneously capitalized to the cost of the Office Building instead of recording it only as Repairs and Maintenance-Buildings and Other Structures account during the period it was incurred.	(2) Apply right procedures and computations of Depreciation Expense and related Accumulated Depreciation.	Adjustments were made in the books on December 2018.	Controllership	Mar-19	Apr-19	Full	-	-

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	There are other items which should be recorded under Office Building account but were erroneously recorded under Other Structures account, thereby overstating Other Structures and understating Office Building, both in the amount of P7,239,250.59.	(3) Not to capitalize minor repairs of Office Building, that will not lengthen the life of the asset.	Adjustments were made in the books on December 2018.		Controllershship	Mar-19	Apr-19	Full	-	-	
	The computation of Accumulated Depreciation for Office Building is doubtful as to its reliability considering that the depreciation made by CITEM is on per improvements or repair basis and not in accordance with relevant regulation.	(4) Provide a separate ledger of Accumulated Depreciation- Other Structures apart from Accumulated Depreciation- Buildings.	Adjustments were made in the books on December 2018.		Controllershship	Mar-19	Apr-19	Full	-	-	
AOM No. 2019-07-(18) dtd March 4, 2019	Compliance with BIR RR 15-2010, Sec 3.4 of GSIS Act, Sec 18 of IRR of NHI Act 2013, Sec 3 of Rule 7 of IRR of Pag-Ibig Law on remittance of contributions or mandatory deductions.	(1) Continue to observe prompt remittance of mandatory deductions, taxes withheld, premium contributions and loan repayments within the prescribed period to avoid interests and penalties.	This is noted and appreciated.		Controllershship	Apr-19	May-19	Full	-	-	
	Due to Other Government Agencies account disclosed a negative balance of P74,407.71 and mandatory collections were not properly remitted.	(2) Analyze the negative balances on the said accounts and effect the necessary adjustments.	This is noted. Controllershship is looking for means to substantiate the adjusting entries.		Controllershship	Apr-19	May-19	Partial	Adjustments could not be substantiated due to lack of supporting documents from way back/previous years.	Designate a personnel who would dig into records of transactions affecting said accounts.	
		(3) Remit the exact mandatory deductions on contributions and taxes withheld.	This is noted.		Controllershship	Apr-19	May-19	Full	-	-	

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AOM No. 2019-08-(18) dtd March 4, 2019	CITEM still maintains its deposits at the PNB with a balance of P5,780,139.99, contrary to DOF Dep't. Circular No. 001-2017, thus, depriving the government of the benefits derived from said financial resources.	Comply with DOF Department Circular No. 001-2017 and transfer all accounts maintained at PNB to Authorized Government Depository Banks (AGDBs).	Accounts in PNB, to be closed immediately.	Budget and Cashier	Apr-19	May-19	Partial	On-going projects and AGDB's lack of online collection facility.	After the event IFEX, invoices no longer include PNB accounts as payment option.	
AOM No. 2019-09-(18) dtd March 13, 2019	The annual GAD was implemented through participation in trade promotional activities, product development and export coaching program and other women-led activities.	Continue to pursue and implement its GAD-related projects and programs.	This is noted. Management agrees to propose GAD activities or projects that will be acceptable with PCW.	Corporate Planning	Apr-19	May-19	Full	-	-	
	The annual GAD and Budget (GADPB) for CY 2018 was submitted to the DTI for review and submission to the PCW in consonance with the PCW-NEDA-DBM Joint Circular 2012-01.	Utilize at least five percent of the total appropriation for GAD-related activities.	PCW delisted most of CITEM's GAD-related expenditures. This is noted for CY 2019 GAD implementation.	Various Divisions	Apr-19	May-19	Full	-	-	
AOM No. 2019-10-(18) dtd March 25, 2019	The unreconciled balances of the PPE accounts between Inventory Report and Accounting books resulting in a variance of P15,006,534 due to the non-reconciliation of records which is not in accordance with COA Circular 80-124, casting doubt in the accuracy of the ending balances of PPE accounts for CY 2018.	Provide details of reconciliation between Inventory Committee's Inventory Report with that of Accounting Division's book balances of PPE to arrive on the same adjusted balances.	Details of reconciliation were attached to the respective adjusting entries.	Controllership	Apr-19	May-19	Partial	Reconciliation is still on-going and with the current manpower and manual system, this process may take longer time.	Adjusting entries were made in effort of reconciling records.	

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	Items totaling 942 with as cost of less than P15,000.00 for Semi-Expendable Communication Equipment amounting to P228,509.00 and Semi-Expendable Communication Equipment amounting to P228,509.00 and Semi-Expendable Furniture and Fixtures of P3,057,960.59 were still recorded in the Accounting books as PPE instead of recording them as Semi-Expendables which is not in conformity with GAM, thereby overstating the PPE account and understating the Semi-Expendable account.	(a) Make necessary reclassifications in the books pursuant to Sec 10, Chapter 8 of GAM. (b) Report the semi-expendable properties in separate form (i.e. RPCI to be maintained by Inventory Committee) © Secure accountability over those semi-expendables through issuance of ICS and PAR.	Adjustments were made in the books on December 2018. RPCI shall be used immediately while ICS and PAR are already being used by CITEM.	Controllership and Property Section	Apr-19	May-19	Full	-	-
	The Inventory Report for CY 2018 erroneously disclosed a total of items of 644 for items identified as "damaged for disposal" totaling to P8,971,665.12 instead of reporting them separately in Inventory and Inspection Report of Unserviceable Property (IIRUP) which is not in conformity with GAM, thus overstating the PPE account in the Inventory Report by the same quantity and amount.	(a) Prepare IIRUP for properties which are already under unserviceable condition and immediately dispose through public auction or destruction in the presence of COA auditor or representative, to prevent the further deterioration due to wear and tear and lessen their saleable value. (b) Advice accountable officer/end-users to secure a copy of RLSDDP for damaged/unserviceable items upon return/surrender from their custody to the Property Officer for Inspection.	This is noted and the required form is to be used for CY 2019.	Property Section	Apr-19	May-19	Full	-	-

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	The CY 2018 Inventory Report on PPE was not submitted within the reglementary period of January 31 of the ensuing year causing delay in the thorough review of the accounts.	Advice accountable officer/end-users to secure a copy of RLSDDP for damaged/unserviceable items upon return/surrender from their custody to the Property Officer for Inspection.	This is noted and the required form is to be used for CY 2019.	Property Section	Apr-19	May-19	Full	-	-	
	The submitted inventory Report for CY 2018 does not conform with the required Report on the Physical Count of PPE under Appendix 73 of GAM Vol. I, thus, said report does not contain the required complete information of the PPEs.	Use the prescribed form of RPCPPE to report the physical count and condition of properties instead of the Inventory Report.	This is noted and the required form is to be used for CY 2019.	Property Section	Apr-19	May-19	Full	-	-	
AOM No. 2019-11-(18) dtd March 25, 2019	CITEM has a foregone/lost opportunity in rental income of P2.35M annually, more or less, which can be derived from HallONE rentals on meetings and events had it not been hastily demolished.	Comply with the requirements on the disposal of government property.	This is noted. CITEM officially turned over HallONE to Philexport on October 25, 2018and the latter started its demolition on November 2018. A copy of the above MOA was furnished to COA office on December 7, 2018.	Corporate Services	Apr-19	May-19	Full	-	-	
	The validity of MOA is uncertain considering that CITEM did not obtain first a clearance from Congress for any legislative amendment on the lease contract if ever the said congressional deliberation before the Committee on Good Government and Public Accountability has been concluded. The destruction and demolition of the property was not in conformity with COA Circular 89-296.	Submit all necessary documents are required by COA Circular 89-296 and the final deliberation of the Committee on Good Government and Public Accountability on House Resolution No. 1188 or its proposed amendment or legislation to the aforementioned Resolution.	In accordance with COA Circular 89-296, COA also recognizes the other modes of disposal/divestment of assets of NGAs as may be provided by law other than those stated in the circular. In this case, the mode is indemnification and CITEM has sufficiently notified COA upon transmission of the MOA last December 7, 2018.	Corporate Services	Apr-19	May-19	Full	-	Additional submission on April 10, 2019, the three appraisal reports conducted by third parties.	

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AOM No. 2019-12-(18) dtd March 28, 2019	1. The balance in Cash-in-Bank is understated by a net total of P1.157 million due to the delay in recording the corresponding adjusting entries for the reconciling items amounting to P1.607 million and overstating the account of LBP Dollar Time Deposit by P450.878.00 due to an error in computing for FOREX Gain(Loss) while outstanding bank errors amounting P53,540 are still unadjusted per bank records and not yet coordinated by management with the bank for adjustment. Moreover, the account balances per Subsidiary Ledger (SL) remains unreconciled with the balances confirmed by the banks on four bank accounts with a variance of P7.492 million as of December 31, 2018 due to incomplete Bank Reconciliation Statements.	Effect the necessary adjustments of the book reconciling items and errors found in audit and coordinate with DBP to effect the necessary adjustments. Comply with the provisions under Chapter 21 Sec. 4 and 7 of GAM and Sec. 75 of PD 1445.	Partial adjustments were made in the books on December 2018.	Controllership and Cashier	Apr-19	May-19	Partial	Lack of bank documents and deposits which cannot be identified by the banks.	Continuous coordination with the banks and exhibitors.
Agency Sign-Off:									
									
PAULINA SUACO-JUAN									
Executive Director									
Date									