

**NAME OF AGENCY: CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS**

Golden Shell Pavilion, Roxas Blvd. cor. Sen Gil Puyat Ave., Pasay City

AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION

For Calendar Year 2021

As of July 31, 2022

Reference	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay /Non-implementation, if applicable	Action Taken / Action to be taken
			Action Plan / Management Comments	Person/ Dept. Responsible	Target Implementation Date				
					From	To			
AOM No. 2022-01-(21) Property, Plant and Equipment (PPE) account	The faithful representation of the account balance of PPE costing P104.413M with a carrying amount of P20.497M as of December 31, 2021 was not established due to: (a) variance of P13.337M between the amount of PPE per books and per Report on the Physical Count of PPE; and (b) non-maintenance of complete and updated PPE Ledger cards by the Controllership thus reconciliation with GSD could not be facilitated, contrary to the Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities and Paragraph 27 of IPSAS 1. Moreover, the failure of Management to promptly prepare and monitor the required Inventory and Inspection Report of Unserviceable Property for the damaged/obsolete PPE had caused delay of its disposal and/or derecognition or dropping from the books.	<p>a. Direct the Controllership Division and the General Services Division to: (i) reconcile their records, exert effort to locate/identify the documents/records and IIRUP (if any), covering the disposed unserviceable properties that are still outstanding in the books, and effect the necessary adjustments or corrections; (ii) regularly reconcile the GL records and PPE records (iii) prepare the IIRUP for PPE amounting to P6.258M identified as damaged/unserviceable and facilitate the disposal thereof through public auction, destruction or other appropriate mode of disposal.</p> <p>b. Instruct the Controllership Division to maintain complete and updated PPELCs in accordance with Section 42, Chapter 10, GAM, Volume I; and</p>	<p>- Out of the P13.337M variance, 63.2% has been identified as disposed in years 2010-2012 in the amount of P8.432M. Supporting documents are being prepared. The GSD has already prepared and separated the unserviceable items for disposal into IIRUP based on the RPCPPE as of 31 December 2021. Other documents for disposal of these items are currently being prepared to commence the disposal procedures of the same.</p>	Controllership	Apr-22	Dec-22	Partial	Identifying / highlighting of the items from a bulk of disposal reports.	On-going arrangement of supporting documents.
			<p>- PPELCs are maintained for current purchases.</p>	Controllership	Apr-22	Dec-22	Partial	Manual maintenance of PPELCs / Delay in ENGAS roll-out	Continuous update of the excel file of PPELC
AOM No. 2022-03-(21) Receivables	The faithful representation of the Receivables account totaling P27.625M and net book value of P20.836M as of December 31, 2021 is doubtful and could not be ascertains due to: (a) incomplete Subsidiary Ledgers of accounts totaling P12.455M; (b) amount of P2.603M were confirmed settled and/or subsidized accounts; (c)	<p>a. Maintain SLs for AR-PF Local, AR - Extension Charges and AR - Others;</p> <p>b. Analyze the individual accounts of the exhibitors particularly the balances which were subsidized by National Government Agencies and prepare the necessary adjustments.</p>	<p>- As we move to the implementation of E-NGAS this year, Subsidiary Ledgers, as one of its key features will be maintained, henceforth. Further, the manual consolidation of SLs will continue to facilitate the complete and accurate set-up of beginning balances in the system.</p>	Controllership	Apr-22	Dec-22	Partial	Manual maintenance of SL / Delay in ENGAS roll-out	Continuous update of the excel file of SLs
			<p>- Adjustments were made in JEV No. 2022-02-10 and JEV 2022-02-12 dated February 28, 2022.</p>	Controllership	Apr-22	Dec-22	Partial	Manual maintenance of SLs and Schedules	-Partial adjustments were recorded and there is a continuous account analysis and preparation of the necessary adjusting entries. Additional adjustments were made per JEV 2022-07-0047 dated July 31, 2022.

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		<p>c. Send confirmation letters regularly to exhibitors with outstanding balance to inquire if payments have been made and require them to submit proof of payment to facilitate recording in the books;</p> <p>d. Prepare the necessary adjusting entries to correct and/or record the following: (1) erroneous recording of transactions which resulted to the negative balances totaling P1.042M; (2) recognize income for the P0.708M for collections not yet billed or invoices cancelled; and (3) recognize forex gain of P9,292.00.</p> <p>e. Determine the nature of the negative balances of P446,988.00 and prepare the necessary adjustments; and</p> <p>f. Prepare and submit a complete Aging of AR on or before the deadline set in accordance with Section 3 of COA Circular 2015-004 dated July 16, 2015.</p>	<p>- As of date, the Controllership was able to send confirmation letters to various exhibitors with outstanding balances per book records as of date. This is a regular activity of Accounting.</p> <p>- Adjustments were made in JEV No. 2022-02-10 and JEV 2022-02-12 dated February 28, 2022. Several steps have been taken to improve the identification and recording of collection such as entering into agreements with other online payment portals and providers of financial services.</p> <p>- Adjustments were made in JEV No. 2022-02-10 and JEV 2022-02-12 dated February 28, 2022.</p> <p>This is noted and shall be complied with.</p>	<p>Controllership</p> <p>Controllership</p> <p>Controllership</p> <p>Controllership</p>	<p>Apr-22</p> <p>Apr-22</p> <p>Apr-22</p> <p>Apr-22</p>	<p>Dec-22</p> <p>Dec-22</p> <p>Dec-22</p> <p>Dec-22</p>	<p>Partial</p> <p>Partial</p> <p>Partial</p> <p>Partial</p>	<p>No response from recipients</p> <p>Manual maintenance of SLs and Schedules</p> <p>Manual maintenance of SLs and Schedules</p> <p>Manual maintenance of SLs and Schedules / Delay in ENGAS roll-out</p>	<p>One recipient paid its outstanding balance. To continue sending collection and/or confirmation letters.</p> <p>On-going reconciliation and adjustments.</p> <p>On-going reconciliation and adjustments.</p> <p>Continuous update of the excel file of Aging and AR Schedules.</p>
AOM No. 2022-04-(21) Accounts Payable	The balance of the Accounts Payable of P97.083M as of December 31, 2021 is overstated by P1.363M, hence the account is not fairly presented in the Financial Statements contrary to paragraph 27 of IPSAS 1. The overstatement covers the cost of the procured motor vehicle accepted on January 10, 2022 but was recognized in the books as payable in December 2021, contrary to the DBM Circular No. 2013 dated December 23, 2013.	<p>a. Prepare the necessary adjusting entries on the recorded motor vehicles to correct the Accounts Payable balance as of December 31, 2021; and</p> <p>b. Refrain from recording or recognizing a payable account on purchases that has not been delivered and officially accepted by CITEM, as evidenced by an IAR.</p>	<p>The Accounts Payable pertaining to the motor vehicle has been adjusted or debited to payables in March 2022.</p> <p>Management has duly noted and will comply.</p>	<p>Controllership</p> <p>Controllership</p>	<p>Mar-22</p> <p>Mar-22</p>	<p>Mar-22</p> <p>Mar-22</p>	<p>Full</p> <p>Full</p>		

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AOM No. 2022-09-(21) Inventory	The existence, reliability and accuracy of the Inventories account amounting to P1.436M as of December 31, 2021 was doubtful due to: (a) incomplete Report on the Physical Count of Inventories amounting to P1.191M; and (b) non-maintenance of Supplies Ledger Cards precluding verification of the Inventory balances, thereby affecting the fair presentation of the account in the financial statements.	a. Direct the Supplies Custodian to prepare and submit the RPCI for Semi-Expendable Office Equipment and Semi-Expendable Furniture and Fixture following the prescribed form in the GAM; and  b. Direct the Controllership Division to likewise maintain the SLC and prepare the adjustments in the books, as necessary.	The Inventory Team has submitted to COA the report on physical count for the Semi Expendable Office Equipment, Furniture and Fixtures.  This is noted and shall be complied with.	GSD  Controllership	May-22  Apr-22	May-22  Dec-22	Full  Partial	  Manual maintenance of SLCs / Delay in ENGAS roll-out	
AOM No. 2022-11-(21) Trade Fairs	CITEM was able to fully accomplish and implement its targeted number of projects on trade fairs through digital platforms and hybrid events. Export sales from these projects exceeded by USD 565.776M or 950.92% of the targeted export sales while the cost directly attributable to these projects decreased by P3.357M more than its budgeted amount. Likewise, based on the Statement of Financial Performance for the years ended December 31, 2021 and 2020, CITEM was able to lower its net loss to P12.003M in CY 2021 compared to CY 2020 of P80.003M, or a decrease of P67.969M or 74.96%, despite the non-charging of participation fees to its exhibitors.	a. Continue implementing strategies that would adapt to the challenges and changes in trade industry due to Covid 19 pandemic and other similar situations that might occur in the future, with the end view of optimizing revenue and minimizing cost to improve CITEM's financial performance.	Management appreciates the COA observation and will continue to explore adaptive practices for export promotions and will ensure that different platforms are updated and responsive to the needs of the agency's stakeholders. The results of Business Model Review Part I as to the monetization of new revenue streams is now being implemented.	Management	Apr-22	Dec-22	Full		
AOM No. 2022-07-(21) Collective Negotiation Agreement	Validity and propriety of the accrual of CNA FY 2021 incentive amounting to P2.189M as of December 31, 2021 is doubtful due to the lack of requirements and proper approval contrary to DBM Budget Circular 2021-3 dated November 17, 2021.	a. Submit the documents required as per DBM BC No. 2021-3 dated November 17, 2021 to substantiate the grant of CNA FY 2021;  b. Reverse the entries made for the accrual of the incentive in case of failure to comply with the submission of valid documentation to reflect the correct balance of the affected account; and/or;	- CITEM has submitted to the GCG its Performance Scorecard and is currently under evaluation and validation. In the said submission, CITEM has attained the required 70% rating, awaiting GCG reply.  - In the unlikely event that the GCG decided that CITEM is not qualified for the CNA incentive for 2021, the accrued expenses will be reverted.	HRMD  Controllership	May-22  May-22	Dec-22  Dec-22	Full  Full	GCG Evaluation  GCG Evaluation	All requirements for CNA have been submitted to the proper oversight agency.  Reversal entry will be prepared upon the unlikely event of GCG negative result of evaluation.

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		c. Upon compliance with the requirements, charge the incentive to "Other Benefits" account pursuant to the DBM BC 2021-3	- As mentioned above, the requirements for CNA have been complied with and duly submitted and is currently awaiting final approval for the actual release of the said benefit. We further believe that this complies with the accrual principle of Accounting Standards.	Controllership	Apr-22	Apr-22	Full	GCG Evaluation	Following the accrual method, the CNA 2021 has been charged to Other Benefits of 2021.
AOM No. 2022-08-(21) Salaries of Janitorial Personnel under Institutional Contract of Service	Payment of salaries to janitorial personnel under Institutional Contract of Service despite being on an on-call or work-from-home basis wherein no actual services were rendered, resulted in overpayment amounting to P0.810M, contrary to the provisions of the Contract of Service and Section 2 of COA-DBM Joint Circular No. 1 Series dated March 19, 2020.	Facilitate the refund of the overpayment of salaries from the Agency of the janitorial services and henceforth, always observe the rules and regulations on government resources expenditures.  Make a representation with the DBM for a more authoritative disposition on the matter.	- Management based its decision on RA 11469, also known as Bayanihan to Heal as One Act / Compassionate Law and GCG Memorandum Order no. 2020-04 dated April 13, 2020.  - The exclusion of Institutional Workers from COA-DBM Joint Circular does not preclude the agency to find other ways (on-call and rotation basis) wherein allied personnel can deliver their services in the most effective and safest manner during a global pandemic.	Management  Management	Apr-22  Apr-22	Dec-22  Dec-22	Partial  Partial	Transition  Transition	We will follow-up our query to the DBM once the transition settles.  Initial queries from DBM has brought our attention to DTI and DOLE Interim Guidelines on Workplace Prevention and Control of Covid 19 dated April 30, 2020. The said Guidelines cover all workplaces, employers and workers in the private sector. Section IV, letter C of the Guidelines states that to minimize contact rate, employers may resort to: (1) Alternative work arrangements, such as working-hour shifts and on rotation basis. This may be seen as an act of compassion on those who are most in need which is the spirit of the said RA.
AOM No. 2022-12-(21) Blood Pressure Monitor	The procurement of the 170 units of Blood Pressure Monitor amounting to P238,263.39 issued to all CITEM personnel including job orders and contract workers is considered unnecessary based on COA Circular 2012-003 dated October 29, 2012. The said medical gadget is neither included in the list of common-use supplies and equipment enumerated in Annex B of the GPPB Resolution No. 03-2020 dated March 9, 2020, nor among the intervention prescribed in Annex A of the DOH Administrative Order No. 2020-0015 dated April 27, 2020.	Direct the HRMD to facilitate the refund of P236,687.41 pertaining to the 169 units of BP monitors and henceforth, observe prudence in determining whether or not an expenditure is necessary.	- The CNA between CITEM Management and Association of CITEM Employees (ACE) includes continuing health and wellness program. It states that CITEM shall continue to allocate an annual budget for the programs designed for the employees' physical fitness, health and wellness, including the procurement of appropriate gym equipment and facilities, among others. Such programs may be delegated to the Association for implementation and maintenance without sacrificing the timely delivery of service to the public. Proper monitoring and management of blood pressure has been identified as a priority program for the employees' physical fitness, health and wellness given the data acquired from CITEM Clinic which shows that more than one-third of CITEM employees suffer or at least experienced hypertension.	HRMD	Apr-22	Dec-22	Partial	Additional Justification	The purchase of personal blood pressure monitors may be considered under the health and wellness program agreed upon in the CNA.

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AOM No. 2022-10-(21) GAD	CITEM's GAD Plan and Budget for CY 2021 totaling P12.702M of 5.07% of the total Corporate Operating Budget of P250.560M was not endorsed by PCW contrary to PCW Memorandum Circular 2020-05, thus, could not be validates whether gender issues were addressed. Nonetheless, CITEM fully utilized its allocated GAD Budget with total expenditures amounting to P17.328M for the implemented programs, activities and projects as shown in the Accomplishment Report submitted for review to the PCW thru the Gender Mainstreaming Monitoring System.	<p>a. Coordinate with PCW for in-house trainings/webinar of its GFPS Secretariat to further strengthen its capacity in identifying GAD issues and concerns as well as preparing PAPs relative thereto;</p> <p>b. Follow-up with PCW the endorsement of the GPB to ensure that the PAPs identified fully address the gender issues of CITEM;</p> <p>c. Monitor the return of final GAD AR from PCW and provide the same to the Audit Team; and</p> <p>d. Henceforth, continue to mainstream GAD activities on the regular PAPs to be able to attribute at least 5% of the total COB.</p>	<p>-The GFPS Focal Person has already coordinated with the HRMD for the available PCW webinars for FY 2022 and noted the dates of the webinars listed at the provided by PCW.</p> <p>- The GPB has been endorsed by PCW last April 8, 2022.</p> <p>- A copy of the final GAD AR from PCW had been submitted to COA.</p> <p>- To continue and strengthen our mainstreaming of GAD activities on our regular PAPs and to be able to properly attribute at least five percent of our total COB, we maintained in our Exhibitor Profile System (EPS) database the capture of gender attribute of our trade fairs participants to facilitate the identification of women-led enterprises. Also, we regularly coordinate with our HR and OGS-GFPS Secretariat Members (Camille Amponin, Faye Hall, and Marie Panotes) to submit periodically to the GFPS-FP any GAD-related activities in their department/division as soon as they are conducted (e.g., webinars, orientations, etc.).</p>	Corplan and HRMD	May-22	May-22	Partial	Training schedules, budget and availability of personnel	The HRMD and Corplan shall identify and set schedule for necessary trainings and webinars for GFPS Secretariat.
			Corplan	May-22	May-22	Full			
			Corplan	May-22	May-22	Full			
			Corplan	May-22	Dec-22	Full			

Agency Sign-Off:

  
 Deputy Executive Director MA. LOURDES D. MEDIRAN  
 Officer-in-Charge, CITEM

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 Date