

**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 2023

As of May 25, 2024

| 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/ Dep't. Responsible | Target Implementation Date |        |                          |  |  |
|   |   |  |  |                            | From                       | To     |                          |  |  |
| Audit Observation No. 1, p46, Property, Plant and Equipment (PPE) | The faithful representation in the financial statements of the PPE account with a carrying value of P15.284 million as of December 31, 2023 could not be ascertained due to: a) non-derecognition of the disposed unserviceable items with a carrying amount of P0.614 million; b) items found during the physical count but not recorded in the books amounting to P475,355; c) recorded items with a total net book value of P211,243; e) discrepancy in the costing in the amount of P0.911 million; | a) Instruct the Controllership Division to a.1) coordinate closely with the GSD on the timely and regular reconciliation of the PPE account; a.2) Prepare the necessary adjusting entries on the following: i. Derecognition of disposed PPE items with a total carrying amount of P0.614 million; ii. Unrecorded Other PPE and ICT Equipment in the total amount of P475,355; iii. Erroneous entries totaling P211,243; and iv. Semi-expendable properties included in the PPE totaling P118,650. | This is noted and the Management agrees with the one-time cleansing. | Controllership             | Mar-24                     | Aug-24 | Partial                  | The constitution of the committee and preparation of the necessary forms and records will take time. | The guidelines on the one-time cleansing is carefully being studied jointly by the Controllership and GSD. A preliminary meeting was already held to discuss the creation of the would-be committee. |

RECEIVED  
MAY 20 2024  
BY: panica

| 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/ Dep't. Responsible | Target Implementation Date |                          |   |  |  |
|           |  |   |  |                            | From                       |                          |   |  | To   |
|           | f) unreconciled variance of P0.583 million between the balance per books and Report on Physical Count of PPE (RPCPPE); and g) semi-expendable properties with a net book value of P118,650 were still included in the PPE account, contrary to Paragraph 27 of International Public Sector Accounting Standard 1 and COA Circular No. 2022-004 dated May 31, 2022. Moreover, there were PPE items not included in the RPCPPE; and various unserviceable PPE not included in the Inventory and Inspection Report of Unserviceable Property contrary to COA No. 2020-006 dated January 31, 2020. | b) Instruct the GSD to: b.1) Correct the RPCPPE to only include items of PPE; b.2) Prepare the corresponding IIRUP for the unserviceable PPEs for their subsequent disposal; b.3) Consider the costing of PPE per SL when preparing the RPCPPE to reflect the accurate unit value of each item included therein; and b.4) For those items found at the station but not recorded in the books and vice versa, follow the guidelines and procedures in the COA Circular No. 2020-06 on the one-time cleansing of PPE Account. | This is noted and the Management agrees with the one-time cleansing. | GSD                        | Mar-24                     | Aug-24                   | Partial   | The constitution of the committee and preparation of the necessary forms and records will take time. | The guidelines on the one-time cleansing is carefully being studied jointly by the Controllership and GSD. A preliminary meeting was already held to discuss the creation of the would-be committee. |

| 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/ Dep't. Responsible | Target Implementation Date |        |                            |   |  |
|   |  |  |  |                            | From                       | To     |                            |   |  |
| Audit Observation No. 2, p51 Accounts Receivable - Participation Fees | The accuracy and reliability of the Accounts Receivable - Participation Fees account with a carrying amount of P15.869 million as of December 31, 2023 are doubtful due to: a) negative balances in the total amount of P3.989 million; b) absence of supporting schedule and documents for long outstanding receivables related to local events amounting to P6.763 million; c) variances from results of confirmation totaling P0.775 million. Likewise, the account is materially misstated due to undistributed collections in the total amount of P6.858 million which are recorded in this account instead of the Other Payable account, contrary to Paragraph 27 of IPSAS 1 and COA Circular No. 2020-002 dated January 28, 2020. | <p>a) Direct the Controllership Division to:</p> <p>a.1) Trace the cause of the negative balance and prepare the necessary correcting entries; a.2) Retrieve the documents relative to the receivables without subsidiary records to substantiate its balance; a.3) Maintain SL of the AR PF Local account in accordance with the GAM Volume II Forms to substantiate and monitor the receivables account properly; a.4) Write a letter to the Landbank to request details of the bank credits; a.5) Reclassify the undistributed collections to the Other Payables account; and a.6) Send Statement of Account to exhibitors with outstanding balances.</p> <p>b) Issue an office policy on the collection process through wire transfer or direct deposit and instruct the project officers to disseminate the same to stakeholders.</p> | <p>These are all duly noted and are being done by the Controllership Division. Previous letters sent to the bank would be followed-up and the Controllership would resend confirmation letters to the exhibitors.</p> <p>Payment procedures and guidelines are disseminated to exhibitors through Circulars and during briefings. Policies and/or approved rates are approved per project basis.</p> | Controllership             | Mar-24                     | Jun-24 | <p>Partial</p> <p>Full</p> | <p>Locating and retrieving of supporting documents take time. The analysis of the balances will also take time and would be done concurrently with other on-going projects.</p> | <p>The maintenance of SL is on-going and with the absence of E-NGAS, CITEM is looking for other ways to maintain records such the SL more effectively.</p> |

| 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/ Dep't. Responsible | Target Implementation Date |        |                          |   |  |
|  |  |   |  |                            | From                       | To     |                          |   |  |
| Audit Observation No. 3, p56 Trust Liability                     | The fair presentation of the Trust Liability account with a balance of P9.262 million as of December 31, 2023 could not be ascertained due to: a) the absence of documents of the collected commitment fees on completed events amounting to P1.417 million; and b) existence of unreconciled negative/abnormal balances on various accounts with an accumulated amount to P1.117 million contrary to Paragraph 27 of the IPSAS 1. | Instruct the Controllershship Division to: a) Review and retrieve their records on commitment fee and provide the necessary adjusting entries; b) Evaluate further the cause of the negative balance and ensure that it will be adjusted accordingly; and c) Ensure that all entries are supported with complete documents. | The negative balance arising from the reclassification of payments from CIIE 2018 from revenue to trust account in the amount of (P1.117) million is identified and will be adjusted in 2024. Other negative balances are undergoing analysis. | Controllershship           | Mar-24                     | Jun-24 | Partial                  | The retrieval of records take time since they are all in printed forms. The analysis of the remaining negative balances are underway. | Adjustments were made per JEV nos. 1-2024-01-005 and 1-2024-04-0025. |
| Audit Observation No. 4, p59 Due to National Government Agencies | The fair presentation of the Due to National Government Agencies account with a balance of P3.880 million as of December 31, 2023 could not be ascertained due to the variance of P1.503 million in the results of confirmation on long outstanding accounts and absence of record to establish the existence of the recorded obligation, contrary to Paragraph 27 of IPSAS 1.   | Revert the excess funds from the Bureau of the Treasury amounting to P1.503 million to the Accumulated Surplus and initiate the refund of the excess fund to NCAA amounting to P43,448.   | The Management has agreed to revert the funds to the BTr or request anew for utilization.  | Controllershship           | Mar-24                     | Jun-24 | Partial                  | Locating and retrieving of supporting documents take time.  | Draft request letter to the BTr and check preparation for the NCCA.  |

| 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/ Dep't. Responsible | Target Implementation Date |        |                          |   |  |
|   |  |   |   |                            | From                       | To     |                          |   |  |
| Audit Observation No. 5, p61 Restricted Building Fund | The restriction of the supposed Building Fund amounting to P302.113 million as of December 31, 2023 for more than 25 years with no concrete plans and specific timelines for its utilization is contrary to the basic policy of the government on the effective and efficient management of resources. | a) Submit to the Audit Team the Board Resolutions and supporting documents related to the set-up, additions and withdrawals from the restricted fund;   | The Board Resolution Nos. has been provided, however, due to the age of the said documents, the CITEM file could no longer be located.  | Legal                      | Mar-24                     | Jun-24 | Partial                  | The Board Resolution Nos. have been provided, however, due to the age of the said documents, the CITEM file could no longer be located at this time. Added factors are the flooding incident in the storage and the closure of the warehouse at the Harrison Plaza. | CITEM will try to locate and if possible retrieve its past required submissions to the COA of Board Resolutions. |
|   |  | b) Assess the propriety of retaining the restrictions on the building fund; b.1) If Management decides to continue with the restriction: i) Come up with a concrete plan in the construction and/or purchase of office building showing the significant timelines and cost, and endorse the same to the Board of governors for approval; and ii) Excess amount between the restricted fund and the estimated cost should be released from restrictions; and b.2) If Management finds that the amount should no longer be restricted, endorse such recommendation to the BoG for their approval. | CITEM has given the historical accounts of the building fund and has fully explained the recent developments with regards to the said fund. In addition, the CITEM earns interest from the said restricted fund and the Landbank, CITEM's depository bank, also a government financial institution, could use it for the good of all Philippine government. | GSD                        | Mar-24                     | Jun-24 | Partial                  | It will take time and money to come up with a concrete building plan. Also, it will need to be included in the next possible budget (2025).   | The GSD is in coordination with the NDC for its pronouncement of One DTI building.                               |

| 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/ Dep't. Responsible | Target Implementation Date |        |                          |   |                                   |
|                                  |   |  |   |                            | From                       | To     |                          |   |                                   |
|                                  |   | c) Ensure that all funds of CITEM are effectively, efficiently and economically utilized.  | This is noted and adhered to.   |                            |                            |        | Full                     |   |                                   |
| Audit Observation No. 6, p63 GAD | The CY 2023 Gender and Development (GAD) Plan and Budget of CITEM was not endorsed by the Philippine Commission on Women (PCW); and there was no Accomplishment Report prepared by the GAD Focal Point Systems, contrary to PCW-National Economic and Development Authority - Department of Budget and Management Joint Circular No. 2012-01 and PCW Memorandum Circular Nos. 2022-13 and 2023-005. | <p>a) Direct the GAD Focal Point System to: a.1) Supply the needed information to comply with the comment/recommendation of the PCW and request for reconsideration to resubmit the GPB for review in accordance with Section 1.2.5.2; a2) Complete the GAD Accomplishment Report and submit the PCW for review and furnish a copy to the Audit Team;</p> <p>b) Henceforth, ensure the timely preparation and submission of the GAD related documents and comply with provisions of the Magna Carta of Women and relevant guideline on GAD Planning and Budgeting.</p> | <p>The GPB and GAD Accomplishment Report are all completed and complied with. However, it cannot be submitted through the PCW system due to the system design. The season of submission of GPB is already closed. The GAD point person has coordinated this with PCW and submitted the files for verification through e-mail.</p> <p>This is noted.</p> | CORPLAN                    | Mar-24                     | Jun-24 | Partial                  | Awaiting reply from the PCW.                                | Follow-up with PCW.               |
|                                  |   |  |   | CORPLAN                    |                            |        | Full                     |   |                                   |

Prepared by:

  
**MALERNA C. BUYAO**  
 Chief Accountant

Recommending Approval:

  
**MA. LOURDES D. MEDIRAN, CESO IV, CPA, MDM**  
 Deputy Executive Director  
 Officer-in Charge - CITEM