

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

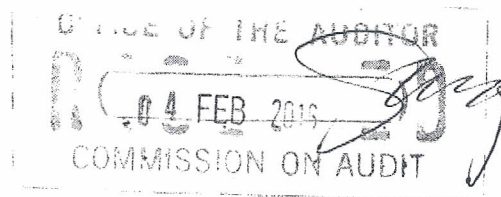
Golden Shell Pavilion, Roxas Blvd. cor. Sen Gil Puyat Ave., Pasay City

## AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION

For Calendar Year 2014

As of 31 December 2015

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 / Mangement Comments	Person/Dep't. Responsible	Target Implementation Date		
					From	To	
Notice of Disallowance No. 15-001-101(11-12) dtaed 28 May 2015 / NS No. 13-001-(12) / AOM No. 2014-03-013	<b>PIXOGRAFX Non-compliance to RA No. 9184 on the Approved Budget for the Contract (ABC) and non-submission of documents required (Amount Php 2,202,506)</b>	Submit document/s showing approval from GPPB for the excess in the ABC in accordance with Section 61.1 of RA9184, otherwise, the amount of Php 2,202,506 may not be allowed.	For appeal. The posted ABC was only an estimate and was not meant to be the limit of the contract. Post-facto approvals were done in good faith and payment was processed with due dilligence with considerable assurance that the transactions were not disadvantageous to CITEM.	Finance, Legal, Signatories etal.			Requested extension to appeal until 27 January 2016. For appeal, with GPPB.
		Comply strictly with Sections 7 and 61.1 and Appendix E-III of RA 9184 for all other procurements.					Recommendation noted and strictly implemented in succeeding procurements.
AOM No. 2014-04-014	<b>Dormant and unsubstantiated Accounts Receivable - Participation Fees Local and International. (Local = Php11.71M; International = Php2.56M)</b>	Require the concerned accounting personnel to reconstruct records on unsubstantiated receivables and/or reconcile with any available data/records from other division, like Exhibitor Marketing and Services Division, and determine individual exhibitors with outstanding receivables.	To continue reconstruction and reconciliation of previous years' projects.	Patricia Hilay / Finance	30-Jun-16	Partial	Changing Accounts Receivable Point Person. Difficulty tracing back entries and schedules due to manual system. Reconstruction and reconciliation of records started in 2014 and continues this year. IFEX 2011 and 2013, Manila FAME 2011, 2012 and 2013 were fully reconciled in 2014. In addition, NTF 2011 has been reconciled.
		Intensify efforts to collect the long outstanding receivables. Send demand letters to exhibitors with outstanding AR-PF to find out status of the receivables. Make a detailed analysis of dormant accounts to determine whether they are indeed valid receivables or just products of erroneous recordings.	To continue sending demand letters / requesting proof of payments to properly record and post CITEM's unidentified deposits in the banks. Continue the coordination with Project Management Team re unpaid accounts of exhibitors.				Some companies can no longer present proof of payments but they insist they are already paid. Second notices were sent during the 1st quarter of 2015 to the same companies, which did not respond to the first demand letters. In the same period, first notices were sent to participants of 2010 projects, notwithstanding the fact that account reconciliation were still on-going.
		Conduct a detailed analysis of the negative balances, determine the causes of the abnormal balances and effect the necessary adjustments accordingly.	To verify and properly reclassify AR's negative balances to Refund Account.				Posting in SL and AR schedules are done manually hence it's more difficult to monitor and trace negative balances. Analysis of Accounts Receivable - PF - Local is an on-going and regular (monthly) process which includes review of negative balances.



AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION

For Calendar Year 2014

As of 31 December 2015

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
		Exert effort to identify the exhibitors who deposited payments for participation fees directly for credit to CITEM's Cash in Bank account so that these can be posted to the individual SL.	Demand letters include a request to present participants' proof of payments if they have already paid. Some have provided theirs while others can no longer retrieve/locate their proof of payments. Banks have been reminded to be more cautious in accepting payments or deposits to CITEM accounts. They must be accompanied by an invoice and company name must be clearly stated.				Some companies can no longer present proof of payments but they insist they are already paid.	As an internal measure, exhibitors are now being required to submit their proof of payments to their respective coordinators. Coordinators provide copies to Accounting and the latter coordinates with Cashier to ensure recording of the deposit or payment, resulting to a significant decline in unidentified deposits for current projects.
		Coordinate with the bank so that exhibitors who made the deposit for credit to CITEM's bank account can be easily identified, by requiring data/information, such as the name and/or invoice number of the company / exhibitors, to be properly indicated in the deposit slips before payments are accepted.	As for previous years' unidentified deposits, the banks can no longer provide any further details. For instance, PNB can no longer account for the previous period covered by the unidentified deposits since they have adapted a new system.					Banks have been reminded to be more cautious in accepting payments or deposits to CITEM accounts. They must be accompanied by an invoice and company name must be clearly stated.
		Enforce CITEM's policy on Participation & Acceptance Procedures for Exhibitors and require settlement of unpaid PF before the approval of exhibitors' participation to the next event.	CITEM enforces the "No Payment , No Ingress" policy. For some instances, CITEM accommodated requests of exhibitors with good payment history, but they must issue post-dated checks as payment guarantee.					Management will adhere to COA's recommendations.
AOM No. 2014-05-014	<b>Non-remittance of mandatory deductions to the National Government as required by laws. (Php 1,178,189.14)</b>	Conduct a detailed analysis to determine the causes of non-remittance/over-remittance of mandatory deductions on the said accounts and pay immediately the unremitted contributions and loan payments.	2014 and prior years shall be reconciled.	Finance, HR		30-Jun-16 Partial	The changes in storage area, point persons make it harder to locate files needed for reconciliation. The manual posting and system and the lack of individual SL make it difficult to determine non-moving balances.	In 2015, Accounting and HR already monitor deductions vs. remittances.
		Require the Accountant to remit regularly the mandatory deductions within the prescribed period to avoid interests and penalties.				Full		
AOM No. 2014-01-(14) / Notice of Suspension No. 15-001-416-(13) dated 22 September 2015	<b>Interagency Fund Transfer from the PDAF of the Office of Senator Loren Legarda for the HIBLA Setting in the amount of Php455,989.92.</b>	Submit justification for the procurement process as well as the required supporting documents for expenses presented under Annex A, for COA evaluation. (Re: Procurement undertaken by the Office of Sen. Legarda that were paid by CITEM from HIBLA Fund.)	Requested OSLL to submit required documents.	OSLL, Ana Alzona - CITEM Coordinator and Finance Division		23-Dec-15 LIFTED as per Notice of Settlement of Suspension (NSSDC) No. 15-002/NS 15-001-416-(13) dated 29 December 2015		


AGENCY: CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS  
 Shell Pavilion, Roxas Blvd. cor. Sen Gil Puyat Ave., Pasay City  
 AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION  
 For Calendar Year 2014  
 As of 31 December 2015

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
		Comply with COA Cir. No. 94-03 and discontinue the practice of allowing the Source Agency to process the procurement and selection of suppliers for expenses to be paid by CITEM as the Implementing Agency.				Complied
		Stop reimbursing the Source Agency for expenses advanced by them. Otherwise, return the funds transferred by the Source Agency if they will be the ones to disburse the funds.				Complied
AOM No. 2014-07-(14)	<b>Due to Officers and Employees (Unaccounted Balance = Php 9.054M)</b>	Account for the breakdown of the previous year's balance of Php 9,053,817 included in the liability account. Implement adjustment to correct erroneous entries in the Accounts Payable - Due to Officers and Employees as presented above. Analyze fully accounting entries before taking-up in the books to avoid erroneous entries that may affect the fairness of presentation of the accounts in the financial statements.	Adjusted in February 2015.  Adjusted in February 2015.	Erlinda Realubit / Finance	Full	Accounting shall intensify the review and analysis of accounting entries.
AOM No. 2014-08-014	<b>Inventory of Fixed Assets</b>	Cause the reconciliation of balances per books and physical count. Make the necessary adjustment in the books.  Ascertain that the acquisition costs recorded by both Divisions are the same.	Some discrepancies have been adjusted in September 2015. Differences in records are already determined and are carefully being reviewed for proper adjustment either in the books or in the Property Records / Inventory.	Jayson Fajutnao, Mitch Tablazon / Finance	30-Jun-16 Partial	Lack of supporting documents such as notice of disposal hinders Accounting to make an adjusting entry in the books. Accounting shall continue to reconcile its records with Property Division. Substantial amounts/items were identified. Appropriate caution however is being observed before an adjusting entry is made in the books.
AOM No. 2014-06-(14)	<b>2014 Performance (Net Loss Php 1.766M)</b>	Adopt a risk assessment and management process and regularly monitor exhibitors' sales as a tool in the measurement of accomplishment on the projects. Monitor sales under negotiation to find out actual accomplishment on sales generated during the previous years.	DTI has stopped its practice of including CORPLAN export sales in its major final outputs. CITEM however, continues to monitor participating companies' reported sales for events it organized, as this is the basis for other significant indicators we impact on.	CORPLAN	31-Dec-15 Full	CITEM to take into consideration COA's recommendations to improve performance.

AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION

For Calendar Year 2014

As of 31 December 2015

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
		Review expenditures with significant increases and their impact on target accomplishments.	Venue rental and booth construction incurred the highest share of 2014 expenses since both were heavily subsidized to make our SMEs globally competitive and to encourage them to participate especially in overseas trade fairs. Most of the expenses we incur is related to the implementation of projects attached to CITEM's core function which is to promote Philippines' export products through signature events and overseas trade fairs.				
		Adopt strategies to do away with unnecessary expenditures, and increase participation fees and other revenues to avoid financial losses and protect government funds.	For overseas fairs, exhibitors are required to pay increased participation fee from \$500 to as high as \$2500 per company to fully cover booth construction cost. CITEM is considering variety of ways to increase our revenue, however, our mission to help our SMEs, exporters, designers, and manufacturers remains our primary goal.				
AOM No. 2014-09-014	Excessive Cash Advances	Review carefully the itinerary of travel and the estimated amount of cash advances needed by the project / disbursing officers to avoid granting of excessive cash advances.	Management will comply with COA recommendations.	Finance	31-Dec-15 Full	Contingencies abroad make it difficult to take a more conservative estimate in the granting of cash advances.	Management is to ensure that any excess in cash advances are to be returned by the accountable persons as soon as they report back to office.
		Agency sign-off:					
							
		AURELIA O. CRUZ					
		OIC - Corporate Services	29 January 2016				