

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the nine audit recommendations embodied in the prior years' Annual Audit Reports, three were fully implemented, three were partially implemented and three were not implemented. The partially and not implemented recommendations are presented below:

OBSERVATIONS AND RECOMMENDATIONS	STATUS/ACTIONS TAKEN BY MANAGEMENT
2014	
<p>1. PDGCC management did not submit the CY 2013 reports to Securities and Exchange Commission (SEC), as required under SEC Memorandum Circular No. 4, Series of 2013, thus, subject to penalties prescribed under Rule 68 of the Securities Regulation Code.</p> <p>We recommended that Management to submit the PDGCC Financial Reports to SEC as required under SEC Memorandum Circular NO. 4, Series of 2013.</p>	<p><u>Not implemented</u></p> <p>Reiterated in Observation No. 2, par. 2.4.</p>
<p>2. PDGCC did not allocate funds for the implementation of Gender and Development (GAD) activities and has not prepared the Annual GAD Plan contrary to Executive Order No. 273 and Republic Act No. 9710, Magna Carta of Women requiring the incorporation of the GAD Plan and Budget.</p> <p>We recommended that Management allocate funds for GAD activities, prepare the Annual GAD Plan, and incorporate in its COB in compliance with EO No. 273, RA No. 9710 and the GAA and submit to PCW for endorsement to DBM.</p>	<p><u>Partially implemented</u></p> <p>In the 2016 Budget the amount of P100,000 is allocated for GAD Projects.</p>
<p>3. PDGCC failed to file BIR Form No. 1702-EX under the Tax Code, as amended, [Section 30 and those exempted in Sec. 27(C)] and other Special Laws, with No Other Taxable Income; thus it could be penalized for failure to file said Form.</p> <p>We recommended that Management adhere with the provisions of Revenue Memorandum Circular No. 65-2012 and Section 105 of the National Internal Revenue Code of 1997, as amended.</p>	<p><u>Not implemented</u></p> <p>Reiterated in Observation No. 2, par. 2.3.</p>

OBSERVATIONS AND RECOMMENDATIONS	STATUS/ACTIONS TAKEN BY MANAGEMENT
2013	
<p>4. PDGCC Management failed to collect and recover from its former employee the undeposited collections of P72,050 and overpayment of salaries and allowances amounting to P12,000 despite the demand letter served on him in CY 2012.</p> <p>We recommended that Management:</p> <p>a. Institute appropriate legal action against the erring employee who failed to remit and deposit the rental collections of P72,050; and</p> <p>b. To exhaust all means to collect the overpayment on his salaries amounting to P12,000.</p>	<p><u>Partially implemented</u></p> <p>An estafa case was already filed against the erring employees. However, there are no collections yet for the overpayment of salaries and allowances.</p>
<p>5. Expired lease agreements</p> <p>We recommended that Management require the Office of the President for the Renewal of their Lease Agreements including the terms and conditions on the use by COMELEC of the Ground Floor – Quadrant D, 7th and 8th floors of the PDGCC building.</p>	<p><u>Partially implemented</u></p> <p>Preparation of draft Lease Agreement is on-going.</p>
<p>6. Corporate Operating Budget (COB) for FY 2013 totaling P38.67 million did not pass the review and approval of the OP through the DBM, contrary to Corporate Budget Circular (CBC) No. 20 dated April 27, 2005</p> <p>We recommended and Management agreed to submit PDGCC Annual COB to the DBM in compliance with CBC No. 20 dated April 27, 2005.</p>	<p><u>Not yet implemented</u></p> <p>Reiterated in Observation No. 2, par. 2.2.</p>