PHILIPPINE COMPETITION COMMISSION
Ensuring businesses compete and consumers benefit

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AGENCY ACTION PLAN and STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2023
As of December 2024

Ref.	Audit Observations	Agency Action Plan					Status of Implementation	Reason for Partial/ Delay/ Non-implementation, if applicable	Action Taken/ Action to be Taken
		Audit Recommendations	Action Plan	Person/Unit Responsible	Target Implementation Date				
					From	To			
AAR pages 46-47	JEV and supporting documents were not regularly and timely submitted of the Office of the Auditor. Thus, causing delay in the examination of the financial transactions, contrary to Paragraph 6.05 of COA Circular No. 95-006 and Section 60 © Chapter 19 of the Government Accounting Manual (GAM), Volume I	The recommendation is for Management to ensure the Chief Accountant adheres strictly to the deadlines for submitting financial reports and supporting documents to the Auditor's Office. Furthermore, it suggests taking appropriate action against any officials or employees responsible for failing to meet these deadlines, as outlined in Section 122 of PD No. 1445. *(2) Failure on the part of the officials concerned to submit the documents and reports mentioned herein shall automatically cause the suspension of payment of their salaries until they shall have complied with*	Management assured the Audit Team that the FPMO – Accounting Division will consistently submit all necessary documents to support the monthly preparation of the Trial Balance and quarterly financial statements. However, delays in submitting actual documents supporting disbursements are attributed to factors beyond the office's control, such as non-issuance of Official/Collection Receipts, late collection of checks by payee-suppliers	FPMO-Accounting Division/ Budget Division	June 2024	Onwards	Fully Implemented	N/A	The management's reply to COA AOM 2024-01 (2023) dated 18 January 2024, indicated the timely submission of the monthly trial balance with supporting journals and ledgers as well as the quarterly financial statements as required. On the other hand, management also provided the various reasons and circumstances which led to the partial delay of submission of the supporting DV's for a specific period. This includes but is not limited to the supplier/ service

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		the requirements of the Commission.	(especially those outside NCR), and delays in obtaining necessary documents after completing activities. Despite these challenges, Management agreed to provide electronic copies of financial documents for all processed Disbursement Vouchers (DVs) as reflected in the monthly RCI and RADAI.						provider's non-issuance of Official Receipt, supplier/ creditors address being outside of the National Capital Region, therefore the delay in their collection/ actual claiming of their check payment. Nevertheless, management in accordance with COA Circular 2021-006 committed to provide advance electronic copies of the supporting documents of all DVs for the period. In addition, the management is also adopting and will transition to full electronic submission per COA Circular 2023-006

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AAR pages 47-51	Several lapses were noted in the performance of the Grantees' obligations were noted contrary to Paragraphs 11 to 15 - Obligations, Item VII - Terms and Conditions of the GSDPC, such as, (a) non-submission of thesis/research to the PCC and the PSC, (b) KSS were not strictly conducted, (c) implementation of their REAP were not completed within the period of rendering their service obligation, (d) mentorship programs were not properly observed, (e)	The audit identified various shortcomings in Grantees' compliance with the GSDPC obligations, hindering the project's goal of enhancing competition enforcement agencies. Recommendations were made and Management agreed to enforce GSDPC provisions: a. Requiring Grantees to submit thesis/research to relevant agencies. b. Ensuring KSS are conducted by all Grantees. c. Monitoring REAP implementation within service obligation periods. d. Incorporating REAP in Grantees' evaluations. e. Implementing formal Mentorship Programs. f. Monitoring Grantees' service obligations and imposing sanctions for non-compliance.	The PCC responded that the forwarding of research papers to the PSC will be consistently observed. The PMU is now in the process of collating all thesis or research papers completed by the grantees during their studies and then ensuring their wider dissemination. The requirement of KSS even from non-PCC grantees has been adopted starting with the 2023 intake. The PSC may urge UP Law to be more proactive in fulfilling its role as the Project's hub for knowledge exchange and information dissemination.	PMU; IATWG-Scholarship and Training; OED; All CBFCP Scholars	April 2024	March 2025	Partially Implemented	The COA recommended formalization of the mentorship program is subject to further discussion with the TWG and all GSDPC beneficiary agencies.	a. Copies of thesis/research papers have been collated, except those who returned in Q2 of 2024.These shall be collated in Q3 of 2024. In addition, management commits to continually implement the recommendation b. The contractual obligation to deliver the KSS for PCC and their home agency has been incorporated since the 2023 intake batch. In accordance with the updated guidelines, appropriate fine shall also be imposed against the grantee.

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	non-rendition of service obligation by the reneging scholars. Thus, undermining the objective of the project to capacitate the competition enforcement agencies of the National Government.	Management agreed and provided feedback, such as consistent forwarding of research papers by PCC and incorporating KSS for non-PCC grantees. The PMU will address implementation delays and assist in mentorship programs. The PCC pledged to revisit the GSDPC to enhance processes. Regarding REAP incorporation, the Audit Team suggests prospective application from 2024 intakes. They emphasize the need for Management to address observations and strengthen GSDPC processes continuously.	Operationalization of the 2019 PCC-UP law MOA Establishment of UP Law's Community of Practice on CLP by inviting GSDPC Grantees as resource speakers.						c. The management's commitment to implement the REAP within the service obligation period has been conveyed to all confirmed nominees for the 2024 intake of scholars. d. A separate discussion with the HR units of the GSDPC beneficiary agencies will be organized by the PMU as well as the IATWG Secretariat. The HR units will be required to inform their agency representative to the IATWG-ST on the status of the inclusion of the REAP in the IPCR/IPS.

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									e. The PMU as well as the IATWG-Secretariat shall further coordinate with the IATWG-ST and discuss the possible inclusion of the formal mentorship program in the IPS/IPCR of the grantee. f. Management committed that the guidelines for the return of all expenses related to the scholarship of reneging scholars are in place and is being implemented.
AAR pages 61-69	Low obligation or utilization of FY 2023 allotments totaling 1,275,565,281.08 or OBUR of 48.07% and	The Audit Team recommends that Management take the following actions: a. Review budget proposals to include only	Management commented that the low budget utilization is primarily attributable to the FAPs as a result of budgetary constraints per DBM	FPMO-Accounting Division; Budget Division; Corporate Planning and	June 2024	December 2024	Fully Implemented	N/A	The Accounting Division has assessed all the listed NYDDO in the FAR 3 report for the year ending December 2023. In

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	DBUR of 86.95%. Lapsed NCAs totaling P104,988,732.13, indicative of poor planning and cash management. Existence of more than two (2) years of Not Yet Due and Demandable Obligations contrary to the General Provisions of FY 2018-2021 General Appropriations Act (GAA) and related DBM issuances.	implementation-ready projects and allocate funds for multi-year projects based on one year's budget to prevent unused funds. b. Review monthly disbursement plans to allocate only necessary cash for each quarter, avoiding the lapse of unutilized funds. c. Instruct the Budget Officer and Accountant to reassess the validity of outstanding obligations and revert unnecessary or unimplementable accounts to the National Treasury. d. Establish mechanisms to ensure all obligated transactions are implemented within allowable timeframes to prevent accumulation of outstanding obligations.	Guidelines that they will no longer issue SARO for FY 2024 requirements, hence, Management requested in advance their FY 2024 requirements. Nonetheless, Management recognizes the need to ramp up the activities under the CBFCP. Management commented that the total cash program of the PCC is commensurate with the needs of the Agency. PS surplus pertains to the budgeted filled position which became unfilled during the year and the KOICA GoP counterpart which is held inabeyance pending the conduct	Management Division; PMU; OED and all end users					order to eliminate by cancelling the outstanding obligation and/or by settlement of the amount to the creditors, AD has informed all end user offices of their outstanding obligations. They should either finally provide the necessary documents to proceed payment or to inform FPMO of the cancellation of the obligation not later than the end of the fiscal year. Moving forward, in order to maintain a reliable and accurate FAR 3 report, AD has also proposed the assessment of the procedural guidelines currently being employed by

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			of actual procurement. Management commits to reassess the reported balances in the FAR 3 and eliminate items which are deemed erroneous.						the FPMO. In this way, updates can be implemented and enforced. The FPMO-AD has also presented to the management its own findings and recommendation in relation to the unreliable list of NYDDO. For PS, the BD has committed to only obligate claims which are supported by valid documents and not the best estimates on a specific fiscal year. For PS, MOOE and CO transactions, in case of one time payment, the remaining balance of the ORS shall no longer be retained.

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									For the Budget proposals, BD has systems in place to assess the submitted Office's WFP as well as the APP and the PPMP. BD also engages with all offices through the conduct of Budget Consultations.

Agency sign-off:

[SIGNATURE REDACTED]

KENNETH V. TANATE PhD.
Executive Director [SIGN

December 20, 2024
Date

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