

24 December 2021

**DIR. SOFIA C. GEMORA**

*Director IV*

NGS Cluster 1, Commission on Audit  
Commonwealth Avenue, Quezon City

Thru: **Ms. Nenita C. Rendon**  
Supervising Auditor

**Ms. Benilda L. Mercado**  
State Auditor III / Audit Team Leader

Dear **Director Gemora**:

We are pleased to submit the Philippine Competition Commission Report on Status of Prior Year's (Calendar Year 2020) Recommendation in the Annual Audit Report.

We hope you find our submission order. Thank you.

Very truly yours,



**ATTY. JOSEPH MELVIN B. BASAS**

*Director IV*

Finance, Planning and Management Office

Attachment: As stated

**REPORT ON STATUS OF IMPLEMENTATION  
OF PRIOR YEARS' AUDIT RECOMMENDATIONS IN THE  
ANNUAL AUDIT REPORT  
For Calendar Year 2020  
As of 23 December 2021**

As of December 2021, **100%** (2/2) of the audit recommendations were **fully implemented**.

| No. | Ref.                        | Audit Observations                                                                                                                                                                                                                                                                                                                              | Audit Recommendations                                                                                                                                                                                                                                                                                                                    | Status of Implementation and Actions Taken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | COA AAR FY 2020, pp. 37, 38 | Two unserviceable laptops with total carrying amount of ₱46,549.91 reported in the inventory and Inspection Report of Unserviceable Property (IIRUP) were not dropped from the ICT Equipment account, contrary to Section 40, Chapter 10, Volume I of GAM, affecting the fairness of presentation of ICT Equipment in the financial statements. | <p>PCC Management to instruct the Accountant to draw a JEV to recognize the impairment loss of the two (2) unserviceable laptops reported in the IIRUP; and</p> <p>PCC Management to instruct the Property Officer to submit the IIRUP to the agency's Disposal Committee for the immediate disposal of the unserviceable equipment.</p> | <p><b><u>FULLY IMPLEMENTED</u></b></p> <p>The Administrative Office - General Services Division had taken the following actions to further strengthen internal control when filling reports.</p> <ol style="list-style-type: none"> <li>1. The Property Officer updated the Schedule of Inventory and Inspection Report of Unserviceable Property (IIRUP) to include all unserviceable properties with complete details as to the status of being unserviceable property, mode of disposal and appraised value.</li> <li>2. The General Services Division (GSD) submitted the updated IIRUP and their recommendation on the subject unserviceable properties as of March 2021. Corresponding adjustments/ reclassification were reflected in the CY 2021 books of accounts.</li> </ol> <p>(Adjusted through Journal Entry Voucher No. 101-2021-03-00359)</p> |

|   |                                            |                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | COA<br>AAR FY<br>2020,<br>pp.38,<br>39, 40 | Disbursement vouchers for the months of October to December 2020 amounting to ₱83,787,886.04 were not submitted for audit, thus the Audit Team was not able to establish the correctness and reliability of the affected accounts' balances in the financial statements as the year end. | PCC Management to direct the Chief Accountant and other concerned officers and employees to strictly comply with the prescribed deadlines in the submission of financial reports and documents to the Offices of the Auditor. | <p><b><u>FULLY IMPLEMENTED</u></b></p> <p>The Finance, Planning, and Management Office had taken the following actions to further strengthen internal control when submitting reports.</p> <ol style="list-style-type: none"> <li>1. FPMO has implemented an interim procedure for affixing e-signatures on DVs and ORSs on 9 Mar 2021 (FPMO Memo AD-2021-03-154).</li> <li>2. CY 2020 DVs were all submitted to COA.</li> </ol> |
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**Note:** Status of implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed.

Agency Sign-off:

  
KENNETH V. TANATE, PhD  
 Executive Director