

CLARK INTERNATIONAL AIRPORT CORPORATION

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observation and Recommendations
For the Calendar Year 2016
As of December 31, 2017

AOM No.	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	Person/ Dept. Responsible	Target Implementation Date				
					Start				End
2017-001	The preparation of the Financial Statements for the year ended December 31, 2016 was not in accordance with the provisions and guidelines on the conversion of accounts to the Revised Chart of Accounts (RCA) for Government Corporations as prescribed under COA Circular No. 2016-006 dated December 29, 2016	<p>a. Comply with the guidelines of COA Circular No. 2016-006 dated December 29, 2016 on the preparation of Financial Statements for Calendar Year (CY) 2016;</p> <p>b. Make the proper conversion of the accounts into the Revised Chart of Accounts for Government Corporations (GCs) and submit to the COA Auditor the related copies of Journal Entry Voucher (JEV) for the said conversion. Be guided by the Matrix on the</p>	<p>1. Accounting Department to implement the recommendations of COA and the pertinent provisions of the circular.</p> <p>2. CIAC to attend seminar on the conversion of accounts to the Revised Chart of Accounts for GOCC classified as Government Business Enterprise pursuant to COA Circular No. 2016-009</p>	Accounting Department	Accounting Department			Implemented	The Accounting Department has already reflected the revised chart of account as prescribed by COA Circular No. 2016-006 in the November 2017 financial statements.

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		<p>Conversion of Accounts of the Philippine Government Chart of Accounts (PGCA) to RCA for GCs;</p> <p>c. Ensure that careful analysis of the General Ledger (GL) and Subsidiary Ledger (SL) accounts are properly made before the conversion, particularly for SL accounts in the PGCA that are classified as GL accounts in the RCA and additional / modified accounts as prescribed.</p>							
2017-004	The correctness of the Property, Plant and Equipment (excluding Buildings, Building Improvements, Land Improvements and Construction in Progress) as of December 31, 2016 with a total cost of P2,025,751,454.53 and	a) Human Resources Management Office and Property Office to (i) review whether there is enough personnel assigned in the Property Department to	Accounting and Property Department were able to verify partly the unreconciled balance of the Property, Plant and Equipment. All items for adjustment or correction, as per	Property and Accounting Department			Implemented	Only 2% or an equivalent of P11.46M remained as unreconciled amount. Prospectively, reconciliation will be conducted on an annual basis after the inventory count and prior submission of the report	

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	net book value of P775,395,354.66 remained unreliable due to unreconciled balances between Accounting books and the Property records as per Annual Inventory Report for CY 2016 by a total cost of P579,983,920.36 and an estimated net book value of P115,569,957.55, causes of which were attributed to (a) differences in acquisition cost recorded by Accounting and Property personnel – P2,046,344.27; (b) properties accounted for during physical inventory but no recorded or could not be identified in the accounting books – P35,431,451.35; and (c) properties recoded in the books but not accounted for during the physical count – P617,461,715.98. The unreconciled balances were due to lack of coordination in recording, monitoring,	perform the functions required of the office; and (ii) conduct seminars on Property Management and Custodianship for employees to orient them of their responsibilities and accountabilities as custodian of government properties; b) Direct the Property Department to (i) investigate further the cause of all unaccounted properties and equipment and to determine the proper actions to be taken in accordance to COA Circular No. 80-124 dated January 18, 1980; and (ii) suggest improvements on the existing policies and	COA's recommendation, if any, will be taken up in the accounting and property records, once supported with proper documentation. For accountability of CIAC personnel, a reminder was already issued by CIAC on February 11, 2016 and this will be reiterated to all departments, to include the process whenever a property is transferred from an accountable officer to another and stricter measures would be observed to ensure implementation. Management will re-orient or recommend Property Officer to attend refresher course/training on	Property Department			Implemented	on or before January 31 of the following year. CIAC conducted an in-house seminar last November 22 to refresh / train Accountable Officers and Property	

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	and reporting between the Accounting Department and the Property Department contrary to Circular No.80-124 dated January 18, 1980.	<p>procedures in receiving newly procured properties and equipment to ensure better monitoring;</p> <p>c) Accounting Department and Property Department to (i) agree on the recording and reporting of properties and equipment to enhance comparability of records that will facilitate reconciliation; and (ii) conduct regular reconciliation of Accounting Books and Property Records.</p>	custodianship of government properties.					Officer concerning COA policies on Property Management and Custodianship. It was attended by various officers and employees of CIAC. The Property Department through Robert S. Urbano was the resource speaker.	