

CLARK INTERNATIONAL AIRPORT CORPORATION
AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observation and Recommendations
For the Calendar Year 2017
As of December 31, 2018

AOM No.	Audit Observations	Audit Recommendation	Agency Action Plan				Status of Implementation	Reason for Partial /Delay/Non Implementation if Applicable	Action Taken / Action to be taken
			Action Plan	Dept. Responsible	Target Date				
					Start	End			
2018-001	Lack of specific guidelines in the grant of sponsorship to various individuals, organizations and foundations, the approval of which is dependent on the discretion of management that may result to abuse of authority contrary to the provisions stated in Section 2 of PD No. 1445. The same may lead to approval of requests for sponsorships which are considered irregular expenditures pursuant to COA Circular No. 2012-003 as ascertained in audit in which sponsorships amounting to P140,000.000 were inconsistent with the corporation's mandate and does not fully provide advertising value to CIAC. Moreover, the regularity and validity of the Advertising Expenses amounting to P328,800.00 for CY 2017 could not be ascertained due incomplete documentation to prove fulfilment of obligations of recipient organizations contrary to Section 4(6) of	<p>a) To formulate written policies/guidelines on granting of sponsorship, i.e., as to the conditions and the amount of sponsorship to be given to the recipient in order to establish standard amounts or rates of sponsorships thus preventing abuse of authority and maximizing the resources of the corporation;</p> <p>b) Provide supporting documents as proof of compliance on the obligations of the recipient as indicated in the sponsorship package or agreement i.e. certificate of performance, various photos of the tarpaulins or advertisements in which company logo is included, and the like;</p> <p>c) To provide written justification on why the amount of P140,000.00 given to five organizations in support for their Anniversary/ Fiesta celebrations should not be disallowed in audit; and</p> <p>d) To explain the sponsorship granted to Reliance Broadcasting Unlimited, Inc. which by nature of services provided should have went through the procurement process in accordance</p>	a) In accordance with PD No. 1445 and COA Circular No. 2012-003, Management shall formulate and adopt written policies/guidelines on the grant of sponsorships and placement of advertisements.	MD	June 8, 2018	June 8, 2018	Implemented	<p>a) Memorandum Circular No. 18-29, PRESCRIBING GUIDELINES IN THE GRANT OF SPONSORSHIP AND PROCUREMENT OF MEDIA SERVICES dated 8 June 2018 was approved the P/CEO.</p> <p>b), c), d). A letter dated June 22, 2018, addressed to COA was issued with the following:</p> <ul style="list-style-type: none"> Attached supporting documents as proof of compliance on the obligations of the recipient as indicated in the sponsorship package or agreement Justification on why the P140,000.00 given to 5 organization in support for their anniversary/fiesta event should not be disallowed in audit Explanation that the sponsorship granted to Reliance Broadcasting Unlimited, Inc. went through the procurement process in accordance with RA 9184 	
			b) Management shall gather the necessary supporting documents as proof of compliance on the obligations of the recipient of sponsorships and advertisement placements.	MD	June 22, 2018	June 22, 2018	Implemented		
			c) Management shall prepare the written justification/s based on CIAC's legal mandate and the need to promote operation and development plans and programs of Clark International Airport.	MD	June 22, 2018	June 22, 2018	Implemented		
			d) Management shall prepare justification and clarification on the sponsorship / advertisement with Reliance Broadcasting Unlimited, Inc., including its	MD	June 22, 2018	June 22, 2018	Implemented		

