

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION

for Audit Year 2020
as of September 30, 2021

PHILIPPINE RACING COMMISSION
OFFICE OF THE AUDITOR
ORIGINAL SIGNED

REFERENCE	AUDIT OBSERVATION	AUDIT RECOMMENDATIONS	AGENCY ACTION PLAN				Status of Implementation	Reason for partial delay/ non-implementation, if application	Action taken / action to be taken
			Action Plan	Division Responsible	Target Implementation Date				
					From	To			
A. Financial and Compliance 1. Unreliable Balance of Cash-Treasury/ Agency Deposit, Trust and Special Account AAR, page 31	A total of PHP 70,764,503.98 unmatched balances of accounts Cash-Treasury / Agency Deposit, Trust and Cash-Treasury/Agency Deposit, Special Account was noted between PHILRACOM and the Bureau of Treasury, casting doubt on the completeness and accuracy of the recorded transactions; hence, could not be relied upon	Require the Accountant to coordinate with the BTr for the reconciliation of the balances of Cash-Treasury/Agency Deposits in the books of PHILRACOM and BTr.	Reconcile accounting records based on the statement of account from the Bureau of Treasury (BTr)	Chief Accountant / Finance and Administrative Division			On going	Awaiting response from BTr	Sent a letter to BTr requesting Statement of Account of PHILRACOM Made follow up on the request with BTr Reconcile accounting records based on the Statement of Account from BTr
A. Financial and Compliance 2. Discrepancy balance of account due from NGAs-PS-DBM and PS-DBM records AAR, page 32	A total of PHP 326,174.50 discrepancy between the due from NGAs-PS-DBM account balance and its corresponding receivable account balance at the PS-DBM due to unreconciled prior year balances of	Require the Chief Accountant and the Supply Officer to: a. verify the unreconciled prior year discrepancy of PHP 326,174.50 between PHILRACOM and PS-DBM records	Reconcile accounting records based on the documents/ information/ statement of account from the Procurement Services – Department of Budget and	Chief Accountant/ Supply Office/ Finance and Administrative Division			On going	Awaiting response from PS-DBM	Sent a letter to PS-DBM requesting Statement of Account of PHILRACOM Made follow up request with PS-DBM

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	the intra government accounts	b. reconcile records periodically with the PS-DBM	Management (PS-DBM)						Reconcile accounting records with PS-DBM Statement of Account
A. Financial and Compliance 3. Unsettled disallowances AAR, page 33	The disallowances issued to four former PHILRACOM employees totaling PHP 354,248.13 remained unsettled as of 31 December 2020 since three of them were already deceased and another had already transferred to another government agency	a. Direct the Accountant to send demand letter to Mr. Enrique Enriquez through the Agency Head of the PSA b. file a claim against the estate of the three deceased employees	Check employment status of Mr. Enriquez with the Philippine Statistics Authority – National Capital Region (PSA-NCR) and inquire on the status of the request of Mr. Enriquez before the Commission on Audit – Prosecution and Litigation Office Check the records and documents on the disallowances of the former deceased employees Actions will based on the information and documents to be gathered	Finance and Administrative Division			On going	Awaiting response from PSA-NCR Awaiting further actions from COA – Legal Services Sector Awaiting response from Resident Auditor	Sent a letter to PSA – NCR regarding employment status of Mr. Enriquez Follow up request with PSA-NCR Sent a letter to Commission on Audit – Prosecution and Litigation Office inquiring on the status of Mr. Enriquez Sent a letter to Resident Auditor requesting additional details and information on the

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									disallowances of the deceased former employees
A. Financial and Compliance 4. Reimbursement of expenditures without legal basis AAR, page 33	Reimbursement of the Chairman and Commissioners of their representation and travelling expenses aggregating PHP 1,247,665.84, on top of their commutable allowances and per diem, were without legal basis	<p>Management should refund the claims of reimbursement of travelling and representation expenses of the Chairman and the members of the Commission since these are additional allowances without legal basis</p> <p>Management commented that the expenses incurred were pursuant to PD 420 and RA11465 or the GAA. Upon the appointment of Chairman de Leon, PHILRACOM submitted a letter to OP last 11 January 2021, seeking confirmation of Board Res. No. 34-17, reimbursement of horse racing promotional expenses. He instructed to temporarily suspend the processing of the</p>	<p>Awaiting approval on the request to the Office of the President on the use of budget for Horse Racing Incentive Program for the promotional expenses of PHILRACOM officials</p> <p>Await resolution of the appeal filed before COA</p>				On going	<p>Awaiting response from the Office of the President</p> <p>Appeal pending before COA</p> <p>a. PHILRACOM takes exception to the audit observation that the expenses for meals, gasoline, parking/toll fees, among others, amounting to Php1,247,665.84 were incurred without legal basis.</p> <p>We reiterate that under PD No. 420, the PHILRACOM is created to “promote and direct the accelerated</p>	<p>Sent a letter to the Office of the President seeking approval for the use of Horse Racing Incentive Program (HRIP) provided to PHILRACOM</p> <p>Filed an appeal before COA</p>

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		reimbursements without the approval of OP. COA sustained their observation that the reimbursements were incurred not in accordance of PD 420 or the GAA, hence illegal. As of the audit date, PHILRACOM has not received the approval of OP						development and continuous growth of horse racing not only in furtherance of the sports development program of the government, but also in order to ensure the full exploitation of horse racing as a source of revenue and employment.” With the above in mind, PHILRACOM will not waver in pursuing its mandate to promote the accelerated development and continuous growth of the horse racing industry. In pursuing this function, PHILRACOM will have to depend	

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								<p>on the funds specifically appropriated by Congress for this “promotional activity” under the Horse Racing Incentive Scheme.</p> <p>b. PHILRACOM submits that the purpose of the expense should be taken into consideration. These expenses were not incurred in the course of ordinary regulatory function/ operations of the PHILRACOM but in its mandate to promote the industry. For as long as these expenses are for the promotion of the horse racing industry, PHILRACOM is well within the mandate and</p>	

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								<p>authority granted to it by the law – P.D. 420 and the General Appropriations Act FY 2020.</p> <p>PHILRACOM used the accurate account title and codes, as recommended by the former Resident Auditor to reflect the nature of the transaction but the purpose of the expense, which is for the promotion of the industry, remains the same. Under the General Appropriations Act for FY 2020, Horse Racing Incentive Program (HRIP) defined as the “granting of racing incentives for the promotion of racing industry</p>	

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								including prizes in stakes races.” Given the above definition, it is the position of PHILRACOM that the general purpose of the HRIP is the promotion of the industry, and prizes in stakes races are only one aspect or part of “promotion”. It is reiterated that the promotion of the horse racing industry's accelerated development and continued growth is the primary mandate of the PHILRACOM and a policy of the state.	
A. Financial and Compliance	Several deficiencies were committed both by PHILRACOM and the three racing clubs	PHILRACOM should strengthen its their monitoring control to ensure that the	Revise existing MOA and monitor strict compliance therewith				On going	Clubs were unable to submit required documents on	Revisions were made on Memorandum of Agreement

[illegible]

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B. Others 6. Failure to prepare and submit GAD plans and programs AAR, page 41	PHILRACOM failed to prepare and submit to the PCW plans and programs pertaining to Gender and Development contrary to Section 8.2 of PCW-NEDA-DBM JC No. 2021-01 and Section 31 of the General Provisions of the GAA of FY 2020	a. Formulate GPB in accordance with the provisions of GAA and other existing rules and regulations b. Ensure that GPB shall be integrated in the regular activities of PHILRACOM, which shall be at least five percent of its budget	a. Formulate 2021 GAD Plan b. Implement 2021 GAD Plan	Planning Officer / Finance and Administrative Division			On going		Annual Gender and Development Plan and Budget for the year 2021 and 2022 is currently for encoding in Gender Mainstreaming Monitoring System
B. Others 7. Status of Audit Suspensions, Disallowances and Charges AAR, page 43	PHILRACOM had no unsettled suspensions and charges as of 31 December 2020. However, disallowances amounting to PHP 179,466,279.58 remained unsettled as of year-end, contrary to Section 10.4 of the 2009 Rules and Regulations on Settlement of Accounts	Continue to enforce settlement of the audit disallowances, in conformity with Section 10.4 of the RRSA	Awaiting resolution of the appeal filed before COA				On-going	Appeal pending before COA	Actions to be taken will depend on the resolution of COA on the appeal
B. Others 8. Status of Fund Utilization	Based on the Schedule of Appropriations, Allotments, Obligations Incurred,						Implemented		Due to NBC 580 s. 2020 offer and the discontinuance

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AAR, page 43	<p>Disbursements and Balances as of 31 December 2020, for the total appropriations of PHP 253,293,000.00, 62% were obligated while 48.63% were disbursed.</p> <p>PHILRACOM was not able to maximize the utilization of the funds allotted for their programs, projects, and activities for 2020, thereby failing in attaining their mandates and accomplishing their targeted goals</p>								of a significant portion in the unreleased appropriations, total adjusted allotment for FY 2020 was PHP 170,931,400.00. Out of this amount, PHP 158,535,730.67 (93 %) were obligated and PHP 123,169,638.83 (72 %) were disbursed.

Agency Signing Officer:

ORIGINAL SIGNED

AURELIO P. DE LEON

Chairman

Date: September 30, 2021