

PHILIPPINE RACING COMMISSION
4th Floor Electra House Building, Esteban St., Legaspi Village, Makati City
AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION (AAPSI)
Audit Observations and Recommendations
For the Calendar Year 2022

PHILIPPINE RACING COMMISSION
OFFICE OF THE AUDITOR
RECEIVED
DATE 8/1/23

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan		Target Implementation Date		Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/Dept. Responsible	From	To			
A. Financial Audit									
	1. Misclassification of not highly technical services to Consultancy Services account – ₱3,311,370.96 - The agency charged payments of not highly technical services to the Consultancy Services account instead of Other Professional Services totaling ₱3,311,370.96, thus, not in accordance with Volume III of GAM for NGAs.	We recommend the Management to require the Chief Accountant to adjust the Consultancy Services and Other Professional accounts.	Reclassify the recording of payments made to Consultants.	Chief Accountant/ Finance and Administrative Division			On going	Financial reports and books of account for the year 2022 are already closed and submitted.	Recording of payments to Consultants and other Professionals is monitored moving forward.
	2. Erroneous recognition of Honoraria – ₱80,500.00 - The agency erroneously recorded BAC honoraria totaling ₱80,500.00 to Other MOOE account, while another payment for honorarium as lecturer was	We recommend the Management to require the Chief Accountant to prepare the necessary entries by adjusting the Honoraria, Other MOOE, and Other Professional Services accounts in compliance	a. Adjust necessary expense account; b. Grant honoraria in accordance with Budget Circular No. 2004-5A dated October 7, 2005.	Chief Accountant/ Finance and Administrative Division			On going	a. Financial reports and books of account for the year 2022 are already closed and submitted. a. Availability of savings from the	Grant of honoraria will be subject to the availability of savings, which will be determined at the end of the year.

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	charged to Other Professional Services, thus understating the Honoraria account by ₱85,136.25 and overstating Other MOOE and Other Professional Services accounts by ₱80,500.00 and ₱4,636.25, respectively.	with Section 3.0 of BC No. 2004-5 and the GAM for NGAs, Volume III.						agency's budget will only be determined at the end of the year.	
	3. Unrecorded disallowances with Notice of Finality Decision – ₱71,266,404.21 - The balance of the Receivables – Disallowances/Charges totaling ₱66,500.00 as at December 31, 2022 of PhilRaCom is understated by ₱71,266,404.21 due to the unrecorded audit disallowances with issued Notice of Finality of Decision (NFD), not in accordance with Section 46, Chapter 6, Volume I of GAM for NGAs and Item 6 of COA Circular 2009-006.	We recommend the Management to instruct the Acting Chief Accountant to record the seven disallowances with NFDs in the total amount of ₱71,266,404.21.	a. Review the issued Notices of Finality of Disallowance (NFDs) and make necessary actions. b. Inquire with the Commission on Audit (COA) team regarding the liability of payees and discrepancies in the amount disallowed.	Chief Accountant/ Finance and Administrative Division			On going	Accounting Division is currently collating documents related to the amount of liability per payees.	a. Sent letter of inquiry to the Commission on Audit (COA) legal team on the liability of the payees. b. Inquired to the in-house COA auditors on discrepancies on disallowances amount. c. Documents related to the amount of liability per payees were collated before recording to Philracom's books of account.
B. Compliance Audit									
	4. Non-compensation of jockeys with work-related injuries - There	We recommend the Management to:	a. Revise the rules and regulations for the grant of death benefit	Compensation Fund Committee			On going	Awaiting reply from the Congress	a. Revisions were made to the rules and regulations for the

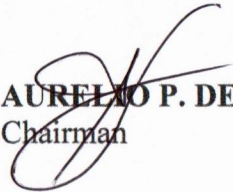
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	were 20 reported injuries suffered by the jockeys related to the performance of their work, however, no compensation was provided by the Jockeys and Horse Trainers Injury, Disability, and Death Compensation Board, thus not compliant with Section 1 of RA No. 6115.	a) Ensure that injury, disability, or death suffered by jockeys or horse trainers in the performance of their duties is determined and properly compensated pursuant to Section 1 of RA No. 6115; and b) Make the necessary efforts to fast-track the issuance of guidelines on the granting of compensation of work-related injuries, disabilities, and death, and updating of the rates.	b. Reiterate the previous proposal to the Congress for the amendment of RA No. 6115 c. Provide benefits to injured trainers and jockeys.						grant of death benefit to simplify the process and include as beneficiaries the heirs/families of former licensed trainers and jockeys (licensee for at least five years) who died after retirement. b. Letters regarding the proposed amendment of RA No. 6115 including the rates of benefits were sent the members of Congress. c. Portion of the horse's prizes is allotted to the Associations for the purpose of providing medical benefits/assistance to injured/disabled jockeys and trainers.
	5. Hiring of consultants did not go through procurement process - Lapses were noted in the hiring of consultants by the	We recommend the Management to require: a) BAC to ensure full compliance with the Revised IRR of RA No.	a. Review contracts of existing consultants. b. Ensure compliance with COA circulars	Chief Accountant/ Finance and Administrative Division			Completed		a. Existing contracts of consultants were reviewed.

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	PhilRaCom for CY 2022, such as: a) the process of hiring 20 consultants did not go through the procurement process; and b) the delayed submission of contracts to the COA Audit Team, thus in contravention with pertinent rules and regulations related to the hiring and recording of consultancy services.	9184 and COA Circular No. 2012-001 dated June 14, 2012; and b) Concerned division to submit to the Audit Team a copy of perfected contracts and purchase orders within five (5) working days upon approval, together with the supporting documents, for review.	and issuances related to hiring consultants.						b. Contracts of consultants who were considered as not highly technical were terminated. c. Ensured submission of the signed contracts to the Commission on Audit team within the prescribed period.
	6. Transparency Seal not updated - The PhiRacom did not fully comply with the provision on Transparency Seal as required in the General Provisions of the GAA for FY 2022, which promotes transparency and full public disclosure of government transactions, thereby depriving the public of the pertinent information necessary to enforce accountability of the officials of the Philracom.	We recommend the Management to ensure full compliance with the requirements on Transparency Seal as provided in Sections 102 of the General Provisions of the RA No. 11639, henceforth, regularly update the posting of necessary information to the PhilRacom website on a timely basis.	a. Coordinate with the Department of Information and Communications Technology (DICT) to resolve IP address concerns. b. Upload necessary reports and documents on the PHILRACOM website.	Administrative Officer			Completed		a. Coordinated with the Department of Information and Communications Technology (DICT) to resolve the issues with IP address and website glitch/bug. b. Financial reports and other necessary reports and documents were uploaded on the PHILRACOM website.

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C. Other Areas									
	7. Gender and Development (GAD) Program - The audit disclosed deficiencies in PhilRaCom such as: (a) GAD Plan and Budget (GPB) did not meet at least five (5) percent of the Agency Budget that was prepared and approved by the Agency Head; and (b) failure to submit and the endorse agency-approved GPB and AR to PCW, contrary to Section 34 of the General Provision of the FY 2022 GAA, JC No. 2012-01 of PCW, NEDA and DBM, and COA Circular No. 2014-001; thus, gender issues of the agency were not properly addressed.	We recommended the Management to require the GFPS to: a) closely monitor and evaluate programs, projects, and activities identified to address gender issues to ensure that targets identified for the year are realized accordingly; b) promptly submit to the Audit Team the GPB within the prescribed period as well as its Accomplishment Report for the timely annual audit of the COA pursuant to COA Circular No. 2014-001, PCW-NEDA-DBM Joint Circular No. 2012-01, and related PCW Memorandum Circulars issued annually; and c) ensure that the GAD focal point person is well-trained and updated with the	a. Submit the GAD Plan and Budget (GPB) for FY 2023 to the Philippine Commission on Women (PCW). b. Scrutinize all stages of GPB implementation.	Planning Committee			Completed		a. GAD Plan and Budget (GPB) for FY 2023 was submitted to the Philippine Commission on Women (PCW) for assessment. b. The entire process of implementing GAD projects from the drafting and approval of the proposals until the preparation and submission of the accomplishment reports is closely monitored.

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		preparation and implementation of GPB and other GAD-related guidelines.							

Agency sign-off:


AURELIO P. DE LEON
Chairman

Date: