

**PART III - STATUS OF IMPLEMENTATION OF PRIOR YEARS'  
AUDIT RECOMMENDATIONS**

Of the eight prior years' audit recommendations, six were fully implemented and two were not implemented, as shown below:

<b>Observations and Recommendations</b>	<b>Reference</b>	<b>Management's Action</b>	<b>Results of Auditor's Validation</b>
<p>1. Out of the ₱238,790.62 expenses incurred for the Team Building Activities (TBA) held at Canyon Woods Resort Club Inc. on July 4 to 6, 2018, the amount of ₱86,545.08 was found to be excessive due to a) non-compliance with Department of Education Order No. 15, series of 2017, dated March 15, 2017; and b) non-attendance of four personnel in the said activity, contrary to COA Circular No. 2012-003 dated October 29, 2012.</p> <p><b>We recommended that the Management:</b></p> <p><b>a. strictly comply with DepEd Order No. 15 s. 2017 dated March 15, 2017 in the formulation of cost/budget per person in the conduct of Team Building Activities; and</b></p>	<p>2018 AAR par. 1 (1.1-1.11)</p>		<p><i>Fully Implemented</i></p> <p>NBDB sought exemption with retroactive effect on the matter which was approved by the DepEd Secretary Leonor M. Briones as embodied in an acknowledgement letter dated July 12, 2019 and was considered by the Audit Team.</p>

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<p><b>b. require the concerned personnel to refund the excess payment of the TBA expenses.</b></p>			<p><i>Fully Implemented</i></p> <p>The Audit Team has disregarded the refund due to the justification submitted and acknowledgement letter by the DepEd Secretary.</p>
<p>2. Audit scope limitation in the nature of delayed and non-submission of the required financial and other reports and statements prohibited the Audit Team from obtaining sufficient and appropriate audit evidence as to the regularity, validity, completeness and accuracy of various recorded transactions amounting to ₱89,897,825.06, which is contrary to existing law and COA rules and regulations.</p> <p><b>We recommended that the Management observe timely submission of the required financial reports to the Audit Team as required under Section 122 of PD No. 1445.</b></p>	<p>2018 AAR par. 2 (2.1-2.18)</p>		<p><i>Fully Implemented</i></p> <p>Pending reports for CY 2018 were submitted on April 2, 2019.</p>
<p>3. Of the ₱48,807,044.00 allotments received by the NBDB in CY 2018, 92.75 percent or ₱45,270,907.12 was obligated, showing a slight decrease as compared to</p>	<p>2018 AAR par. 3 (3.1-3.7)</p> <p>2017 AAR par. 1 (1.1-1.13)</p>		

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<p>CY 2017 which was 94.26 percent. Moreover, utilization rate for MOOE continuously showed a decreasing pattern for the past three years from 80.35 percent in CY 2016 down to 65.43 percent in CY 2018 that indicated over allocation for various operating expenses mostly for travelling, supplies and materials, communication, professional services and other MOOE.</p> <p><b>While we commended Management for its budget utilization rate achieved for CY 2018, we still recommended that it further review its fiscal management and initiate efforts in order to address and close the gap noted above such as re-assessing its use, prioritization and/or distribution of its resources.</b></p> <p><b>We also recommended the strict compliance with the provisions of the GAM on the preparation and maintenance of the appropriate Registries.</b></p>		<p>The Agency had conducted its Midyear Assessment and/or Re-planning before the end of the year, improved planning budgeting and close monitoring of projects.</p>	<p><b><i>Not Implemented</i></b></p> <p>The Audit Team still noted a 20% unutilized allotment in CY 2019.</p> <p><b><i>Fully Implemented</i></b></p> <p>Abided with the procedures prescribed in GAM</p>
<p>4. The annual GAD Accomplishment Report for FY 2018 was not furnished to the Audit Team as of report date despite requests and</p>	<p>2018 AAR par. 6 (6.1-6.9)</p> <p>2017 AAR par. 4 (4.1-</p>		

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<p>follow-ups made, contrary to Section V of COA Circular No. 2014-001 dated March 18, 2014, hence, the Audit Team was not able to ascertain the total amount spent for the GAD projects. Moreover, based on the submitted annual GAD Plan and Budget (GPB), only 1.43 percent or ₱700,000.00 of its FY 2018 adjusted appropriations of ₱48,807,044.00 was allocated for GAD activities instead of five percent or ₱2,440,352.20 as required under Sections 2.3 and 6.1 of the Philippine Commission on Women-National Economic and Development Authority-DBM (PCW-NEDA-DBM) Joint Circular No. 2012-01.</p> <p><b>We recommended that the Management:</b></p> <p><b>a. submit a copy of the annual GAD Accomplishment Report for FY 2018;</b></p> <p><b>b. strictly comply with the GAD annual budget allocation of at least five percent of the Agency's total budget appropriations; and</b></p>	4.8)		<p><i>Fully Implemented</i></p> <p>The Management had submitted the Annual GAD AR to the Audit Team.</p> <p><i>Not Implemented</i></p> <p>The budget allocation for GAD was still below the five percent threshold.</p>

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<p>c. maximize the use of the five percent budget allocated for GAD activities.</p>			<p><i>Fully Implemented</i></p> <p>The NBDB had complied with the utilization of the minimum five percent GAD annual budget.</p>