



Republic of the Philippines
Tourism Infrastructure & Enterprise Zone Authority

MEMORANDUM

FOR : ATTY. NIÑO RUPERTO F. AQUINO
Officer-In-Charge, Legal Services Department

THRU : ATTY. MARIA TERESA C. ALVAREZ
Operations Manager, AMS

FROM : RESIDENT MANAGER
Zamboanga Golf Course and Beach Park

DATE : March 23, 2021

SUBJECT : WRITE-OFF OF DORMANT ACCOUNTS

May we request a certification of No Pending Case of food stalls concessionaires whose accounts aged fifteen (15) years and above.

Please find attached AOM No. 2021-002 dated February 12, 2021 and list of concessionaires with their corresponding outstanding balance for your reference.

Thank you very much.


MAUDARA A. SAEIP



Republic of the Philippines
COMMISSION ON AUDIT
Team R9-01, CGS Cluster 4
Tourism Infrastructure and Enterprise Zone Authority
Zamboanga Golf Course and Beach Park
Zamboanga City

AUDIT OBSERVATION MEMORANDUM (AOM)

AOM No. 2021-002 (2020)

Date: February 12, 2021

For: **MR. MAGDARA A. SARIP**
Resident Manager
TIEZA- Zamboanga Golf Course and Beach Park
Zamboanga City

Attention: **MS. TERESA D. GALANG**
Accountant

We have audited the Receivable Accounts of Tourism Infrastructure and Enterprise Zone Authority- Zamboanga Golf Course and Beach Park (TIEZA-ZGCBP) and noted the following observation:

Dormant receivable accounts amounting to P1,893,262.15 remain in the books of account contrary to COA Circular 2016-005 dated December 19, 2016, thereby affecting the fair presentation of the Financial Statements as of December 31, 2020.

Section 7.4 of COA Circular 2016-005 dated December 19, 2016 provides the conditions which warrant a request for write-off, as follows:

- a. Absence of records or documents to validate/support the claim and/or unreconciled reciprocal accounts
- b. Death of accountable officer/employee/debtor
- c. Unknown whereabouts of the accountable officer/employee/debtor, and that he/she could not be located despite diligent efforts to find him/her
- d. Incapacity to pay or insolvency
- e. Exhaustion of all possible remedies by the management to collect the receivables and to demand liquidation of cash advances and fund transfers
- f. No pending case in court involving the subject dormant accounts.

Moreover, Section 8.3 of the same circular specifies the supporting documents of requests for write-off, namely:

- a. Schedule of dormant accounts by accountable officer/debtor/government entity and by account, certified by the accountant and approved by the Head of the government entity;
- b. Certified relevant documents validating the existence of the conditions, as applicable, such as:
 - b.1 Death Certificate issued by Philippine Statistics Authority (formerly National Statistics Office)
 - b.2 Proof of Insolvency
 - b.3 Certification from the Department of Trade and Industry that the debtor has no registered business


- b.4 Certification from the Securities and Exchange Commission that the Corporation is no longer active
- b.5 Certificate of no residence in the barangay of the municipality/city of last known address
- b.6 Proof of exhaustion of all remedies to collect the receivables and demand to liquidate the cash advances and fund transfers, such as but not limited to copies of served or returned demand letters.
- b.7 Certification by Legal Officer of the entity of no pending case relative to the account
- b.8 Certification by the responsible officials of the entity to the effect that there are no records/documents available to validate claim
- b.9 Other justifications, like in the case of request for write-off due to loss of documents, the circumstances of the loss should be stated in the letter-request
- b.10 In case of fund transfer, the unliquidated amount after reconciliation shall be supported by certification by the Chief Accountants and approved by the Heads of the source and implementing entities that the fund was utilized for the purpose, and certification from the recipient that the project was partially or fully implemented, supported by pictures of the implemented projects.

Management submitted the Aging of Accounts Receivables as of December 31, 2020, and we noted several dormant receivables amounting to P1,893,262.15 which have been outstanding for more than 10 years. Further verification revealed that these were owed by debtors who are already deceased or whose whereabouts are unknown. The Head of the Agency had made a request for write-off of these receivables last December 6, 2019. However, the request was returned to management because it was not supported with complete documentation as provided for in Sections 7.4 and 8.3 of the COA Circular. As of date, the request, as well as the complete supporting documents, were not yet resubmitted to COA.

The abovementioned dormant receivables, while having a corresponding Allowance for Impairment contra-account in the same full amount, are still in the books of account despite being dormant for more than 10 years. Furthermore, there are no disclosures or other details regarding these dormant receivables in the Notes to Financial Statements, thereby affecting its fair presentation as of December 31, 2020.

We recommend that Management:

1. Exert all efforts to secure the required supporting documents as provided for in Sections 7.4 and 8.3 of COA Circular 2016-005 and re-submit the request for write-off to COA; and
2. Provide disclosures regarding these dormant receivables in the Notes to Financial Statements as of December 31, 2020 and thereafter.


MARIA ROWENA B. ACACIO
 State Auditor III
 Audit Team Leader


MA. GUDELIA Q. PATANGAN
 State Auditor V
 Regional Supervising Auditor


Proof of Receipt of AOM:

Name and Position:	Date:
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TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY
Zamboanga Golf Course and Beach Park
List of Concessionaires with dormant account
As of December, 2020

	<u>AMOUNT</u>	<u>AGE</u>
Capino, Celia	6,624.14	17 yrs.
Graciano, Mildred	12,812.33	18 yrs.
Gratil, Charito	13,975.35	18 yrs.
Zambo, Artemio	21,314.33	17 yrs.
Bustamante, Aiza	6,893.08	21 yrs.
Cagua, Lareto	6,625.26	17 yrs.
Cenas, Benjamin	5,178.44	18 yrs.
Desiderio, Columbia	13,050.23	18 yrs.
Rombaoa, Lucy	37,550.16	19 yrs.
Sali, James	57,139.75	19 yrs.
Zanoni, Solina	12,099.08	18 yrs.

Prepared by :



TERESA D. GALANG
Sr. Corp. Acct. Analyst