



Republic of the Philippines
Tourism Infrastructure & Enterprise Zone Authority

MEMORANDUM

For : **Ms. MA. EVELYNE FRANCISCO**
Manager, Business Development Department

Subject : **Agency Action Plan and Status of Implementation (AAPSI) Audit
Observations and Recommendations for the CY 2020**

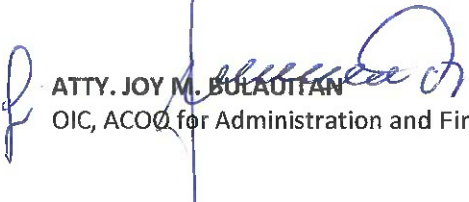
Date : August 3, 2021

Relative to the above-mentioned subject, please find the attached copy of AAPSI from the Commission on Audit (COA) as of **July 15, 2021**.

Kindly furnish this office the status of your implementation on or before **September 2, 2021**, for our consolidation and submission to COA.

Your immediate response on the matter will be greatly appreciated.

Thank you.


ATTY. JOY M. BULAUTTAN
OIC, ACOO for Administration and Finance Sector



TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY
6th and 7th Floors, Double Dragon Plaza, DD Meridian Park
Pasay City

AGENCY ACTION PLAN and
STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2020
As of July 15, 2021

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan					Status of Implementation	Reason for Partial/Delay/Non-implementation, if applicable	Action Taken/Action to be Taken	
			Action Plan	Person/Dept. Responsible	Target Implementation Date		Implementation				
					From	To					
AAR Part II											
No. 1, pg. 79	The accuracy and existence of the recorded Property and Equipment (PE) including Investment Property and Service Concession Assets accounts at a total carrying amount (CA) of P8.5 billion could not be ascertained due to partial physical inventory conducted and partial reconciliation of physical inventory results with the accounting records in violation of Section V.4 of COA Circular No. 80-124, thus casting doubt on the fair presentation of the accounts in the Authority's financial statements as required under International Public Sector Accounting Standards (IPSAS) No. 1.	a. Conduct complete physical inventory count of assets or conduct an alternative procedure that would serve the same purpose and refrain from partial inventory taking; b. Adhere to the provision of COA Circular No. 80-124 on the reconciliation of inventory report with the accounting records; and c. Adjust the books of accounts after the reconciliation of asset account balances between the GSD and Financial Services Department (FSD) to reflect the accurate balances of the PE account in the financial statements.		ADSD/AMGT/FIS D/BUDD/OPED							
No. 2, pg. 82	Investment Property amounting to P114.241 million acquired either by purchase or donation remained untitled to date, casting doubt whether the Authority holds or controls the rights to these properties.	We reiterated our prior years' recommendation that Management fast track the titling of Investment Property and to consider filing necessary legal actions against individuals claiming ownership of land acquired by TIEZA, if warranted.		LEGD/AMGT/BUDD							
AAR Part III											
AAR 2019											
No. 1, pg. 78	The accuracy and existence of the recorded Property and Equipment (PE) including Investment Property and Service Concession Assets accounts at a total cost of P9.030 billion could not be ascertained due to partial physical inventory conducted and non-reconciliation of physical inventory results with the accounting records in violation of Section V.4 of COA Circular No. 80-124, thus casting doubt on the fair presentation of the accounts in the Authority's financial statements as required under International Public Sector Accounting Standards (IPSAS) No. 1.	a. Conduct complete physical count of assets or refrain from partial inventory taking; b. Adhere to the provision of COA Circular No. 80-124 on the reconciliation of inventory report with the accounting records; and c. Adjust the balances per books of accounts after the reconciliation of asset account balances between the General Services Department (GSD) and Financial Services Department (FSD) to reflect the accurate balances of the PE account in the financial statements.		ADSD/FISD/BUD D/AMGT/OPED							
No. 15, pg. 112	The Authority's non-action on the continuous occupancy of Baguio-Benguet Chamber of Commerce and Industry, Inc. (BBCI) on its property despite its violation of the Contract of Lease (CoL) deprives the Authority of opportunities for better use of the property and the income that could be derived therefrom.	Act on their commitment to follow-up with the Office of the Government Corporate Counsel (OGCC) relentlessly to ensure the filing of legal action against BBCI to vacate the leased premises without prejudice to the payment of arrears on lease and provide this Office with an update or a copy of the legal case filed.		LEGD/BUDD/AMGT							

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					From	To				
AAR 2018 No. 6, pg. 78	The incremental rental rates provided under the CCL with COPL were not properly applied in the record the same representing incremental lease charges and the two per cent variable lease rates as provided in the contracts component on hotel operations on top of the fixed rental rate was not collected and recorded resulting in undercollection and understatement of rental income amounting to P2,355 million and undisclosed share in hotel operations.	Enforce the collection of P2,355 million and entered into with COPL.		BUDD/AMGT/FISD						
No. 24, pg. 103	Present condition of various TIEZA properties as observed during ocular inspection necessitates legal action and rehabilitation to mitigate the risks of further encroachment and opportunity loss due to non-operation.	Authorize the Asset Management Sector (AMS) and the Legal Department to initiate actions to resolve the encroachment of various TIEZA properties in order to reclaim these properties and mitigate the risks of further encroachment and relocation costs.		LEGD/AMGT/BUDD						
AAR 2015										
No. 3, pg. 38	On the basis of the COA-TAS technical review and the auditorial and legal review, several deficiencies were noted in the contract between TIEZA and Lourel Design and Construction (Lourel) for the Restoration of Carlos "Botong" Francisco Murals.	Change the contractor liquidated damages of P148,735.56 for the delay incurred in the completion of the project.		COMD/AESS						

Agency sign-off:

Mr. MARK T. LAPID, COO
Name and Position of Agency Officer

Date

Note: Status of Implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed