




Tourism Infrastructure and Enterprise Zone Authority  
Office of the Chief Operating Officer

DOCUMENT TRACKING/ACTION PAGE		Date Received: September 22, 2021	Acct.: Symonds
		Serial No. 21092219	Pages: 2 pages
FROM/SUBJECT: BUDD – re: Agency Action Plan and Status of Implementation (AAPSI) on Audit Observation and Recommendation (AOM) for the CY 2020 as of 09 August 2021 of Business Development Department			
FROM	TO	REMARKS/ACTIONS	
BUDD/BRD TIEZA HR Division	COA c/o Mr. Landy Residency	Submitting latest NOTAS - BUDD/BRD AAPSI for CY 2020 as of Aug. 9, 2021 which was sent earlier thru email sent 25 Sept. 2021 6:07 pm. For your consideration, please. Thank you.  27/09/2021	



Receiving Copy

Republic of the Philippines  
**Tourism Infrastructure & Enterprise Zone Authority**

**MEMORANDUM FOR THE CHIEF OPERATING OFFICER**

**FROM :** THE ASSISTANT CHIEF OPERATING OFFICER  
Assets Management Sector


**SUBJECT:** AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION (AAPSI)  
ON AUDIT OBSERVATION AND RECOMMENDATION (AOM) FOR THE  
CY 2020 AS OF 09 AUGUST 2021 OF BUSINESS DEVELOPMENT  
DEPARTMENT

**DATE :** 17 SEPTEMBER 2021

Please find attached reply to the Action Plan and Status of Implementation on AOM for the CY 2020 as of 09 August 2021 of Business Development Department to be submitted to Commission on Audit per Memo dated 03 August 2021 from the Officer-in-Charge – ACOO for the Administration and Finance Sector.

Respectfully requesting for your signature, Sir.

Thank you.


  
**JETRO NICOLAS B. LOZADA**  
Assistant Chief Operating Officer  
Assets Management Sector







COMMISSION ON AUDIT  
TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY


  
**SEP 27 2021**  
11:21

TOURISM INFRASTRUCTURE and ENTERPRISE ZONE AUTHORITY  
Office of the Chief Operating Officer



**RECEIVED**

By:   
Time: 1:35 9-22-21

TOURISM INFRASTRUCTURE & ENTERPRISE ZONE AUTHORITY	
ASSETS MANAGEMENT SECTOR	
RECEIVED BY:	
DATE:	9/22/2021
TIME:	9:00am



Republic of the Philippines  
**Tourism Infrastructure & Enterprise Zone Authority**

17 September 2021

**MS. LOURDES D. BENITEZ**

Supervising Auditor  
Commission on Audit

**SUBJECT: Action Plan and Status of Implementation on Audit Observations and Recommendations for the Calendar Year 2020 as of 09 AUGUST 2021**

**Dear Auditor Benitez:**


Please find the attached Action Plan and Status of Implementation on Audit Observations and Recommendations for the Calendar Year 2020 as of 09 August 2021 of the Business Development Department based on the Memo from the Officer in Charge - Assistant Chief Operating Officer for Administration and Finance Sector dated 03 August 2021.

We are continuously working on the compliance for recommendations made in coordination with other departments who undertake relevant courses of action to accomplish the said recommendations.


For your consideration, Ma'am.

Thank you

Sincerely,

  
**MA. EVELYNE A. FRANCISCO**  
Department Manager  
Business Development Department

Noted:

  
**JETRO NICOLAS F. LOZADA**  
Assistant Chief Operating Officer  
Assets Management Sector



Republic of the Philippines  
**Tourism Infrastructure & Enterprise Zone Authority**

**MEMORANDUM FOR THE CHIEF OPERATING OFFICER**

**FROM : THE ASSISTANT CHIEF OPERATING OFFICER**  
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**SUBJECT: AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION (AAPSI)**  
**ON AUDIT OBSERVATION AND RECOMMENDATION (AOM) FOR THE**  
**CY 2020 AS OF 09 AUGUST 2021 OF BUSINESS DEVELOPMENT**  
**DEPARTMENT**

**DATE : 17 SEPTEMBER 2021**

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Respectfully requesting for your signature, Sir.

Thank you.

**JETRO NICOLAS F. LOZADA**

Assistant Chief Operating Officer  
Assets Management Sector

TOURISM INFRASTRUCTURE & ENTERPRISE ZONE AUTHORITY	
ASSETS MANAGEMENT SECTOR	
RECEIVED BY :	<u>Ella Caimol</u>
DATE :	<u>09/27/2021</u>
TIME :	<u>6:49 AM</u>

**TOURISM INFRASTRUCTURE AND E**

6th and 7th Floors, Double Drago  
Pasay C

**AGENCY ACTION  
STATUS of IMPL  
Audit Observations and  
For the Calendar  
As of August**

Ref.	Audit Observations	Audit Recommendations	Ager	
			Action Plan	Person/ Respon
AAR Part II				
No. 1 Pg.79	The accuracy and the existence of the recorded Property and Equipment (PE) including investment property and Service Concession Assets accounts at a total carrying amount (CA) of P6.5 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 statement as requires 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 (FSD) Department to reflect the accurate balances of the PE account in the financial statements	BuDD will attend to the coordination meeting with concerned Department(GSD, FISD, AESS and Legal) for the reconciliation of recorded PE including investment with the accounting records.	ADSD//AMG UDD/ 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.	BuDD will continuously work on the titling according to the processes on Administrative Titling Work Instructions and any legal issue encountered are endorsed to Legal Department for legal action. To continuously assist Legal Department in the collation of documents for legal cases	LEGD/AMG



**TOURISM INFRASTRUCTURE AND E**

6th and 7th Floors, Double Drag

Pasay C

**AGENCY ACTION  
STATUS of IMPL  
Audit Observations and  
For the Calenda  
As of August**

Ref.	Audit Observations	Audit Recommendations	Age	
			Action Plan	Person/ Respon
AAR Part III				
AAR 2019				
No. 1-Pg. 78	The accuracy and the existence of the recorded Property and Equipment (PE) including investment property and Service Concession Assets accounts at a total cost of P9.03 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 statement as requires 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 GSD and Financial Services (FSD) Department to reflect the accurate balances of the PE account in the financial statements	BuDD will attend to the coordination meeting with concerned Department(GSD, FSD, AESS and Legal) for the reconciliation of recorded PE including investment with the accounting records.	
No. 15 pg. 112	The Authority's non-action on the continuous occupancy of Baguio-Benguet Chamber of Commerce and Industry, Inc. (BBCCI) 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.	We reiterated our recommendation that Management act on their commitment to follow-up with the OGCC relentlessly to ensure the filing of legal action against BBCCI 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.	1. OGCC to file the case by end of May 2021 2. Request assistance from Mayor of Baguio City and Engineering Office of Baguio City to declare the building as condemn and have it padlock	BuDD /AM
AAR 2018				

## TOURISM INFRASTRUCTURE AND ENTERP

6th and 7th Floors, Double Dragon Plaza,

Pasay City

**AGENCY ACTION PLAN**  
**STATUS of IMPLEMENTATION**  
**Audit Observations and Recommendations**  
**For the Calendar Year 2021**  
**As of August 9, 2021**

Ref.	Audit Observations	Audit Recommendations	Agency Action	
			Action Plan	Person/Dept. Responsible
No. 6, page 78	The incremental rental rates provided under the contracts of lease (CoL) with China Oceanis PTE., LTD. (COPL) were not properly applied in the lease charges and the two per cent variable component on hotel operations on top of the fixed rental rate was not collected and recorded resulting in under collection and understatement of rental income amounting to P2.355 million and undisclosed share in hotel operations.	a. Enforce the collection of P2.355 million and record the same representing incremental lease rates as provided in the contracts entered into with COPL;		BUDD/ AMGT/FISD
No. 24, page 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.	b. 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.	Continue the process of addressing the risk of further encroachment and opportunity loss due to non-operation according to work instructions of the Department as follows: Formulation of Business Plan, Priming of Assets prior to Asset based Joint Venture Partnership and consistently endorse to Legal Department legal issues that include encroachment.	LEGD/AMGT/BUDD

  
 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



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**

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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. BULAUTAN  
OIC, ACOO for Administration and Finance Sector



Ref.	Audit Observations	Audit Recommendations	Action Plan
<b>AAR Part II</b>			
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 P6.5 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.	
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.	
<b>AAR Part III</b>			
<b>AAR 2019</b>			
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.	
No. 15, pg. 112	The Authority's non-action on the continuous occupancy of Baguio-Benguet Chamber of Commerce and Industry, Inc. (BBCCI) 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 BBCCI 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.	

AGENCY ACTIC  
STATUS of IMPL  
Audit Observations an  
For the Calend  
As of July

Ref.	Audit Observations	Audit Recommendations	
<b>AAR 2018</b>			<b>Action Plan</b>
No. 6, pg. 78	The incremental rental rates provided under the CoL with COPL were not properly applied in the lease charges and the two per cent variable 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 record the same representing incremental lease rates as provided in the contracts entered into with COPL.	
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.	
<b>AAR 2015</b>			
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 Laurel Design and Construction (Laurel) for the Restoration of Carlos "Botong" Francisco Murals.	Charge the contractor liquidated damages of P148,735.56 for the delay incurred in the completion of the project.	

Agency sign-off:

**Mr. MARK T. LAPID, COO**

Name and Position of Agency Officer

Date

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