



Republic of the Philippines
Tourism Infrastructure & Enterprise Zone Authority

September 14, 2021

Ms. LOURDES D. BENITEZ
Supervising Auditor
Commission on Audit



COMMISSION ON AUDIT
TOURISM INFRASTRUCTURE AND ENTERPRISE ZONE AUTHORITY

SEP 20 2021
9:00
Handwritten signature

Thru: **Ms. MARIANNE Q. GIDA**
OIC, Audit Team Leader

Dear Auditor Benitez:

We are submitting the consolidated Agency Action Plan and Status of Implementation (AAPS) Audit Observations and Recommendations for the Calendar Year 2020 as of July 15, 2021.

For your reference, please. Thank you.

Sincerely,


RODOLFO E. ANCHETA
Manager, Financial Services Department

Noted by:

For:


ATTY. JOY M. BULAITAN
OIC-ACOO, Administration and Finance Sector

Folder F
- Additional AAPS report
From BMDU

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
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					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.	1. Continue monitoring/coordination with concerned offices through meetings	ADSD/AMGT/FISD/ PED			ON GOING	ACTION TAKEN (ADSD-GSD) 1. Conducted Meeting with FISD and GSD last April 15, 2021. 2. Requested a meeting with COA regarding the conduct of 2021 Physical Inventory and clarify some matters on the implementation of COA Circular No. 2020-056. 3. Issued Office Order No. 074-2021 re: Creation of Committee in the conduct of 2021 Physical Inventory. 4. Continuous reconciliation is being conducted between FISD and GSD. 5. On-going implementation/utilization of the Integrated Inventory Management System. ACTION TO BE TAKEN (AMGT-BIDD-SBD) 1. Create a Task Force to be composed by AMGT, BIDD, OFED, FISD, AFSS, LEGD, and GSD -to determine and identify properties, equipment, old building/structure improvements that are due for: 1) disposal; 2) donation; and/or 3) for other necessary action. 2. Conduct Actual Physical Inventory for operating and Non-operating entities once travel restrictions has been lifted. (1/c ADSD-GSD) (Annex D)	
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					
No. 3, pg. 83	There were unreconciled discrepancies aggregating P69,379 million between the confirmed and book balances of Due from Local Government Units (LGUs) and Due from National Government Agencies (NGAs) in violation of COA Circular No. 94-013 dated December 13, 1994.	a. Maintain the assignment of a focal person to communicate directly to concerned NGAs/LGUs on the submission of required documents; b. Assign a particular staff to reconcile discrepancies in the Due from NGAs/LGUs accounts periodically in coordination with the focal person; c. Carry-out Management's plan of requiring the submission of certificate of liquidation of Fund Transfers (FTs) (partial) before releasing the final tranche of financial assistance to the concerned NGA/LGU. In this manner, the remaining balance of accountability subject to reconciliation will be substantially reduced; and d. Demand the return of FTs amounting to P10.243 million confirmed as idle, suspended and unutilized by the NGAs/LGUs.		FISD/COMD	quarterly updates		Partially Implemented	ACTION TAKEN BY FISD: FISD maintains the monitoring and reconciliation of transfer of funds to NGA's and LGUs. Demand letters were drafted for sending to concerned LGUs and NGA's for submission of supporting documents for liquidation. (Annex A-1) Sent demand letters for refund to concerned LGU. Returned fund transfer were credited to TIEZA Account on August 31, 2021. (Annex A-2)	

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No. 4, pg. 86	Defects in the Payment Collection System (PCS) raised in prior year's audit remained unchecked in CY 2020, resulting in the Cis Bayad Center, Inc.'s (CBCI) delayed remittances of collected travel taxes amounting to P2,366 million and undeposited collections amounting to P42,200, which is disadvantageous to TIEZA.	<p>a. Require CBCI to remit the undeposited collections and penalty charges in the total amount of P63,817 and the penalty charges in CY 2019;</p> <p>b. Require CBCI to upgrade the PCS by programming the automatic generation of DCRs instead of preparing the DCRs outside the system; and</p> <p>c. Strengthen monitoring controls surrounding the PCS including the random verification on the accuracy of DCRs by the Treasury Division and the periodic review on how to upgrade the efficiency of the PCS by the Management Information System Department.</p>		TAXD/MISD			completed	n/a	<p>• Undeposited collection from 2019 were already remitted by CBCI to TIEZA. After due reconciliation, the amount is computed as follows:</p> <p>Undeposited Collections for 2019 P644,310.00 Less, Overpayment to TIEZA 213,099.00 Amount Deposited by CBCI P430,225.00 (Annex E)</p>
No. 5, pg. 88	Non-observance of Sections 7.1 on procurement planning and 32.2.1 on bid evaluation of infrastructure projects of the Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184, resulted in discrepancies between the items tendered by the contractors and the Bill of Quantities (BOQ) of the Authority amounting to P3,552 million.	<p>a. Comply with Section 7.1 of the RIRR of RA No. 9184. In procurement planning, consistently and cautiously check the basic requirements of accessibility, right of way, clearing of informal settlers, mobilization and demobilization, including checking the proponent's compliance of its share in the program of works in case of infrastructure projects procured for I GIs or NGAs; and</p> <p>b. Comply with Section 32.2.1(a) of the RIRR of RA No. 9184. In the evaluation of bids, consistently and judiciously compare in detail the BOQ per bid as against TIEZA's BOQ. Bids not addressing or providing all of the required items in the Bidding Documents including, where applicable, bill of quantities, shall be considered non-responsive and, thus, automatically disqualified.</p>	<p>These inadvertences in the evaluation of bids may have been brought about by too many bids being evaluated by a single BAC TWG composed of 5 members. Hence, it is aimed to create another BAC TWG.</p>	BAC/COMDA/ESS		Mar-21	Apr-21	Not Implemented	<p>There is no need at the moment because TIEZA has no funds for new and additional infrastructure projects.</p> <p>Defer until TIEZA obtain funds for more and additional projects that would need another BAC TWG (Annex E)</p>
No. 6, pg. 93	The contract for the Establishment of Cave Lighting and Trails for the Sohoton Caves and Natural Bridge in Samar was awarded to a lone bidder without a valid Philippine Contractor Accreditation Board (PCAB) License as required in Section 23.1 of RIRR of RA No. 9184 and item 5.1 of the Bid Data Sheet (BDS) and thus, should have been declared ineligible and the bidding should have been declared "failed".	We recommended that Management stop the awarding of contracts to ineligible bidders and disqualify outright ineligible bidders such as those without valid PCAB license.	BAC commits to be more cautious in the detailed evaluation of bids in order to prevent and avoid similar audit observations and TIEZA will incessantly abide with all applicable laws, rules and regulations.	BAC/COMDA/ESS					

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No. 7, pg. 95	The Authority incurred delays in the preparation and signing of contracts with the winning bidders contrary to Section 37.2.2 of the RIRR of RA No. 9184, and delays in the submission of contracts and its supporting documents to COA contrary to COA Circular No. 2009-01 dated February 12, 2009, all of which is a disservice to the intended beneficiaries of the projects.	a. Adhere to Section 37.2.2 of the RIRR of RA No. 9184 on the signing of execution of contract within the prescribed period; and b. Submit contracts and its supporting documents to COA within five working days from the execution of the contract in compliance with Section 3.1.1 of COA Circular No. 2009-001.		BAG/COMDIAESS					
No. 8, pg. 97	TIEZA was not able to insure P8.905 billion or 97.24 per cent of its Insurable Property and Equipment (PE) in violation of Section 5 of RA No. 656 also known as the Property Insurance Law, exposing the Authority to risks of financial losses caused by damage or loss due to theft, robbery, fire, earthquake, storm and other fortuitous events.	We recommended that Management conform to the provisions of Section 5 of RA No. 656 in securing insurance coverage for the PE to avoid financial losses brought by unforeseen events.	Coordinate with concerned Offices and create a task force	ADSD/FISD/IA MGT/BUDD/IO PED	c/o AMGT/ BUDD	COMPLETED Filing of insurances on identified properties and equipment in the Main Office, and Operating Entities On-going coordination		Action Taken (ADSD-GSD) 1. GSD has insured all properties and equipment for the main office and operating entities for CY2020, except for the identified non-operating entities pending ownership/titling resolution (c/o AMGT-BUDD) - Copy of insurance policies has been forwarded to COA for reference. 2. GSD filed the renewal of marine policies for CY 2021 as early as October 2020 e.g. Insurance on Marine Hull, Fleet, Fire Insurance of furniture and equipment for Main Office and Entities, Hyperbaric Chambers, Motor Vehicles, among others. (Copies of insurance policies for 2021 has been provided to COA for reference) Action to be Taken (ADSD-GSD/BUDD-BRD) 3. Once the Task Force determines the properties, equipments and building/structures improvements of non-operating entities for disposal and/or donation, all remaining properties included in the books of accounting will be processed for insurance with GSI (Annex D)	
No. 9, pg. 98	The Gender and Development (GAD) Plan and Budget for CY 2020 was not revised and on this account, TIEZA missed its opportunity to be part of the Philippine Commission on Women's campaign for the protection of men and women against violence amidst the COVID-19 pandemic as enjoined under the Philippine Commission for Women (PCW) Memorandum Circular (MC) No. 2020-03 dated April 17, 2020.	a. In the succeeding GPB, incorporate measures to address gender issues and concerns arising from the unequal status of the agency's women and men stakeholders due to the COVID-19 situation in accordance to PCW MC No. 2020-03 dated April 17, 2020; and b. Fully implement programs, activities and projects as planned to ensure that the intended benefits for the organization and its clients are realized.	GFPS-TWG will adhere to the COA recommendation in the preparation of the succeeding GPBs	ADSD/GFPS		COMPLETED/ DONE		Action Taken: 1. The 2021 GPB has been forwarded to PCW. 2. Planned Programs/ Activities/ Projects are being monitored for implementation (Annex D)	
No. 10, pg. 100	The accuracy and existence of Club Intramuros Golf Course (CIGC) Inventories amounting to P1.425 million could not be ascertained due to irregular practices such as issuance of stocks without supporting documents, incomplete maintenance of stock cards, non-conduct of complete physical inventory, and consequently, non-reconciliation of inventory count with accounting and property records.	a. Document issuances of stocks and all adjustments with the required RIS and other supporting documents; b. Prepare the Monthly Report of Issuance of Supplies; c. Maintain complete stock cards for all inventories; d. Conduct annual physical count of all inventories and prepare and submit a Report on the Physical Count of Inventories (RCPI);		OPEDIA/AGT					

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		e. Reconcile the inventory report with the accounting and property records; and							

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No. 11, pg. 102	Procurement of inventories, supplies, and other regular maintenance and operating expenses were paid on reimbursement basis and/or issuance of Reimbursement Expense Receipts (RER) utilizing the monthly cash advances for working fund in the total amount of P0.796 million disregarding COA Circular No. 2017-001 and evading standard procedures of the 2016 RIRR of RA No. 9184, rendering the expenditure irregular.	a. Require the accounting of inventories by implementing recommendations (a) to (e) and/or through other actions deemed necessary by Management. Determine the accountability of accountable officers if proven negligent in the performance of duties. Sanctions may be imposed in accordance with law.		OPED/AMGT					
No. 12, pg. 104	Unserviceable properties with net book value of P233,247 remained undisposed and in the books of accounts as of December 31, 2020, contrary to the provisions of Section 4 of COA Circular No. 89-298 and Sections 2 and 79 of Presidential Decree (PD) No. 1445 or the Government Auditing Code of the Philippines.	a. Instruct the Property Custodian to prepare the IRUP as basis for disposal of unserviceable properties and derecognition by the Accounting Unit; b. Expedite the disposal of unserviceable properties in accordance with the guidelines set in COA Circular No. 89-298 and Section 2 and 79 of PD No. 1445; c. After the disposal, submit the fully accomplished IRUP to the Accounting Unit to derecognize unserviceable properties from the books of accounts; and d. Ensure strict compliance with COA Circular No. 2020-006 dated January 31, 2020 on the one-time cleansing of PE account balances.		OPED/AMGT					

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AAR Part II								
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.	1. Continue monitoring/ coordination with concerned offices	ADSD/FISD/BUDD/O FED			ON-GOING	Same Action taken on AAR Part II No. 1 pg. 79 (Annex D)
No. 2, pg. 80	Unreconciled discrepancies aggregating P77,586 million between the confirmed and book balances of Due from Local Government Units (LGUs) and Due from National Government Agencies (NGAs) cast doubt on the fair presentation of these accounts in the Authority's financial statements as required under IPSAS No. 1.	a. Require the Construction Management Department (CMD) to consistently coordinate and follow-up with the LGUs and NGAs who replied to the confirmation letters to submit the necessary liquidation reports; b. Require the FSD to reconcile the accounts with LGUs and NGAs and adjust the books of accounts, where necessary, to arrive at the correct balances of Due from LGUs/NGAs and Subsidy to LGUs/NGAs in the financial statements; and c. Require the Legal Department (LD) to act timely on the issuance of demand letter to the concerned LGUs and NGAs referred by the FSD or file legal action, if necessary.		FISD/COMD			ON GOING	ACTION TAKEN BY FISD: FISD maintains the monitoring and reconciliation of transfer of funds to NGA's and LGU's. Demand letters were drafted for sending to concerned LGU's and NGA's for submission of supporting documents for liquidation. (Annex A-4)
No. 3, 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.	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/BUDD				
No. 4, pg. 83	The two per cent variable component on hotel operations on top of the fixed rental rate provided under the Contract of Lease (CoL) with China Oceanic PTE., LTD. (COPL) was not recorded and collected resulting in understatement and under-collection of rental income and undisclosed share in hotel operations.	a. Assert its entitlement from hotel revenues from 2010 to present through an amendment to the Memorandum of Agreement (MOA) ratifying the payment of the two per cent share on revenues of the hotel built on the platform and collect the same.		LEGD/AMGT/FISD				

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No. 5, pg. 85	Travel tax assessments amounting to P94.529 million due and collectible from different airlines remained uncollected and unrecorded, depriving the Authority as well as the National Government and other government agencies of additional funds needed for operations and understating the reported Accounts Receivable by the same amount.	a. File the necessary legal actions against erring airlines to protect the interest of the Authority or disclose if there is any alternative plan of action to effectively enforce collection; b. Set a policy or guidelines on assessments on travel taxes including dues from airlines with ceased operations and from foreign debtors who filed for bankruptcy, allowing the dropping of dormant accounts from the outstanding assessments after collection efforts have been exhausted and report thereon; c. Record in the books of accounts the tax revenue and accounts receivable of P94.529 million.		LEGD/TAXD					
No. 7, pg. 89	Receivable, guaranty deposits and liability accounts amounting to P301,028 million, P15,073 million and P44,448 million, respectively, remained dormant for five years to more than 10 years, necessitating the filing of requests for write-off of receivable accounts with the COA; refund of guaranty deposits; and the reversion of liability accounts to Retained Earnings (RE).	a. Require the FSD in collaboration with the LD to file requests for write-off of dormant accounts with COA duly supported with documents pursuant to COA Circular No. 2016-005 and COA Resolution No. 2016-022 both dated December 19, 2016 on the proper disposition/closure of dormant funds and/or accounts; c. Require the FSD to analyze the Guaranty Deposit account and enforce the refund of dormant accounts amounting to P15,073 million.		FISD			ON GOING	FISD sent memorandum for BUDDO and CCMG requesting for assistance for inputs and coordination on the dormant guaranty deposit account. Attached also is the analysis of Guaranty Deposit as of December 31, 2020. (Annex A-5)	
No. 8, pg. 84	Dividends due to the National Government (NG) amounting to P6.664 billion based on the taxable income and net earnings derived from operations for Dividend Years (DYs) 2010-2018 remained unrecorded in the books of accounts in violation of Republic Act (RA) No. 7656, otherwise known as the Dividends Law, and its 1998 Implementing Rules and Regulation (IRR) and 2018 Revised IRR (RIRR).	Declare and record in the books of accounts the dividends due to the NG from DYs 2010-2018 in the amount of P6.664 billion and every year thereafter as provided under Sections 5 and 7 of the IRR, s. 1998 and RIRR, s. 2016 of the Dividends Law. The said amount covers net earnings from tax revenue and service and business income commencing from 2010, the year of effectivity of RA No. 9593, otherwise known as the Tourism Act of 2009.		LEGD/AFS					
No. 9, pg. 98	TIEZA was not able to insure P3.705 billion or 93.13 per cent of its insurable Property and Equipment (PE) in violation of Section 5 of RA No. 658 also known as the Property Insurance Law, exposing the Authority to risks of financial losses caused by damage or loss due to theft, robbery, fire, earthquake, storm and other fortuitous events.	Conform to the provisions of Section 5 of RA No. 658 in securing insurance coverage for the PE to avoid financial losses brought by unforeseen events.	Coordinate with concern Offices and create a task force	ADSD/FISD/A MGT/BUDD/O PED	c/o AMGT/ BUDD		COMPLETED filing of insurances on identified properties and equipment in the Main Office and Operating Entities	Same Action taken on AAR Part II No. 8 pg. 97 (Annex D)	

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No. 10, pg. 99	The dual role of TIEZA as investor and regulator of the Boracay Island Water Company, Inc. (BIWCI), if not properly addressed, may raise conflict of interest. Moreover, the creation of two or more regulatory offices could affect the efficiency of public services within enterprise zones.	a. Revisit the provisions of the Joint Venture Agreement (JVA) and Concession Agreement (CA) with Manila Water Company, Inc (MWC) and BIWCI, respectively and study actions to take so as not to impair the independence of the TIEZA Regulatory Office (TRO).	<p>Action Plan</p> <p>The Concession Agreements (CA) of MWSS with Manila Water Company, Inc. and Maynilad Water anticipating revisions on the CA between TIEZA and Boracay Water Company, Inc. since the same was patterned after the MWSS CAs. The RO has yet to receive an official copy of the revised MWSS CAs. The RO will have to study the revisions on the CA considering that MWSS RO's independence is similarly put in question as it is under jurisdiction of MWSS, one of the contracting parties in the CA.</p> <p>In the on-going Rate Rebasing, among the tasks of the Consultant is a review of the TIEZA CA, and a matrix of amendments made in the MWSS Revised CAs which may also be beneficial to the TIEZA CA for the consideration of the Board.</p> <p>The RO upon its request, is assuming the administrative tasks in a transitory manner.</p> <p>(suggestion for TIEZA to insert the status of its divestment plan of their 20% share, if there is any)</p>	TRO			On-going	<p>Although MWSS has not favored us with a reply to our Q2 June 2021 letter requesting for copies of their Revised CA's, Maynilad has published in its website their Revised CA which is being used by the RO (& its Consultant) as reference in its comparison with the TIEZA CA. Will still strive to secure a copy of the Manila water Company (MWC) version of its Revised CA as MWC is the mother agency of BIWCI.</p>	<p>The TIEZA CA was patterned after the MWSS CA. Despite the 23 years existence, the MWSS RO continues to evolve in response with the changing times. Its good practices should be emulated by the TIEZA RO in its fledgling operations. The relationship between the RO and the MWSS CO (Administrator) Board may also be good reference.</p> <p>The RO has submitted a Memo to the COD dated 24 April 2020, discussion points in the CA</p> <p>In order to lessen or dispel any perception of conflict of interest, TIEZA may:</p> <ol style="list-style-type: none"> 1. Grant more independence to its RO and make it more accountable to the BOARD as contemplated in the CA; 2. divest their 20% ownership in BIWCI 3. Support the creation of the Boracay Island Development Authority (BIDA) which was approved last 15 June 2021 by the Joint Congressional Committee on Government Enterprises and Local Government. During the July 28, 2021 Board meeting, TO, upon its request, was granted by the Board clarity on the administrative jurisdiction and authority of the Chief Regulator. However, as per Board instructions, RO budget approval process was requested of OGCC in a letter dated 02 August 2021. (Annex C)
No. 11, pg. 99	The retention period of travel tax collections from 30 to 45 calendar days by airlines based on Rule XI of the 1979 RIRR of Presidential Decree (PD) No. 1183, as amended, unnecessarily impede the timely inflow of funds to the government.	Respectfully propose to the Secretary of Department of Tourism for the revision of Section XI of the RIRR of PD No. 1183, as amended, to impose the remittance of online travel tax collections on the next banking day, and the Counter and Billing and Settlement Plan (BSP) collections within seven days after the date of collection in order for TIEZA to avail of investment opportunities and keep abreast with the best business practices relevant to our times.		TAXD					

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No. 12, pg. 104	TIEZA's payment collection system (PCS) customized by CIS Bayad Center, Inc. (CBCI) was found to be unsound resulting in the uploading of understated Daily Collection Reports (DCRs) by P0.726 million; delayed reporting of collections amounting to P0.995 million; penalty charges amounting to P231,980 as of to date; and non-closure of Reference Numbers (RNs) with validity period of 24 hours.	a. Require CBCI to remit the undeposited collections and penalty charges, in the total amount of P0.958 million; b. Require the Management Information System Department (MISD) to review the system flaws and its root causes whether in the uploading or the payment collection program; c. Require CBCI to fix/solve the gathered root causes of the system flaws to eliminate erroneous DCRs and non-closure of RNs; e. Consider working with CBCI to amend disadvantageous terms and conditions of the Agreement; and		MISD/TAXD			completed	n/a	CBCI will be asked to pay for the penalty charges for 2019 undeposited collections. Details of the computations for the undeposited collections and penalties will be submitted to COA. •As of January 2021, CBCI has corrected the errors which they have been found in the system generating the DCRs. As of current monitoring, the DCRs being generated are now accurate. •The recommendation to strengthen monitoring controls is noted and will be implemented. (Annex B)

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					From				To
		f. Strengthen monitoring controls surrounding the PCS including, among others, the random verification of DCRs against the payment transactions generated by the system.							
No. 13, pg. 107	The objective of the MOA between TIEZA and the Bureau of Immigration (BI) to facilitate the verification of the accuracy and completeness of travel taxes collected by carriers using the accomplished Arrival/Departure (AD) Cards was not realized due to the non-filing-up of airline ticket numbers and non-submission of the needed data to TIEZA.	Work for the amendment of the MOA with the BI to require strict compliance of filling-up the required airline ticket numbers in the A/D cards of departing passengers and explain why the recommendation was not acted upon and why no personnel was assigned to assist in the encoding of accomplished A/D cards.		TAXD/LEGD					
No. 15, pg. 112	The Authority's non-action on the continuous occupancy of Bagulo 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.		LEGD/BUDD/AMGT					
No. 16, pg. 113	The Authority incurred delays in the preparation and signing of contracts with the winning bidders contrary to Section 37.2.2 of the RIRR of RA No. 9184, and delays in the submission of contracts and its supporting documents to COA contrary to COA Circular No. 2009-01 dated February 12, 2009, all of which is a disservice to the beneficiaries of the projects.	a. Strictly adhere to Section 37.2.2 of the IRR of RA No. 9184 regarding the execution of contract within the prescribed period; and b. Submit contracts and its supporting documents to COA within five working days from the execution of the contract in compliance with Section 3.1.1 of COA Circular No. 2009-01.	1. Hire/Engage Job Order/COS to supplement BAC Secretariat personnel.	BAC	Mar-21	Dec-21	Not Implemented	There is no need at the moment because TIEZA has no funds for new and additional infrastructure projects and no funds for compensation of new Job Orders/COS Defer until TIEZA obtain funds for more and additional projects that would need another BAC TWG. (Annex E)	

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No. 17, pg. 115	The bid of the winning bidder of Mindanao Tourism and Cultural Village Center project was declared as the lowest calculated responsive bid despite the discrepancy between the quantities of eight items in the Bid Form and the Bill of Quantities (BoQ), which is a ground for disqualification under Section 32.2.1.a of the RIRR of RA No. 9184, the Government Procurement Reform Act. Even granting that the declared winning bid is justified, the contract price in the amount of P88.877 million was not adjusted to current prices despite being overstated by P5,554 million due to erroneous computation of the Approved Budget of the Contract (ABC) that was based on Department of Public Works (DPWH) Department Order (DO) No. 072, series of 2012 instead of DO No. 22, series of 2015.	c. Adhere to Sections 32.2 and 34.3 of the same RIRR and require the Technical Working Group (TWG) to submit a complete and detailed report of Bid Evaluation and Post-qualification on the Mindanao Tourism and Cultural Village Center, Davao City project; and	These inadvertences in the evaluation of bids may have been brought about by too many bids being evaluated by a single BAC TWG composed of 5 members. Hence, it is aimed to create another BAC TWG.	BAC/COMD	Mar-21	Apr-21	Not Implemented	There is no need at the moment because TIEZA has no funds for new and additional infrastructure projects.	Delay until TIEZA obtain funds for more and additional projects that would need another BAC TWG. (Annex E)
No. 24, pg. 128	The Gender and Development (GAD) Accomplishment Report lacks qualitative success indicators to gauge whether or not the objectives were achieved as intended.	The GAD Focal Point System (GFPS) include qualitative success indicators in the targeted activities during the GAD planning to be able to gauge whether or not GAD activities were effectively discharged to ensure that planned objectives are achieved.		ADSD/GFPS			COMPLETED/ DONE		Action Taken: 1. The GFPS-TWG included the qualitative success indicators in the submitted 2021 GAD Plan and Budget which is still under the review of Philippine Commission on Women (PCW) as of this time. (Annex D)
AAR 2018									
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 reported 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.		BUDD/AMGT/FISD					Reconciliation with COPL regarding arrears of rental payment was made on June 25, 2021. Thus, revised Statement of Account was prepared and subsequently acknowledged by COPL. On August 24, 2021, TIEZA received payment from COPL for the arrears upto CY 2019 amounting to P9,276M including taxes. (Annex A-4)

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No. 9, pg. 83	Receivables of Club Intramuros Golf Course (CIGC) aggregating P9,730 million have been dormant for more than five years.	<p>a. Establish a sound internal policy/guidelines for accounts receivable management that will facilitate collection;</p> <p>b. Observe guidelines set under COA Circular Nos. 97-001 and 2016-005 for the following:</p> <p>b.1 Perform a detailed review of past due accounts;</p> <p>b.2 Resolve items with dispute;</p> <p>b.3 Provide an adequate allowance for doubtful accounts; and</p> <p>b.4 Apply for write-off of dormant accounts</p> <p>c. Coordinate with TIEZA's Office of the Corporate Legal Counsel for the execution of the court's decision for the possible recovery of the amount due from KCS. Consider the provision of the above-mentioned Circular on write-off of receivables in case of remote probability of collection.</p>		OPED/AMGT					
No. 14, pg. 90	The technical evaluation and inspection of TIEZA's Online and On-Site Travel Tax Privilege Application and Payment System (OOTPAPS) disclosed that the winning bidder, Cyware Incorporated (Cyware), was non-compliant with the agency requirements.	Explain why no Notice of Disallowance should be issued due to the deficiencies noted in the technical evaluation and inspection of OOTPAPS and the additional expenses incurred in cloud hosting.		TAXD/LEGD					
No. 22, pg. 101	The grant of discounts to golf players was without legal basis.	Submit the legal basis of granting discounts and FOC to golf players or stop the irregular practice.		OPED					
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					
No. 25, pg. 107	The purpose of the P38,884 million investment in the development and installation of the OOTPAPS was not maximized due to its premature shelving brought by the data breach in 2017. And Cyware, the contractor, was not held accountable for the data breach.	Explain why no legal action was taken against Cyware for their accountability on the data breach and initiate legal actions, if necessary.		TAXD					

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No. 14, pg. 100	Audit disallowances amounting to P42,589 million remain unsettled.	<p>a. Exert extra effort to enforce immediate settlement of all long outstanding disallowances, especially for persons liable who are still with TIEZA. For those who are no longer with TIEZA, take legal actions, as appropriate; and</p> <p>b. Comply with the provisions of Section 7.1 of COA Circular No. 2009-006 dated September 15, 2009 prescribing the Use of the Rules and Regulations on Settlement of Accounts which provides that the head of agency, who is primarily responsible for all government funds and property pertaining to his agency, shall ensure that the settlement of disallowances and charges is made within the prescribed period.</p>		LEGD/FISD			ON GOING	See attached for the updates on COA Order of Execution and Notice of Disallowances as of August 2021. Likewise, received P420,000.00 from IA Besque Construction Corporation and Robert Dean S. Barbars for the payment of compromise agreement for Civil Case No. 10-124853 (Annex A-5)	
No. 20, pg. 112	Deficiencies were noted on the Study Leave Program granted to employees of TIEZA.	Secure the approval of the President of the Philippines thru the Governance Commission for GOCCs (GCG) for its Career Development Plan particularly the payment of the review or tuition fees to the qualified grantees.		ADSD					
No. 21, pg. 113	TIEZA paid the amount of P274,232 for the Training Executive Development Program (TEDP) in the absence of legal basis.	Provide legal basis and justification to support the incurrence of the mentioned expenditures; otherwise, we shall be constrained to disallow the said expenses amounting to P274,232.		ADSD					
No. 26, pg. 120	<p>Properties of TIEZA Entities remain unutilized:</p> <p>a. BHHH Employees' Quarters costing P8,957 million remain unutilized for more than four years since its construction;</p> <p>b. The construction of eight cottages in CY 2015 amounting to P27,020 million remains incomplete and not operational despite the lapse of the projects' contract period.</p>	<p>a. Prioritize the follow-up of the case and of assistance from the LD of TIEZA Head Office (HO) in the civil case filed against the claimant of the BHHH land;</p> <p>b. Propose plans for the immediate use of the BHHH Employees' Quarters as intended in order to prevent further deterioration.</p>		OPEDIA/AMGT					

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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 THEZA and Lorel Design and Construction (Lorel) 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.		COMDA/ESS					
No. 15, pg. 56	Inadequacies and deficiencies in the accounting and management of PPEs of the Barzue Hotel and Youth Hostel (BHYH) with a net book value of P128,811 million	b. Require the Property Officer to locate the documents pertaining to the remaining unserviceable property amounting to P75,948.		OPED/AMGT					
No. 16, pg. 58	Discrepancies noted in the transfer of equipment and inventories to BHYH from Hilaga (Paskuhan).	Appraise the unserviceable equipment transferred from Hilaga and render report thereon for immediate disposal to prevent further deterioration.		AMGT.					

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AAR 2013 No. 5, pg. 39	The guidelines in the preparation of the Approved Budget for the Contract (ABC) were not strictly followed by the Authority. • Error in the computation of Contractors Profit for the Project Visitors Information Center and Rest Area located at Bansud, Oriental Mindoro	Recover excess amount paid to contractors, if any, as a result of errors in the computation of ABC.		COMDAESS					

Agency sign-off:


 Mr. MARK T. LAPID, CDO

Name and Position of Agency Officer

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Date:

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