

## ACTION PLAN MONITORING TOOL

**Sector:** Corporate Government Audit Sector

**Team:** Audit Group B

**Agency Audited:** Civil Aviation Authority of the Philippines

**Audit Period:** CY 2024

**AAR Date:** December 31, 2024 and 2023

**Prepared by:**

*[Signature]* 9/26/2025

Karina Mae D. Vicente, Acting ATL – Teams 1 and 2

*[Signature]* 09/26/25  
Brenda B. Viola, ATL – Team 3

**Approved by:**

*[Signature]* 9/26/25

Virginia A. Lero, Supervising Auditor

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			Agency Action Plan			Status of Implementation	Reason for Partial/Delay/ Non-Implementation, If applicable	Action Taken/Action To be taken	Date of Follow-up	Status of Implementation	Actual Implementation Date		Remarks
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2024													
1	The faithful representation of the Property and Equipment (PE) account with a carrying value of P59.972 billion, could not be established due to the presence of unreconciled variances, non-submission of records, unrecorded properties, misstatements, and inadequate accounting records which are not in accordance with the provisions of Paragraph 15, Philippine Accounting Standards (PAS) 1.		Complete the One Time Cleansing activities for PPE and come up with reconciled balances to resolve all variances. Establish a policy on uniform classification of assets and their corresponding estimated useful life.	Finance Head		12/31 /25	Not Implemented	The Accounting and Supply Division has identified the following as reasons of delay in the implementation: - Personnel handling the reconciliation of PPE count vs books are not full time in the conduct of activity of the One Time Cleansing. - Availability of additional manpower to assist in physical count as well as in performing	The Accounting and Supply Division takes the lead in reconciling all PPE records. This involves identifying all the missing and found PPEs and other reconciling items, identify those for disposal, issue demand letters for personnel accountable for missing items, require the submission/preparation of PTRs and other necessary documents or activities, such as appraisal when necessary				

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a.	Unreconciled variance of P7.381 billion between the balances per books of accounts and the Report on the Physical Count of Property, Plant, and Equipment (RPCPPE) due to the incomplete	We reiterated our prior years' recommendations, with modifications, that Management direct the following:  a) CAAP Inventory and Reconciliation Committee (CIRC), in coordination with the Supply (SD) and Accounting Divisions (AD) of CAAP-HO	AC II - To finalize the One-Time Cleansing of PE account.	Accounting and Supply Unit	08/01/25	Present	Not Implemented	reconciliation activities. - Lack of information on how. To conduct the One-Time Cleansing - Availability of proof of ownership and complete documentation. - Property and equipment recorded under one account but counted as separate items and account. - Discrepancy in the classification of PPE between the Supply and Accounting records. - The valuation costs for certain PPE items are not available.  Waiting for the conduct of Investigation for the missing PPEs.  Ongoing reconciliation	and prepare the corresponding JEV to effect the adjustments.  Job Order personnel were hired to augment the lack of manpower involved in the conduct of the One Time Cleansing.  A meeting was scheduled with the DOTr Finance, and pertinent documents were requested for completed projects intended for turnover to CAAP, in order to reconcile the PPE items found at the station.  Finalized the reconciled PE accounts and is awaiting the conduct of Investigation for the missing PPEs.  Submitted reports for One-time cleansing	9/4/2025	Not Implemented			The Audit Team issued AQM No. 2025-001 (2025) dated September 3, 2025 regarding the status of implementation of the one-time cleansing of Property

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	implementation of the one-time cleansing of PE accounts and the non-submission of RPCPPE covering assets with a total cost of P28.937 billion	and ACs II, IV, V, VI, VIII, IX, XI, and XII to ensure adherence to COA Circular No. 2020-006 and CAAP AO No. 206-2023, regarding the One-Time Cleansing of PE account balances of CAAP to identify causes of the variances between the books of accounts and RPCPPE balances and to reconcile these variances accordingly;	AC IV - To complete the One-time cleansing of PPE under COA Circular No. 2020-006	Supply Officer, Accountant and Inventory and Reconciliation Committee Area and Head Office	02/01/24	Present	Not Implemented		of PPE to Head Office for finalization.  Submission of PPE Inventory Plan;  Activation of the Inventory & Reconciliation Teams					and Equipment (PE) accounts. Although the RPCPPEs for CYs 2023 and 2024 were submitted, these remain unreconciled. Additionally, the list of Property and Equipment (PE) items found at the station, the list of missing items, and the corresponding Investigation Report have not yet been submitted. No adjustments have been noted so far, except for the reclassification of items valued below ₱50,000.00..
			AC V - To conduct One-Time Cleansing of PPE as of December 31,2023	Committee on Inventory and Reconciliation of PPE accounts	01/01/24	09/30/25	Not Implemented	Submission of Inventory Count Form based on RPCPPE as of December 31, 2023;  Conduct of Physical Count in Old Legazpi Airport, Bicol Int'l Airport, Bacon & Bulan Airport, Daet Airport, Masbate Airport, Naga Airport, and Virac Airport  Initial Reconciliation of Balances Submission of List of Reconciled, Non-existent/ Missing PPEs, Found at Station and DOTr Projects for Turn-over  The Committee has yet to perform an						

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			AC VI - To complete the One-Time Cleansing of PPE as of 12/31/ 2023	Accounting and Supply Unit	09/01/ 25	10/30 /25	Not Implemented	Ongoing reconciliation	investigation of missing PPEs;  Adjustment of Found at Station as verified by the CIRC-Head Office.  A physical count was already conducted, followed by a reconciliation and investigation to determine PPEs that are Reconciled, Missing and Found at Station.					
			AC VIII - To complete the One-Time Cleansing of PPE as of December 31, 2025	Accounting and Supply Unit	08/01/ 25		Not Implemented	Ongoing reconciliation	Area Center VIII has already completed its reconciliation of RPCPPE with its books, and was submitted to CIRC. Evaluation and verification are being conducted by the CIRC to match the missing and found at station PPEs to Head Office and other area centers' records.					

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			AC IX - To complete the One-Time Cleansing in accordance with COA Circular 2020-006	Accounting and Supply Unit	09/01/25	11/30/25	Not Implemented	Ongoing reconciliation	A physical count was already conducted, followed by a reconciliation and investigation to determine PPEs that are Reconciled, Missing and Found at Station.					
			AC XI - To complete One-Time Cleansing of PPE in accordance with COA Circular No. 2020-006	CIRC Supply Division-HO Accounting Division-HO		12/31/25	Not Implemented	Ongoing reconciliation	The Accounting and Supply Unit has scheduled a one-on-one reconciliation activity on August 12, 2025, with the team handling One-Time Cleansing in the Head Office.					
			AC XII - To complete One-Time Cleansing of PPE in accordance with COA Circular No.2020-006				Implemented		Inventory and Reconciliation Team conducted the One-Time Cleansing in accordance with COA Circular No. 2020-006 and CAAP AO No. 206-2023.					

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			Completion of Implementation of One-Time Cleansing				Not Implemented	Ongoing reconciliation	The CIRC, Supply, and Accounting Division is currently ongoing with the reconciliation of records in relation to One-Time Cleansing.					
		b) Accounting Division/ Offices of CAAP-HO and ACs II, IV, V, VI, VIII, IX, XI, and XII to make the necessary adjustments for appraisals, recognition of PE items found at stations, and disposition of non-existing/missing PE items, if warranted, to accurately reflect PE account balances;	To value the PEs with no cost based on appraisal, once the project will be awarded and implemented				Not Implemented	Pending award of contract to winning bidder for appraisal	Some found at station have already been recognized and adjusted to concerned books of accounts by the Head Office and/or Area Center, however, appraisals of PPE have yet to await the award for the winning bidder for its implementation.	9/4/2025	Not Implemented			The Audit Team issued AQM No. 2025-001 (2025) dated September 3, 2025 regarding the status of implementation of the one-time cleansing of Property and Equipment (PE) accounts. Although the RPCPPEs for CYs 2023 and 2024 were submitted, these remain unreconciled. Additionally, the list of Property and Equipment (PE) items found at the station, the list of missing items, and the corresponding Investigation Report have not yet been
			AC II - To record the recognition of PE items found at stations.	Accounting Unit	08/01/25	12/31/25	Not Implemented	Ongoing reconciliation	The investigation is still in progress, aiming to establish the disposition for non-existing and missing PPEs.					
			AC IV - To determine PE and items Found at	Accounting Unit	08/01/25	12/31/25	Not Implemented	Incomplete documents for some PPEs found	The Accountant of AC IV will make the necessary adjusting entries					

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			Station and Missing PE items, accurately prepare adjustment to correct PE balances.										submitted. No adjustments have been noted so far, except for the reclassification of items valued below ₱50,000.00..	
			AC V - To strictly maintain updated and accurate Property Cards (PCs) and Property, Plant, and Equipment Ledger Cards (PPELCs) for all PE items to ensure proper recording of accountability, movement, and disposition of assets; AC VI - To determine and verify variances on PPEs	Accounting and Supply Unit	01/01/24	Present	Not Implemented	Ongoing reconciliation	Reconciled PPE Items have already been posted in the PPELC as maintained by Accounting and PC as maintained by Supply as well as the newly purchased items and periodically updated  Once the One-Time cleansing is completed, those found at station will also be posted in the PPELC.					
			AC VIII - To determine and verify variances on PPEs	Accounting and Supply Unit	09/01/25	11/20/25	Not Implemented	Ongoing reconciliation	PPEs variances were already identified and determined.  Adjustments have already been made in the Area Center as a result of the reconciliation. The team is awaiting the results of					

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			AC IX - To determine and verify variances on PPEs.	Accounting and Supply Unit	07/01/25	11/30/25	Not Implemented	Ongoing reconciliation with the OTC team	CIRC's nationwide reconciliation, which need to be recorded for Area Center VIII, along with those that will be submitted to the COA for approval for derecognition.  Missing and found at station PPEs were already determined.					
			AC XI - Adjustments were undertaken in the final OTC report	Accounting Office	09/01/25	12/31/25	Not Implemented		The Accountant will make the necessary adjusting entries for the recognition of PE items found at stations.					
			AC XII - To make necessary adjustments in relation to PE accounts	Accounting Office			Not Implemented		Adjustment for Missing and Found at Station Items will be recorded upon the conclusion of the One Time Cleansing.					

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		c) Supply and Accounting Divisions of CAAP-HO and ACs to strictly maintain updated and accurate Property Cards (PCs) and Property, Plant, and Equipment Ledger Cards (PPELCs) for all PE items to ensure proper recording of accountability, movement, and disposition of assets; and	Continue updating Property Cards	Supply Division – HO			Implemented	Ongoing implementation	The Supply Division prepared Property Cards for FY2025.	9/10/2025	Not implemented			CAAP is still reconciling their PPE items in relation to OTC, hence, updating of PCs and PPELCs is still in progress.
		d) AC VI to issue demand letters to the accountable personnel responsible for non-existing or missing properties and instruct the Accounting Unit to set up receivable accounts for those personnel who were unable to present the PE items, if appropriate.	AC VI - To finalize the list of non-existing or missing properties after reconciliation	Accounting Office	09/01/25	11/30/25	Not Implemented		Area Center VI is set to issue demand letters to accountable personnel responsible for non-existing or missing properties.	9/10/2025	Not implemented			No demand letters issued yet for non-existing or missing PPEs.
		We further recommended that Management direct: e) AC IX to coordinate with CAAP HO to determine the status of, and follow up on, the transfer of vouchers and supporting documents for PEs received, prioritizing those delivered earlier;	To coordinate with HO to be able to completely account for transferred assets.	Accounting and Supply Office	08/01/25	11/30/25	Not Implemented	Ongoing cleansing of PPEs	Substantial transferred assets from HO to AC IX were already accounted for through the regular accountant's conference and reconciliation.	9/11/2025	Not implemented			Coordination between Head Office and AC IX is in progress.

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		<p>f) CIRC, in coordination with the Supply and Accounting Divisions of CAAP HO and ACs, to:</p> <p>i. Prioritize the timely submission of reconciled RPCPPEs, ensuring inclusion of all required supporting reports, such as the list of PEs physically found at the station and those identified as missing; and</p>	<p>AC V - To prioritize the timely submission of reconciled RPCPPEs, ensuring inclusion of all required supporting reports, such as the list of PEs physically found at the station and those identified as missing</p>	Inventory Committee on PPE	04/01/24	09/30/25	Not Implemented	Lack of complete documents for certain items found at station and missing PPEs	Initial RPCPPE has been submitted as of December 31, 2023, and 2024. Items Found at Station and Missing are separately presented. Consolidation to Head Office is currently ongoing.	9/4/2025	Not implemented			<p>The Audit Team issued AQM No. 2025-001 (2025) dated September 3, 2025 regarding the status of implementation of the one-time cleansing of Property and Equipment (PE) accounts. Although the RPCPPEs for CYs 2023 and 2024 were submitted, these remain unreconciled. Additionally, the list of Property and Equipment (PE) items found at the station, the list of missing items, and the corresponding Investigation Report have not yet been submitted. No adjustments have been noted so far, except for the reclassification of items valued below ₱50,000.00..</p>
			<p>Submit the RPCPPE FY 2023 and 2024 to COA.</p>	<p>Supply Division-HO Inventory Committee</p>	05/01/25	7/10/25	Implemented		<p>The Supply Division submitted the RPCPPE FY 2023 to COA on 30 May 2025, while the RPCPPE FY 2024 was submitted on 10 July 2025.</p>					

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		ii. Strengthen internal controls over property management by: conducting regular physical inventories, promptly reconciling records, updating property and ledger cards, properly tagging all PE items, assigning clear responsibilities and timelines for each activity, and consistently monitoring compliance to ensure timely, accurate, and complete submission of the RPCPPE.	AC V – To strengthen internal controls over property management by conducting regular physical inventories, promptly reconciling records, updating property and ledger cards, properly tagging all PE items, assigning clear responsibilities and timelines for each activity, and consistently monitoring compliance to ensure timely, accurate, and complete submission of the RPCPPE	Inventory Committee on PPE, Accounting Section, Supply Property Section	04/01/24	09/30/25	Not Implemented	Lack of complete documents for certain items found at station and missing PPEs	A List of Reconciled Items has been prepared with Property Cards by Supply and Property Ledger Cards by Accounting and is closely monitored. New purchases are ensured to have been properly documented and are coordinated with both Supply and Accounting.	9/5/2025	Not implemented			No schedule for physical count for CY 2025, no reconciled RPCPPEs for CYs 2024 and 2023, no updated PAR yet in relation to One-Time Cleansing. Further, commencement of property tagging was not yet started.
			Creation of Schedule of Submission and Reconciliation of Reports for Inventory and Properties	Supply Division-HO  Inventory Committee	05/01/25	05/31/25	Implemented		The Supply Division prepared a schedule for the submission and reconciliation of reports for Inventory Accounts and PPE Accounts.  The schedule which began in June 2025, indicates the weekly, monthly, and quarterly					

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	b. Variance between General Ledger and Subsidiary Ledgers amounting to P104.350 million as of December 31, 2024	<p>We reiterated our prior years' recommendations, with modification, that Management direct:</p> <p>a) CAAP-HO AD to exert effort to locate the supporting documents of prior years' transactions, reconcile the GL and SL balances, and prepare the necessary adjusting entries, if warranted;</p> <p>b) AC X to require the Accountant and Property Custodian to update the lapsing schedule and RPCPPE once the cleansing is completed and make necessary adjustments to reflect the correct PE amounts and related depreciation expenses for the fair presentation of financial statements, with copies of adjustments furnished to COA;</p> <p>c) AC X Accounting Unit and the Property and Supply Office/Unit to maintain Property, Plant, and Equipment Ledger</p>	Accounting Division will locate the supporting documents needed, as part of the One-Time Cleansing (OTC) process and prepare necessary adjusting entries, as warranted.	Accounting Division	08/01/2025	12/31/2025	Not Implemented	Some of the documents are missing and hard to locate.	Some documents for disposal of COA have been requested to be retained that might help in the reconciliation of prior years' transactions.	9/10/2025	Not implemented			GLs and SLs of noted PPE items remain unreconciled.
			Update Lapsing Schedule and RPCPPE for current purchases and make the necessary adjustments once the One-Time Cleansing activity is completed	Accounting and Supply Office		12/31/25	Not Implemented	Ongoing implementation	The Lapsing Schedule and RPCPPE are already updated for current purchases and initial One-Time Cleansing reconciliation. The schedules will be finalized once the OTC activity is completed.	9/10/2025	Not implemented			No reconciliation yet. Hence, schedules were not yet totally updated.
			Maintain PPELC and PC for all existing and newly acquired PE	Accounting and Supply Office		12/31/25	Not Implemented	Ongoing implementation	PPELC and PC are already being maintained and constantly updated for new acquisitions.	9/10/2025	Not implemented			No reconciliation yet. Hence, schedules were not yet totally updated.

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		Cards (PPELC) and Property Cards (PC) for all existing and newly acquired PE, to ensure that the balances of both cards are always reconciled; and												
		d) AC X to ensure that all relevant data, including appraisal values and derecognition of items, are updated in the relevant reports during the one-time cleansing of PE.	Update relevant data during the one-time cleansing of PPE	Accounting and Supply Office		12/31 /25	Not Implemented	Ongoing implementation	Relevant data will be updated after the appraisal and derecognition of PPE have been completed in relation to the OTC of PPE.	9/10/2025	Not implemented			No reconciliation yet. Hence, schedules were not yet totally updated.
		We further recommended that Management direct the CAAP-HO AD to ensure that all adjustments related to AC accounts and completed DOTr projects are accurately recorded in their respective books and duly supported with adequate documentation.		Accounting Division	08/01/ 25	12/31 /25	Not Implemented		AD will comply with COA's recommendations.	9/10/2025	Not implemented			GLs and SLs of noted PPE items remain unreconciled.
	c. Non-recognition of certain properties resulted in the understatement of PE accounts by at least P341,325, Accounts Payable by P341,325, as well as depreciation and Semi-Expendable Property accounts by undetermined amount	We reiterated our prior year's recommendations, with modification, that Management direct:  a) CAAP-HO to:  i. Require the Real Estate Titling Task Force (RETTF), in coordination with the Asset Management Division (AMD), Aerodrome Development and Management Service (ADMS), Supply Division (SD), and	Supply Division to render necessary assistance to other concerned offices to obtain records for the proper recording of the properties	RETTF  AMD  ADMS  Supply Division-HO  Accounting Division	05/01/ 25	12/31 /25	Not Implemented	The Supply Division has yet to be tapped by the RETTF for any coordination relative thereto as of date.	The Supply Division will render assistance and participate in coordination efforts with RETTF, AMD, ADMS, and AD to obtain the Property Transfer Reports (PTRs) to ensure the recognition of the properties in the supply	9/10/2025	Not implemented			No final and approved MOA yet with MIAA and no adjustments yet to recognize these properties.

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		Accounting Division (AD), to expedite the validation of unrecorded land by securing the necessary documents (e.g., property transfer documents, appraisal reports, journal entry vouchers, land titles, etc.) and coordinating with the source agencies to support the transfer and recognition of these properties;	Maintain close coordination with the Real Estate Titling Team Working Group to initiate titling activities of land occupied by CAAP. Upon approval of the MOA between the CAAP and MIAA for the transfer of properties pursuant to RA 9497, secure an approval from the Office of the President for its implementation	AMD/RETTF	08/15/25	08/15//25	Not Implemented	Budgetary constraints within the for FY 2025 and FY 2026 to support property titling activities	inventory records.  Allocate funds for the conduct of Property Resurvey activities for all property occupied by the CAAP to properly identify lots that are in need of titling, renaming to CAAP, and acquisition, etc. for CY 202					
		ii. Instruct the SD and AD to secure the necessary documentation to substantiate the acquisition of the firearms, determine their cost, and, if necessary, initiate an appraisal to assess their value;	Prepare the IIRUP and IIRUSP for the firearms, and endorse for approval of the Director General	Supply Division-HO  Accounting Division	04/01/25	09/30/25	Not Implemented	Lack of references and responses on the request for appraisal from firearms manufacturers/repair shops/stores.	The IIRUP and IIRUSP shall be endorsed for approval of the Director General. The document is targeted to be transmitted for approval within the month of August 2025, which shall form part of the pre-	9/4/2025	Implemented	June 2025	September 2025	CAAP completed the necessary documentation to substantiate the cost or appraisal value of the firearms. IIRUP and IIRUSP for updating and approval.

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								disposal requirements to be submitted to the Property Disposal Committee.						
		iii. Direct the AD to make the necessary adjustments to ensure the accurate recognition and recording of these properties in CAAP's books of accounts, reflecting correct balances of the affected accounts in the financial statements;	To further proceed with the One-Time Cleansing activity and make necessary adjustments for the found reconciled items.	Accounting Division	08/01/2025	12/31/2025	Not Implemented			9/4/2025	Not implemented			No adjustments made or provided yet to the Audit Team.
		We further recommended that Management direct:  b) AC II to:  i. Prepare a Statement of Work Accomplishment, duly concurred by the concerned contractors, of all ongoing projects to facilitate the determination and recording of cost incurred to date, most especially at year-end;	Management required the Engineer for the Statement of Work Accomplishment, duly concurred by the concerned contractors, of all ongoing projects to facilitate the determination and recording of cost incurred to date, most especially at year-end	Engineer			Implemented		Management required the Engineer for the SWA of all ongoing projects to facilitate the determination and recording of cost incurred to date, most especially at year-end.	9/4/2025	Implemented	June 2025	September 2025	All projects in this observation were already adjusted, reconciled, and supported by SWA under JEV No. A2-05-2024-12-368.
		ii. Instruct the concerned Engineer and the Accountant to reconcile their records and reports	Management instructed the Engineer and the Accountant to reconcile their records	Engineer  Accountant			Implemented		Management instructed the Engineer and the Accountant to reconcile their records and	9/4/2025	Implemented	June 2025	September 2025	All projects in this observation were already adjusted, reconciled,

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		as to the status and costs incurred for the various projects of CAAP; and	and reports as to the status and costs incurred for the various projects of CAAP					reports as to the status and costs incurred for the various projects of CAAP.					and supported by SWA under JEV No. A2-05-2024-12-368.
		iii. Moving forward, ensure that the costs of all ongoing projects are completely recorded in the books of accounts as Construction in Progress when incurred, not when paid.	Management will ensure that the costs of all ongoing projects are completely recorded in the books of accounts as Construction in Progress when incurred, not when paid.	Accountant			Implemented	Management will ensure that the costs of all ongoing projects are completely recorded in the books of accounts as CIP.	9/4/2025	Implemented	June 2025	September 2025	All projects in this observation were already adjusted, reconciled, and supported by SWA under JEV No. A2-05-2024-12-368.
	d. Misstatements on various PE and related accounts due to erroneous recording of transactions, misclassification of items, and computational errors in depreciation	We recommended, and Management agreed to direct: a) CAAP-HO to: i. Thoroughly review transactions and prepare the necessary adjusting entries to reflect the correct amounts of Input Tax, PE, and the related depreciation accounts;		Accounting Division			Implemented	Already submitted to COA the JEV for CY 2024.	9/10/2025	Not implemented			No adjustments made for the noted Input Taxes which were capitalized in CY 2024.
		ii. File amended VAT returns with the BIR to accurately report the amount of input taxes;	Review records of VAT returns and amend necessary		08/01/2025	12/31/2025	Not Implemented	File amended VAT returns.	9/4/2025	Not implemented			No amended VAT returns yet.

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		iii. Develop and implement policies or guidelines to ensure the timely submission of all supporting documents required for tax compliance;	To draft policies on the timely submission of documents for tax compliance	Accounting Division	08/01/2025	09/30/2025	Not Implemented			9/4/2025	Not implemented			No policy yet.
		iv. Conduct a comprehensive review of the Lapsing Schedule to ensure the accurate calculation and proper recognition of depreciation in the books of accounts;	Review lapsing schedule, as recommended.				Implemented		Review and recalculation have been done to correct computation of depreciation expense	9/16/2025	Not implemented			Lapsing schedule provided for May 2025 remains unreconciled and no adjustments yet noted, aside from the partial adjustments already considered in CY2024.
		v. Prepare the necessary adjusting entries, if warranted;	Adjusting entries have been made.				Implemented	Adjusting entries have been made and submitted to COA included in the CY 2024 submission of JEVs.	9/16/2025	Not implemented				
		b) AC II to collaborate with the Head Office to formulate a written policy on the proper classification of PE items; and		Accounting Office			Not Implemented		The Management will collaborate with the Head Office to formulate a written policy on the proper classification of PE items.	9/4/2025	Not implemented			No policy or guidelines yet related to PPE.
		c) Area Accountant of AC II to prepare the necessary adjusting entries to reclassify the PE items to the appropriate PE accounts and update		Area Accountant			Implemented		The accountant of Area Center III made the necessary adjusting entries	9/4/2025	Implemented	June 2025	September 2025	Adjusted by AC II under JEV No. 05-2024-003-038

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		the corresponding depreciation.												
	e. Inadequate accounting records to substantiate the status of project completion in Area Center IX	We recommend that Management ensure that the Area Accountant continues retrieving documents to determine the details of the CIP account and immediately records or adjusts the CIP account once sufficient documentation has been obtained.	To do the necessary adjusting entries to correct the CIP Account.	Area Accountant	08/01/25	11/30/25	Implemented	Reconciliation	A reconciliation is ongoing, determined variances amounting to 15M were already adjusted to partially correct the CIP Account.	9/4/2025	Implemented	6/27/2025	8/27/2025	The Audit Team noted that Management is continuously retrieving and reconciling the issues noted on the CIP account.
2	The faithful representation of the Accounts Receivable (AR) and Operating Lease Receivable (OLR) accounts with carrying value of P3.795 billion and P339.748 million, respectively, could not be ascertained due to the existence of past due and dormant accounts; inadequate allowance for impairment/expected credit losses; unreconciled variances; unconfirmed balances; and abnormal and negative receivable balances, contrary to Paragraph 15, PAS 1.		Identify all dormant accounts, ensure that these accounts are fully impaired and request for write-off in accordance with COA Circular 2023-008. Reconcile the GL and SL variances and compute the expected credit loss in accordance with PFRS 9 for outstanding accounts receivable	Chief Accountant		03/31/26	Not Implemented		The Chief Accountant shall perform the following: - Compare the GL and SL balances after excluding all the dormant accounts; - Send SOA to all customers with outstanding accounts to confirm balances, initiate reconciliation, identify payments recorded under Undistributed Collections, if there's any and collect the outstanding receivables; and - Identify the reasons for the variances and recommend resolution.					

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	a. Existence of past due accounts of P3.405 billion or 48.10 per cent of the receivable balance per SL/Aging Reports, including dormant accounts amounting to P1.716 billion	<p>We reiterated our previous years' recommendations, with modification, and Management agreed to instruct the Accounting Division in CAAP-HO and all ACs to:</p> <p>a) Intensify collection by issuing monthly Statement of Accounts (SOA) and/or Collection Notices to all Air Operators, detailing current billings and arrearages. Continuously send demand letters to delinquent clients and exhaust all available remedies to collect outstanding amounts;</p>	<p>CAAP-HO- Provide Quarterly Statement of Account and Collection Notices to Airline Operator</p> <p>AC XI - Management issues monthly statement of account (SOA) emphasizing details for current billings and arrearages.</p>	<p>Chief Accountant</p> <p>Billing Unit</p>	<p>03/31 /26</p> <p>09/01/ 25 12/31 /25</p>	<p>Not Implemented</p> <p>Implemented</p>				Not Implemented			The preparation of Collection Notices with SOA, detailing current billings and arrearages is still ongoing.
		b) Diligently implement and enforce existing policies and procedures on collection, in strict compliance with the provisions of CAAP MC No. 018-2023. Additionally, ensure the consistent application of the 12 percent per annum interest on all delinquent accounts;	<p>CAAP-HO</p> <p>AC XI - Management will comply with the audit recommendation in cooperation with CAAP HO</p>	<p>Chief Accountant</p> <p>Billing Unit</p>	<p>03/31 /26</p> <p>09/01/ 25 12/31 /25</p>	<p>Not Implemented</p> <p>Implemented</p>			Aug-Sept 2025	Not Implemented			<p>A partial implementation of interest charges on delayed payments of ANCs was observed per AOM No. 2025-019 (2024) dated 08/28/25.</p> <p>The computation of interest covering all delinquent Air Operators is still ongoing;</p>

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		c) Exert diligent effort to locate all necessary supporting documents essential for verifying the existence and validity of long-outstanding and dormant receivables; and	CAAP-HO - to locate documents supporting outstanding billing invoices  AC XI- To locate documents supporting outstanding billing invoices	Accounting Division - HO  Billing Unit	08/2025  25	  25	Not Implemented	Continuing process	Ongoing in the locating of documents for billing invoices  Area Center XI commits to comply with the audit recommendation.	09/17/25	Not Implemented			The retrieval of documents to verify the existence and validity of long-outstanding and dormant receivables is still ongoing.
		d) Evaluate the dormant accounts and request authority to write them off, if warranted, in accordance with COA Circular No. 2023-008.	CAAP-HO- Identify all dormant accounts, ensure that these accounts are fully impaired and request for write-off in accordance with COA Circular 2023-008.  AC XI - To evaluate dormant accounts and request for write off	Chief Accountant  Accounting Division			Not Implemented  Not Implemented		The list of dormant accounts was already submitted to CAAP – Head Office Accounting for consolidation in line with the request to write off accounts.  In addition, the Division is in progress working on the Investigation Report requirement.	09/17/25	Not Implemented			For CAAP-HO, no request for write off of dormant accounts has been filed yet. The DG's approval/ decision on the results of the investigation has yet to be issued.  In AC I, the Audit Team's evaluation in the filed RWO is still ongoing, awaiting submission of additional documents to support the request.  In AC II, RWO totaling P1,055,589.53 was filed, of which

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		b) Establish concrete plans to facilitate the completion of the detailed review and evaluation of CAAP's receivables portfolio necessary for the calculation of the Expected Credit Losses; and	Re-evaluate the computation of ECL	Accounting Division	08/01/25	12/31/25	Not Implemented		AD to perform reevaluation concerning the computation of expected credit losses or ECL.	09/17/25	Not Implemented			
		c) Prepare adjusting entries to ensure the faithful representation of the receivable accounts and the related impairment loss accounts in compliance with PFRS 9.	Re-evaluate the computation of ECL	Accounting Division	08/01/25	12/31/25	Not Implemented		AD to perform reevaluation concerning the computation of expected credit losses or ECL.	09/17/25	Not Implemented			
	c. Variance of P1.132 billion between the General Ledger (GL) and Subsidiary Ledger (SL) balances per Aging Reports of Accounts Receivable (AR)/Operating Lease Receivable (OLR)	We reiterated our previous years' recommendations, with modification, and Management agreed to instruct the following:  a) Accounting Division in CAAP-HO and all ACs to conduct an in-depth examination and periodic reconciliation to identify other possible factors contributing to the variances between the GL and the SL balances, and prepare the necessary adjusting entries, if warranted;	CAAP-HO - Reconcile the GL and SL variances  AC IV - To delegate dedicated staff to conduct the reconciliation of GL and SL and Aging of Account Receivables, and OLR, and ensure periodic reconciliation of balances  AC V - To conduct an in-depth examination and periodic reconciliation to identify other	Chief Accountant  Accounting Office  Accounting Office		03/31/2026  09/01/25  05/04/25	Not Implemented  Implemented  Implemented				Not Implemented			The reconciliation of affected accounts is still ongoing, with the majority and a substantial portion of the reported variance originating from the CAAP-HO books.  For AC IV, the Audit Team confirmed that reconciliation of the GL and the Aging Schedules for both AR and OLR accounts is still ongoing.

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			possible factors contributing to the variances between the GL and the SL balances, and prepare the necessary adjusting entries, if warranted  AC XI - The management committed to prioritizing the reconciliation process and aims to complete it within to year to ensure a more accurate and reliable financial statement	Accounting Office	08/01/25	12/31/25	Not Implemented	Ongoing					Further, on August 19, 2025, the Accountant of AC IV, through the HR Officer, submitted a request letter to the CAAM seeking additional manpower and the replacement of the accounting personnel who resigned effective July 29, 2025, to facilitate reconciliation.  For AC XI, the Audit Team also confirmed that the reconciliation of AR accounts is still in progress.
		b) Accounting Division in CAAP-HO:  i. Identify the corresponding billing reference numbers for the P799.486 million recorded under the Undistributed Collections account and ensure that these payments are		Accounting Division and Collection Division			Not Implemented	Ongoing reconciliation	Assigned additional personnel to handle the reconciliation of the account.  AD and FD met with Landbank regarding the undistributed collections.		Not Implemented		The preparation of corresponding SLs, identification of billing reference numbers, and reconciliation of affected accounts are still ongoing.

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		accurately and promptly posted to the appropriate clients' SLs;											
		ii. Conduct a regular (at least quarterly) reconciliation of the Other Unearned Revenue/Income account vis-à-vis Accounts Receivable to ascertain the income already earned from advance payments of Air Navigational Charges (ANCs) and record the necessary adjusting entry/ies in the books of accounts;	To conduct regular reconciliation of OUI and Accounts Receivable					Ongoing review of OUI SLs and transactions in preparation for data migration for the AFIMS	09/17/25	Not Implemented			The preparation of SLs to facilitate the consolidation and reconciliation of accumulated advance payments of ANCs from CY 2021–2024 is still ongoing.
		iii. Review the recognized realized foreign exchange gains and losses on the collection of foreign currency-denominated receivables and prepare the necessary adjustment to correct the erroneous entries made; and	To review the recognized realized foreign exchange gains and losses on the collection of foreign currency-denominated receivables and prepare the necessary adjustment to correct the erroneous entries made		08/01/25	12/31/25	Not Implemented	Ongoing review of recognized FOREX for CY 2024.	9/17/2025	Not Implemented			The review of recalculations made to adjust previously recorded Realized Forex Gains and Losses is still ongoing.
		iv. Submit to the Audit Team the revised Report of Aging of Receivables and the corresponding Subsidiary Ledgers (SLs), and effect	To submit Revised Report of Aging and corresponding SLs	Accounting Division			Implemented	AD was able to submit the Revised Report of Aging of Receivables and corresponding	Aug 2025	Implemented			The mispostings in CY 2024 SLs were already corrected in CY 2025 SLs.

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		the necessary corrections to address the identified disparities, mispostings, and erroneous recordings amounting to P17.044 million.						SLs in June 2025.						
	d. Variance of P393.857 million between the accounting records and the amount confirmed by 47 Air Operators and the unconfirmed balance of P2.428 billion in CAAP-HO	<p>We reiterated our previous years' recommendations, with modifications and Management agreed to instruct the Accounting Division in CAAP-HO to:</p> <p>a) Develop a concrete action plan to be integrated into the existing billing and collection policy, aimed at addressing the persistent challenge of reconciling and collecting outstanding receivables from prior years, by directly enforcing collections from the Air Operators; and</p>	To implement a streamlined billing and collection process thru the AFIMS					Ongoing implementation of AFIMS to address the billing and collection issues		Not Implemented			<p>No clear-cut policy has been established yet.</p> <p>The AD committed to adopt a streamlined billing and collection process through Automated Financial Information Management System (AFIMS).</p>	
		b) Designate dedicated personnel to coordinate directly with the Air Operators for the reconciliation of balances between CAAP and the clients' records; record the necessary adjustments in the books of accounts, if warranted, and provide the Audit		Accounting Division			Implemented		Five (5) Accounting personnel are tasked to handle the coordination with Air Operators.		Implemented			The Audit Team acknowledge the significant efforts of the five (5) Accounting Personnel (SL Keepers) in reconciling the balances between CAAP and

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		Team with the reconciliation results.											clients' records.
e.	Existence of negative/abnormal balances in Area Centers (ACs) VIII, XI, and XII amounting to P16.221 million	<p>We recommended that Management direct the Accounting Division/Units in ACs VIII, XI, and XII to:</p> <p>a) Conduct an in-depth investigation to identify the root cause/s of abnormal/negative receivable balances, with a view to resolving underlying issues and preventing recurrence;</p>	<p>AC VIII - To conduct an investigation on abnormal balances of receivables</p> <p>AC XII - To conduct an in-depth investigation on abnormal</p>				Not Implemented	<p>The total negative balance in Area Center VIII as of December 31, 2024, was Php12,098,790.16. The area center has already made adjustments for these negative balances amounting to P8,857,108.91. A remaining balance of P3,241,681.25 is being requested for COA for derecognition as part of the ongoing one-time cleansing of dormant accounts due to the absence of supporting documents resulting from the onslaught of the super typhoon in 2013.</p> <p>The presence of negative balances is due to excessive payments made by the clients;</p>	Sept 2025	Not implemented			<p>For AC VIII, the Audit Team confirmed that the reconciliation of negative balances is still in progress.</p> <p>For AC XI, the Audit Team awaits for the copy of the JEV to support the partial and initial recording of adjustment amounting to P378,125.55.</p> <p>For AC XII, the Audit Team validated that the implementation of audit recommendations has yet to be completed, with target completion set within this quarter.</p>

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			balances of receivables						these excess payments shall be applied should there be a new billing served.					
		b) Coordinate with CAAP-HO to prepare the necessary adjusting entries for the proper reclassification of negative/abnormal balances into their proper accounts; and	AC VIII – Coordinate with HO for necessary adjusting entries  AC XI – Coordinate with HO for necessary adjusting entries  AC XII – Coordinate with HO for necessary adjusting entries	Accounting Billing Unit			Implemented  Not Implemented  Not Implemented		Journal entries were already made and have forwarded to the designated person in CAAP-HO.  The total negative balance as of December 31, 2024, is P3,305,707.042, in which the dormant account with negative balances amounting to P119,558.06 was already adjusted in the book dated 12/31/24 as per JEV No. A11-05-2024-12-0272.  To coordinate with Head Office on this matter.	Sept 2025	Not implemented			
		For AC XI: a) Instruct the Accounting and Billing Units to secure all supporting documents related to ground handling payments made	AC XI - CAAP HO Revenue provided a collection list on a regular basis for payments made directly to the Head Office intended for	Accounting Billing Unit	09/01/25	12/31/25	Implemented			09/01/2025	Not Implemented			For AC XI, the Audit Team awaits for the copy of the JEV to support the partial and initial recording of

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		directly to CAAP Head Office and to promptly record the necessary adjusting entries to recognize the corresponding receivables in the books and submit copies of the JEVs to the Office of the Auditor for review and documentation.	Area Center. These were also taken and recorded in the Area Center Books of account.										adjustment amounting to P378,125.55.	
3	Lack of proper monitoring of input taxes and the non-filing of amended VAT returns to correctly reflect them in CAAP's quarterly VAT returns resulted in forgone tax credits of P340.092 million and the overstatement of the Input Tax account by P402.719 million; thereby, affecting the faithful representation of these accounts in the financial statements.	We reiterated our previous years' recommendations, with modifications, and Management agreed to require the Chief Accountant to:  a) Prepare and maintain a detailed listing or schedule of all input taxes to support the balance of the account and to ensure its proper monitoring;	To prepare the schedule of input tax account, identify the variances and come up with reconciled balance	Chief Accountant		03/31/26	Not Implemented		Confirm if the identified variances are eligible for amendment of VAT returns. If yes, file the amended VAT return within the appropriate period.	09/04/2025	Not Implemented			The listing or schedule has yet to be prepared and maintained.
		b) Reconcile the balance in the Input Tax account with the input tax recorded in the Accounts Payable account and prepare the necessary Journal Entry Voucher to rectify any discrepancies and to reflect the correct balance of the account;	To prepare the schedule of input tax account, identify the variances and come up with reconciled balance	Chief Accountant		03/31/26	Not Implemented		Confirm if the identified variances are eligible for amendment of VAT returns. If yes, file the amended VAT return within the appropriate period.	09/04/2025	Not Implemented			No reconciliation has been made since the listing/schedule has yet to be prepared.
		c) Provide adequate supporting	To prepare the schedule of	Chief Accountant		03/31/26	Not Implemented		Confirm if the identified	09/04/2025	Not Implemented			No adequate supporting

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		documents to support the reversal of CIT balance for the evaluation of the Audit Team;	input tax account, identify the variances and come up with reconciled balance					variances are eligible for amendment of VAT returns. If yes, file the amended VAT return within the appropriate period.					documents was submitted to support the reversal of CIT balance.
		d) Require the Chief Accountant to immediately file an amended Value-added Tax return for input taxes not filed within the appropriate period and, henceforth, require end-users to submit invoices to the Accounting Division in a timely manner to ensure all input taxes on purchases are duly captured and appropriately reflected in every Value-added Tax return.	To prepare the schedule of input tax account, identify the variances and come up with reconciled balance	Chief Accountant		03/31 /26	Not Implemented	Confirm if the identified variances are eligible for amendment of VAT returns. If yes, file the amended VAT return within the appropriate period.	09/04/2025	Not Implemented			
		As this issue has persisted for the past three years, resulting in forgone tax credits and disbursements that could have been offset, we recommended that the Office of the DDGA review the Chief Accountant's explanation, assess the situation and consider implementing appropriate measures to enhance the effective use of government resources.							09/04/2025	Implemented	05/02/2025	05/02/2025	

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4	The Inventories account with a carrying value of P143.710 million, was not faithfully represented in the financial statements of CAAP due to a P98.126 million variance between the accounting records and the result of the physical count, and the inaccurate valuation of inventory exceeding its net realizable value, contrary to PAS 1 and 2.	We recommended, and Management agreed to:  a) Direct both the Supply and Accounting Divisions of CAAP-HO, ACs V, and XII, to prioritize the meticulous and timely maintenance of the SCs, SPCs, SLCs, and SPLCs. In addition, in CAAP-HO, submit to the Director General a plan of action detailing the personnel who would conduct the updating of their respective control records, along with the frequency and timelines involved in their maintenance to ensure proper monitoring of the corrective action;	Identify all variances and recommend resolution  AC V - Direct Area V Supply and Accounting Sections to prioritize the meticulous and timely maintenance of the SCs, SPCs, SLCs, and SPLC  AC XII - Meticulous and timely maintenance of the SCs, SPCs, SLCs, and SPL.	Chief Accountant  CAAM	04/01/25	03/31/26	Not Implemented		CAAM Directed the Area V Supply and Accounting Sections to prioritize the meticulous and timely maintenance of the SCs, SPCs, SLCs, and SPLCs through a meeting last April 2025.	09/02/2025	Implemented	05/29/2025	05/29/2025	
			Issue a Service Order to formally designate Supply Officers to supervise the compliance and maintenance of reports for inventory accounts  Assign personnel to prioritize the meticulous and timely maintenance of	Supply Division-HO  Accounting Division - HO	05/01/25	05/29/25	Implemented	-	The Service Order (SO) No. 008-2025 dated 29 May 2025 was issued designating the Supply Officer I and III to ensure the maintenance, timely updating and proper monitoring of SCs and SPCs in line with the schedule of submission of inventory reports					

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			the SLCs, and SPLC						established by the Supply Division.  Assigned personnel to prioritize the meticulous and timely maintenance of the SLCs, and SPLC.					
		b) Designate an Inventory Committee in AC VI for the physical count of inventories, to conduct the counting of ALL inventories on stock and prepare the RPCI;	Issued a Memorandum designating an Inventory Committee in AC VI.	CAAM	02/01/25	02/28/25	Implemented		Issued an Office Order for the Inventory Committee in AC VI.	09/02/2025	Implemented	05/09/2025	05/20/2025	Officer Orders designating Inventory Committee for each airport under AC VI were issued.
		c) Direct the Inventory Committees in all ACs to:  i. Regularly reconcile the result of the physical count with the control records	AC V - Direct the Area V Inventory Committee to regularly reconcile the result of the physical count with the control records	CAAM	04/01/25	05/31/25	Implemented		CAAM directed the Supply and Accounting Division last April 2025 to regularly reconcile the result of physical count with the control records.	09/03-04/2025	Implemented	05/29/2025	05/29/2025	
			Conduct regular reconciliation meeting.	Supply Division-HO Inventory Committee for Supplies	05/01/25	12/31/25	Implemented	The focal personnel from both the Supply Division and Accounting Division encounter challenges in conducting reconciliation meeting as scheduled, particularly with the simultaneous	The Inventory Committee for Supplies conducted a periodic reconciliation meeting last 12 August 2025.  The Inventory Committee included as one of the agenda					

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		ii.Ensure the prompt and accurate reporting of shortages and overages for Management to immediately investigate the cause of such shortages/overages and submit a copy of the investigation report to the Audit Team once available;	AC V -Ensure the prompt and accurate reporting of shortages and overages for Management to immediately investigate the cause of such shortages/overages and submit a copy of the investigation report to the Audit Team once available;	Accounting Section	04//01/25	12/31/25	Not Implemented	Lack of supporting documents from prior years as to RPCI and submitted RSMI in prior years are less than what has been purchased.	Reconciled items have been prepared and maintained with Supplies Ledger Card with Accounting.	09/03-04/2025	Not Implemented			Investigation Report is yet to be submitted to the Audit Team
			Conduct investigation for the cause of shortages/overages and submit the result to COA	Supply Division-HO /Inventory Committee for Supplies	05/01/25	12/31/25	Not Implemented	The focal personnel from both the Supply Division and Accounting Division encounter challenges in conducting reconciliation meetings as scheduled, particularly with the simultaneous activities requiring participation of personnel specifically for Supply and Accounting Division.	The Inventory Committee for Supplies conducted a periodic reconciliation meeting last 12 August 2025.  The Inventory Committee included as one of the agenda the discussion of shortages/overage in the reconciliation meeting.					

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		d) Instruct the Chief Accountant in CAAP-HO, ACs XI, and XII, to record inventories in the books of accounts upon delivery and acceptance of goods by CAAP;	Coordinate with supply division to submit to Accounting Division copy of Delivery Receipts as basis for the recording of inventories	Accounting Division	07/01/25	Present	Implemented	Lack of turn-over of pending task	Already initiated a google sheet for update of delivered and accepted goods for monitoring purposes	09/03/2025	Implemented	05/16/2025	08/31/2025	
		e) Instruct the Chief, Supply Division of CAAP-HO to:  i. Immediately submit the Delivery Receipts and IAR, and other supporting documents to the Accounting Division as soon as available to facilitate the timely recording of deliveries;	Submit the copy of delivery documents to the Accounting Division immediately upon availability of documents.	Supply Division-HO	05/01/25	Onwards	Implemented		The Supply Division commenced furnishing the Accounting Division with the delivery receipts, IAR and other supporting documents relative to the delivered goods received by the SD since May 2025.  Additionally, the Supply Division provides inputs on the dates of delivery, delivery receipts	09/03/2025	Implemented	05/16/2025	08/31/2025	

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		ii. Conduct a recount of fuel in all tanks maintained by CAAP to verify the FOLI balance, investigate any resulting variances to determine accountability, and furnish this Office a copy of the investigation report;	Schedule a recount of FOLI, conduct verification of results, and submit report to the COA.	Supply Division-HO / Inventory Committee	06/01/25	09/30/25	Implemented	There were concerns about the discrepancies noted in the actual inventory and records. Hence, the Supply Division and Accounting Division checked these noted discrepancies and revised the recount results and GORFR in coordination with the ANS Technical Center.	The Inventory Committee for Supplies conducted a recount of Fuel and Oil on 03-05 June 2025.  The Supply and Accounting Division conducted a series of meetings and exchange of documents and submitted a report to the Inventory Committee for Supplies Chairperson last 12 August 2025.  The Supply and Accounting Division personnel will schedule a meeting with ANS focal personnel to discuss the noted	09/03/2025	Implemented	06/03/2025	08/29/2025	Pending the discussion with the ANS on the observations noted during the recount and the investigation report.



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		already issued to end-users;	the Accounting Division										following JEV numbers JEV No. 05-2025-01-0048, 05-2024-12-1481 and A12-0005-2025-06-0256. Meanwhile, the P29,808.36 has yet to be recorded due to discrepancy between RSMI and SLC.	
		g) Review and revise the AFS Procedure Manual to include specific timelines for the inspection and acceptance of delivered goods to avoid unnecessary delays;	Preparation of AFS Procedures Manual in line with the ongoing ISO Certification	Supply Division-HO	01/03/25	12/31/25	Not Implemented	The Version 1 of AFS Procedures Manual was already approved by the Deputy Director General for Administration (DDGA) on 11 July 2025.  The approved version 1 of AFS Procedures Manual is currently in custody of the QMS-DMT Team. As per inquiry with the QMS DMT Team, dissemination and further courses of actions relative to the implementation of the AFS Procedures Manual are still subject for discussion and	The Version 1 Supply Division Procedures Manual was submitted to the QMS-DMT Team dated 03 July 2025.	09/03/2025	Not Implemented			The recently approved revised AFS Procedure Manual does not contain specific timelines specifically for the inspection and acceptance of delivered goods.

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		h) Develop and implement a comprehensive policy governing the conduct and reporting of physical inventory counts, detailing the responsibilities of the inventory committee, the procedures to be undertaken during the count, and the subsequent reconciliation of records, specifying the reportorial requirements and the standards for documentation;	Revise/ revisit the Authority Order for the Inventory Committee to properly establish the roles and responsibilities of the Inventory Committee, proper procedures on the conduct of inventory and specification of reportorial requirements.	Supply Division-HO / Inventory Committee	05/01/25	12/31/25	Not Implemented	The focal personnel from both the Supply Division and Accounting Division encounter challenges in conducting reconciliation meetings as scheduled, particularly with the simultaneous activities requiring participation of personnel specifically from Supply and Accounting Division.	The Inventory Committee included as one of the agenda of the discussion of Inventory Committee Authority Order revision in the reconciliation meeting on 12 August 2025.	09/03/2025	Not Implemented			Pending the revised Authority Order for Inventory Committee detailing the duties and responsibilities, processes to be conducted, reports to be prepared, as well as the policy on the variances noted.
		i) Establish a clear policy on the proper accounting and treatment of inventory overages and shortages, specifically for fuel identified during physical counts; and	Formulate Policy regarding property accounting and treatment of inventory overages	Supply Division-HO  Accounting Division	05/01/25	12/31/25	Not Implemented	The focal personnel from both the Supply Division and Accounting Division encounter challenges in conducting reconciliation meetings as scheduled, particularly with the simultaneous activities requiring participation of personnel specifically for Supply and Accounting Division.	The Inventory Committee included as one of the agenda of the discussion of Inventory Committee Authority Order revision in the reconciliation meeting on 12 August 2025	09/03/2025	Not Implemented			Pending the revised Authority Order for Inventory Committee detailing the duties and responsibilities, processes to be conducted, reports to be prepared, as well as the policy on the variances noted.
		j) Direct the Chief Accountant to:  Immediately prepare the necessary adjusting entries to correct the	To adjust erroneous entries	Accounting Division	12/01/24	01/31/25	Implemented		Recorded with JEV # 05-2025-	09/03/2025	Implemented	05/16/2025	05/29/2025	JEVs were verified and validated.

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		erroneous entries recorded in the books of accounts;	recorded in the books						01-0048; 05-2024-12-1481					
		Review meticulously the JEVs to prevent the erroneous recording of transactions; and	Review Journal Entry Vouchers for erroneous transactions	Accounting Division	01/03/25	Onwards	Implemented			09/03/2025	Implemented	05/16/2025	05/29/2025	JEVs were verified and validated.
		Recognize impairment losses by writing down inventories to their net realizable value in accordance with PAS 2, once the accuracy of the RPCI and RPCSP has been ascertained.	Review transactions and provide necessary journal entries for impairment losses	Accounting Division	08/01/25	12/31/25	Not Implemented	Ongoing reconciliation of accounts; Manpower complements since only one staff is doing the reconciliation	To provide journal entries once reconciliation is done	09/03/2025	Not Implemented			The reconciliation is still on going.
5	The completeness of the Cash and Cash Equivalents account balance of P11.081 billion as of December 31, 2024, could not be ascertained due to a variance of P16.765 million between GL and SL balances, unrecorded bank reconciling items in the total amount of P13.962 million, and delayed or non-preparation of Bank Reconciliation Statements (BRS).	We reiterated our prior years' recommendations, with modifications, that Management direct:  a) The HO Accounting Division:  i. Reconcile the variances noted between the GL and SL balances, effect the necessary adjustments/correcting entries/postings, and submit the updated GLs and SLs to the Audit Team; and	To reconcile balances and record necessary adjustments	Accounting Division - HO	08/01/25	12/31/25	Not Implemented	Lack of manpower	An adjustment was made for the P325,717 variance with JEV # 05-2024-12-1540; Ongoing reconciliation of cash in bank is being made;	09/04/2025	Not Implemented	08/01/25	-	Ongoing reconciliation of GL and SL balances.
		ii. Maintain a Schedule for SL Balances periodically to compare with the GL balance	Maintain Subsidiary ledgers for each bank account	Accounting Division- HO		01/17/25	Implemented		Subsidiary ledgers for CY 2024 have been submitted to COA on January 17, 2025	09/04/2025	Implemented	01/17/2025	01/17/2025	

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		for early detection of any variances.												
		b) The AC V and AC IX Accounting, to record the necessary adjusting entries to take up the reconciling items;	AC V - Virac Airport to record the necessary adjusting entries to take up the reconciling items  AC IX - To do the necessary adjusting entries on errors determined during the Bank Reconciliation.	Virac Airport Accounting In-charge  Accounting Office	04/01/25  08/01/25	12/31/25  09/30/25	Not Implemented  Not Implemented	No proper turn-over from previous in-charge who resigned  Some variances cannot be verified due to lack of data trail.	Reconciliation is on-going  A number of entries were determined and verified variance were already adjusted.	09/04/2025  09/04/2025	Not Implemented			
		c) The HO and AC IX Accounting Division, to strictly adhere to COA Circular No. 92-125A and PD No. 1445, prioritize the immediate preparation of BRSs and submit them to the Audit Team;	To regularly prepare and submit the BRS to COA.	Accounting	08/01/25	08/31/25	Not Implemented	The BRS as of July 31, 2025, are still to be submitted to COA.	The BRS area is currently prepared monthly after the completion of the Monthly FS. A submission to COA will be made during August 2025.	09/04/2025	Not Implemented			No BRS for CY 2025 submitted to COA.
		d) The HO and ACs IV, V, and IX Management to:  i. Review staffing and workloads and consider reallocating resources and streamlining processes for efficiency.	Assign two (2) dedicated personnel who will be handling the preparation of Bank Reconciliation  AC IV - To request additional or delegate accounting personnel	Accounting Division-HO  CAAM/HR/Accounting		06/30/25  07/01/25	Implemented  Not implemented		Follow up of request of additional accounting personnel	09/04/2025	Implemented	06/05/2025	06/30/2025	Request letter for additional manpower made 97 days after the date of ML of AC IV.

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			dedicated with the reconciliation of Cash in bank accounts.  AC V - To review staffing and workloads and consider reallocating resources and streamlining processes for efficiency  AC IX – To assign personnel to prepare the BRS	Virac Airport HRM  Accounting Division	04/01/25  06/30/25	Implemented  Implemented							
		ii. Establish and implement written policies and procedures on Cash Management and Reconciliation to ensure:  • Timely reconciliation of GL and SL balances, with defined responsibilities, frequency (at least monthly), and documentation requirements;  • The preparation of Bank Reconciliation Statements for all bank accounts on a	Policy on the recording of cash receipt and collection issued last June 2025 will address the cash reconciliation process	Accounting Division - HO		Implemented			09/04/2025	Implemented	06/18/2025	06/18/2025	The Office of the Chief Financial Officer issued Memorandum Circular No. 037-2025.

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		<p>timely basis (preferably monthly), including clear timelines for preparation, review, and approval; and</p> <ul style="list-style-type: none"> <li>Prompt investigation and recording of all reconciling items identified in the BRS.</li> </ul>												
6	<p>The balance of the Receivables – Disallowances/Charges account as of December 31, 2024 amounting to P167.912 million could not be relied upon due to a variance of P26.255 million between the balances of the General Ledger (GL) and the Subsidiary Ledgers (SLs) and the non-recording of settlement amounting to P18.252 million.</p>	<p>We reiterated our previous years' recommendations, with modifications, and Management agreed to direct the:</p> <p>a) Department Manager III, Finance Department in CAAP-HO, to ensure that reconciliation of the account is indeed being conducted by requiring the Chief Accountant to regularly submit a status report on the reconciliation process of the account;</p>	<p>Establish the SL balances of the disallowances /charges account;</p> <p>Identify and reconcile balances variances versus GL</p>	Chief Accountant	08/01/25	12/31/25	Not Implemented		Retrieve all documents related to this account to start the reconciliation	09/04/2025	Not Implemented			The reconciliation is still on going.
		<p>b) Chief Accountant and Area Accountant in AC IX to:</p> <p>i. Identify and verify the cause/s of the variance noted, reconcile them, and make the</p>	<p>To identify the variance on the Receivables Disallowances/</p>	Accounting Division	08/01/25	11/30/25	Not Implemented	A verification is still being made on the beginning Balance.	It is initially determined subject to verification that the variance	09/04/2025	Not Implemented			The reconciliation is still on going.

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		necessary adjusting entry to correct CAAP's financial records; and	Charges account.						may substantially pertain to the beginning Balance, AC IX will trace its breakdown.  Accounting Division - HO is currently doing its reconciliation.					
		ii. Prepare the necessary journal entry voucher/s to accurately reflect the settlement of the NDs as per the issued NSSDC.	To prepare journal entry for transactions identified to be adjusted	Accounting Division	08/01/25	12/31/25	Not Implemented	Ongoing of accounts; multi-tasking due to multiple workloads	Accounting Division - HO is currently in progress with its reconciliation.	09/04/2025	Not Implemented			The reconciliation is still on going.
7	Inadequate documents to support transactions amounting to P10.511 million and non-maintenance of Subsidiary Ledgers (SLs) of the Accounts Payable.	We recommended that Management require the Accounting In-Charge in AC V to:  a) Submit the lacking supporting documents for the payables amounting to P10.511 million;	To submit the lacking supporting documents for the payables amounting to P10.511 million	Accounting Section	04/14/25	07/31/25	Implemented		Submitted the lacking documents to COA AC V last July 08, 2025, subject for verification.		Implemented			
		b) Furnish the Audit Team with the SL of the Accounts Payable account for further validation; and	To furnish the Audit Team with the SL of the Accounts Payable account for further validation	Accounting Section	04/14/25	07/31/25	Implemented		Submitted the SL of Accounts Payable last July 08, 2025.	9/23/2025	Not Implemented			Per inquiry with the Area Center V Auditor, the audit recommendation is not yet implemented.

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		c) Henceforth, record only those obligated transactions with complete supporting documents and ensure that obligations are recognized in the books of accounts when goods or services have been delivered or rendered.	To record only those obligated transactions with complete supporting documents and ensure that obligations are recognized in the books of accounts when goods or services have been delivered or rendered.	Accounting Section	04/14/25	Onwards	Implemented			9/23/2025	Not Implemented			Per inquiry with the Area Center V Auditor, the audit recommendation is not yet implemented.
8	The Due to National Government Agencies (NGAs) account balance of AC X amounting to P2.780 million could not be relied upon due to unsubstantiated transactions and unreconciled variances between the related cash and liability accounts contrary to Paragraph 15 of PAS 1 and the Conceptual Framework for Financial Reporting.	We reiterated our prior year's recommendation, with modification, that Management:  a) Prepare a written representation to DOTr supported by recent email communications and submission of the Report of Status of Funds by CAAP AC X, to request proof of a binding contract or agreement that would establish the appropriate use of the fund based on its intended purpose; and	To send additional communication and submit Report of Status of Funds to DOTr				Implemented	No immediate response from DOTr	AC X have sent three email communications to the DOTr, together with the Status of Funds, requesting a copy of any proof of binding contract/ memorandum of agreement relative to the LADP funds.  A reiteration email was sent to Ms. Adeline Dadvivas on June 10, 2025, as well.  A recent reply from DOTr dated July 11, 2025, stated that no MOA was drafted for	7/31/2025	Not Implemented			Per inquiry with the Area Center X Auditor, the audit recommendation is not yet implemented

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		b) Request assistance from the Head Office Finance Department to reconcile the cash and liability balances, addressing the P498,086 variance, to ensure sufficient cash back-up is available for settling the obligation when it becomes due.	Request assistance from HO-Finance for the reconciliation of the cash and liability balances.				Implemented		This was already communicated with the CAAP-HO AD and the matter was raised during their meeting with the DOTr last June 10, 2025.	7/31/2025	Not Implemented			Per inquiry with the Area Center X Auditor, the audit recommendation is not yet implemented
9	The faithful representation of the balance of the Guaranty/Security Deposits Payable account of P65.900 million was not achieved due to a variance of P1.457 million between General Ledger (GL) and Subsidiary Ledgers (SLs) balances and dormant accounts of at least P0.853 million.	We reiterated our prior years' recommendations, with modification, that Management direct:  a) CAAP-HO to conduct a comprehensive reconciliation between the General Ledger (GL) and Subsidiary Ledgers (SLs) for the Guaranty/Security Deposits Payable account by reviewing and verifying the balances and recorded transactions in both the GL and the SLs for each contractor, including those with abnormal or negative SL balances;	Establish the correct GL and SL balances; Identify the variance and recommend resolution for variances that cannot be identified	Accounting Division	08/01/25	12/31/25	Not Implemented	No supporting documents for the ATO Guaranty/Security Deposits Payable Account	Finalize the subsidiary ledger balance with supporting documents	9/16/2025	Not implemented			GL and SL or the account remains unreconciled.

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		b) CAAP-HO to make the necessary adjustments in the books of accounts, if warranted, and submit the Journal Entry Vouchers (JEVs) with complete supporting documents to the Audit Team for validation;	To make the necessary adjustments in the books of accounts, if warranted	Accounting Division	08/01/25	12/31/25	Not Implemented	For review of GDP accounts	On going reconciliation of the variance.	9/16/2025	Not implemented			No adjustments made yet to reconcile the variance.
		c) AC V to prepare and maintain subsidiary ledgers with complete details supported by Aging Schedules for proper monitoring, and submit the same to the Audit Team for validation;	To prepare and maintain subsidiary ledgers with complete details supported by Aging Schedules for proper monitoring, and submit the same to the Audit Team for validation	Accounting Section of AC V	04/01/25	07/31/25	Implemented		Submitted the Subsidiary Ledgers and Aging Schedules of Guaranty Deposits Payable.	9/16/2025	Implemented			Area Center V Auditor confirmed that schedules were already provided for this account.
		We further recommended that Management direct AD to:  d) Retrieve and validate the supporting documents and reconstruct the SL for the Bail Bonds Payable account, which had been reclassified to the Guaranty/Security Deposits Payable account;	Establish the correct GL and SL balances; Identify the variance and recommend resolution for variances that cannot be identified	Accounting Division	08/01/25	12/31/25	Not Implemented	No supporting documents for the ATO Guaranty/ Security Deposits Payable Account	Finalize the subsidiary ledger balance with supporting documents	9/16/2025	Not implemented			Reconstruction of SL of the account is not yet finalized.

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		e) Investigate dormant balances, especially those dating back to CY 2009, secure the necessary documents, and request the approval of COA to write off/derecognize from the books of accounts, if warranted, in accordance with the procedures prescribed under COA Circular No. 2023-008; and	Establish the correct GL and SL balances; Identify the variance and recommend resolution for variances that cannot be identified	Accounting Division	08/01/25	12/31/25	Not Implemented	No supporting documents for the ATO Guaranty/ Security Deposits Payable Account	Finalize the subsidiary ledger balance with supporting documents	9/16/2025	Not implemented			No request yet for dormant accounts nor additional adjustments for long-outstanding balances.
		f) Develop and implement control procedures to prevent the occurrence of negative SL balances by ensuring the proper setup of withholding entries before any retention payment is processed.	Drafting of policies and procedures to prevent occurrence of negative SL balances	Accounting Division	08/01/25	12/31/25	Not Implemented		Drafting of policies and procedures to prevent occurrence of negative SL balances	9/16/2025	Not implemented			No policy yet.
10	Unutilized project funds amounting to P176.660 million from cancelled and completed projects had not been returned to the Department of Transportation (DOTr) as of December 31, 2024, contrary to Item No. 4.9 of COA Circular No. 94-013.	We recommended, and Management agreed to direct the AD and ADMS to:  a) Immediately coordinate with the DOTr to formalize agreements concerning the request of CAAP to retain the unutilized funds for cancelled and completed projects; and	To coordinate with DOTr regarding unutilized funds.	ADMS	08/14/25	Present	Not Implemented		In response, the ADMS coordinated with the DOTr to determine the appropriate reversion or reallocation of the aforementioned funds. Hence, through the bimonthly meeting with the DOTr for the updating of status of projects, the former was	9/23/2025	Not Implemented			Per inquiry on 9/23/2025, ADMS is yet to formally issue a letter to DOTr,

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		b) Obtain and maintain complete documents to support any agreements reached with the DOTr on the disposition of such funds and projects.	To coordinate with DOTr regarding unutilized funds.	ADMS	08/14/25	Present	Not Implemented		In response, the ADMS coordinated with the DOTr to determine the appropriate reversion or reallocation of the aforementioned funds. Hence, through the bimonthly meeting with the DOTr for the updating of status of projects, the former was informed that the savings can be allocated/utilized on the same airport with similar scopes of work.  ADMS will formally write to the DOTr regarding the utilization of funds for the savings and cancelled projects.	9/23/2025	Not Implemented			Per inquiry on 9/23/2025, ADMS is yet to formally issue a letter to DOTr,



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													Point of Sale of Airline Tickets in CY 2017 was not yet included in the MC.  To date, BDD is currently drafting a letter for DG's approval to require airlines to remit the unrefunded DPSCs held in trust.
		In addition, consider including the following provisions:  a) For Air Carriers:  i. Submission of a detailed report on refunds made directly to paying passengers; and							June & Sept 2025	Not Implemented			No related provisions cited in CAAP MC No. 036-2025.  Meanwhile, the formulation of the annexes for the pro-forma templates of other reports enumerated in Sec. 9.4 of the said MC is still ongoing.
		ii. Setting up of a Trust Liability or another clearly identifiable account in the books of accounts as funds due to CAAP;						AD and FD will review the recommendations.	Sept 2025	Not Implemented			No related provisions cited in CAAP MC No. 036-2025.  Management has yet to consider the audit recommendation.

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		b) For the Accounting Division:  iii. Issuance of balance confirmations or other forms of correspondence to verify the total amount of DPSCs collected but not yet refunded or remitted to CAAP; and	Issue letter to Air Carriers with noted variances from the daily flight monitoring report against the remittance report	Accounting Division -HO			Implemented			Sept 2025	Not Implemented			No balance confirmation has yet been issued to verify the total amount of DPSCs collected but not refunded or remitted to CAAP,  The letters issued to Air Operators pertained only to the variances noted for flown passengers, as reflected in the Daily Flight Monitoring Reports.
		iv. Creation of a committee to regularly inspect and audit DPSCs in the books of Air Carriers.								Sept 2025	Not Implemented			No committee has been created yet.  Meanwhile, Section 9 of CAAP MC No. 036-2025 sets forth the auditorial requirements for DPSC remittances
		Further, recommended that Management instruct the Accounting Division to provide clarifications and								Sept 2025	Not Implemented			Supporting documents have yet to be submitted.

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		submit pertinent documents to the Audit Team to support the claim that CAAP employees identified as LREPs per Remittance Reports were considered “deadheading” on such flights and thus, classified as non-paying passengers.											
12	The absence of procedural guidelines for the recording, reconciliation, and monitoring of Domestic Passenger Service Charges (DPSC) collections and remittances, along with collection efforts that were not fully optimized, resulted in the accumulation of uncollected under-remittances amounting to P12.565 million for CYs 2023-2024.	<p>We reiterated our previous year’s recommendations, with modifications:</p> <p>a) For CAAP HO – Business Development Division to expedite the amendment of CAAP MC No. 022-17 and include clear provisions and procedural guidelines for the recording, reconciliation, and monitoring of DPSC collections and remittances, such as but not limited to the following:</p> <ul style="list-style-type: none"> <li>Standardized Reporting Format – Establish a uniform format for reports to be prepared and maintained by all ACs to facilitate the monitoring of paying and exempt</li> </ul>	BDD in coordination with other concerned offices, had several discussions for the formulation and finalization of the proposed amendments to the collection of DPSC unflown tickets.	BDD	01/01/24	06/13/25	Implemented		Proposed amendments were approved as MC No. 036-2025, dated 28 May 2025 and on 13 June 2025, it was published accordingly.		Implemented		On June 13, 2025, CAAP issued Memorandum Circular (MC) No. 036-2025. Section 9.4 of the MC enumerated the required documents for confirming the Collection and Remittance of DPSCs, which include: 1) Summary of Outgoing Passengers Report; 2) DPSC Remittance Report; 3) Details of Remittance; 4) Summary of Exempted Passengers; 5) Daily Load Report; and 6) DPSC on Expired

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		<p>passengers. At a minimum, reports must show the following details: Airport/location, Airline, Flight date and number, and the total number of "booked" paying passengers (flown and unflown) by classification. These reports should be signed by duly authorized CAAP personnel and acknowledged /certified by the pilots or airline company representatives, as concurrence to the accuracy of the information provided.</p> <ul style="list-style-type: none"> <li>Defined Responsibilities and Reconciliation Procedures – Clearly designate the responsible office/s, the steps for regularly</li> </ul>										<p>Airline Tickets Report. However, the standardized pro-forma templates for these documents were not included in the MC. The finalization of the forms and their specific contents was still in progress at the time of issuance. Further, CAAP MC No. 022-2025 dated 04/22/2025 re Centralized Recording of Revenues from PSC remitted by Air Operators was issued, explicitly stating the responsibilities of the CAAP-HO Revenue &amp; Receivables Section and AC Accountants, as well as the preparation of quarterly variance reports.</p>	

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		reconciling CAAP ACs' records vis-à-vis the Airline companies' DPSC Remittance Report, and specify the actions to be taken when variances are noted.												
		<p>b) For CAAP-HO Accounting Division and all AC Accountants:</p> <p>i. Promptly respond to the Air Carriers' requests for documents and conduct additional verification to facilitate the reconciliation of the remaining unreconciled variance of P12.565 million between the Flight Monitoring Reports and DPSC Remittance Reports;</p>					Implemented		Copies of the Flight Monitoring Report (FMR) as basis for computation of under remittance of air carriers were requested.		Implemented	May 2025	June 2025	<p>Aside from the CEB Group and PAL, no other concerned Air Carriers have sought further verification of CY 2024 DPSC under remittances/ variances.</p> <p>The CEB Group has, however, requested documents for the 1st Quarter CY 2025 under remittances. (per email dated May 2025). CAAP-Revenue Section provided the same on June 3, 2025.</p>
		<p>ii. Develop plans to address the concerns raised by the</p>					Not Implemented		BDD in coordination with AD will develop plans to	Sept 2025	Not Implemented			No further meetings or coordination have been

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		Air Carriers during the ongoing reconciliation, identify other causes of the variance, and implement corrective actions to prevent the recurrence;							address the concerns raised by air carriers.					conducted by the BDD and AD.
		iii. Implement a strict enforcement mechanism and persistent collection efforts, in addition to the imposition of interests/surcharges, to prevent the accumulation of uncollected receivables from the under-remittances of DPSC; and	Issue collection notice/demand letters to Air Carriers for their unremitted DPSC collections	Accounting Division			Implemented				Not Implemented			The demand letters for CY 2024 under remittances have not yet been issued.  The demand letters released thus far pertain solely to CY 2023 under remittances which were issued in March 2024.  Moreover, the reported accumulated under remittances per AOM remained uncollected.
		c) For CAAP Flight Data Recorders/Encoders assigned at each Area Center: to coordinate regularly with the Accounting and Billing Units of Area Centers to									Implemented			The Quarterly Variance Analysis for CY 2025 DPSC remittances is being conducted on

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		monitor the Air Carriers' operations in all CAAP Airports and ensure the accurate encoding of details, particularly the number of paying passengers declared in the CAAP Flight Monitoring Reports.											a continuing basis.  The AC Accountants have access to the google sheet prepared by HO to get the breakdown of remittances per air operator and airport and prepare a comparative report versus the flight monitoring reports submitted by airport personnel. (as provided in CAAP MC No. 022-2025 dated 04/22/2025 re Centralized Recording of Revenues from PSC remitted by Air Operators)
13	The lack of well-defined policies and controls to optimize the billing and collection process of water and electric charges to all concessionaires at the CAAP-Head Office resulted in unbilled and uncollected utilities by at least P11.122 million	We recommended that Management instruct the following:  a) Business Development Division in coordination with the Internal Audit Services to establish a clear-cut policy embedding the	BDD, in coordination with the Finance Department, formulated and strengthened former policies	BDD	11/2024	Target for approval: 9/2025	Not Implemented	Ongoing review of BDD and Finance Department on the proposed amendments to the CAAP Concession Manual Edition II.	BDD will revise portions of the CAAP Concession Manual Edition II and will issue necessary memoranda to airports and area centers.	July & September 2025	Not Implemented		The revision of the Concession Manual, Edition II is still ongoing.

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	as of December 31, 2024.	necessary controls within the billing and collection processes concerning concessionaires' water and electric charges to address the root causes of operational deficiencies identified within these processes;	through issuances of memoranda and policies through revision of the Concession Manual Edition II.											
		b) Accounting Division to expedite the preparation and issuance of billing statements and, henceforth, ensure the timely and regular issuance of monthly billings for water and electric consumption to all concessionaires; and	Prioritize the issuance of billing statements for utilities once received from BDD	Accounting Division			Implemented			June to Sept 2025	Not Implemented			The water and electricity charges for the remaining three concessionaires in CAAP-HO, as specified in the AOM remained unbilled despite frequent follow-ups made by the Audit Team with the BDD and other concerned offices.
		c) Buildings and Grounds and Maintenance Service to collaborate with the Business Development Division to diligently gather all relevant documentation and data required to compute the exact amount of unbilled or uncollected water and electric charges from concessionaires for the years 2018-2024.								June to Sept 2025	Not Implemented			Hence, this observation will be reiterated in the CY 2025 audit.

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14	The recurring delays in the approval/renewal of Contracts for Lease for Concessions (CLCs) at CAAP-Head Office and all Area Centers indicate the need to strengthen internal control measures.	We reiterated our previous year's recommendation that Management consider decentralizing and/or delegating signing authorities to the Area Centers/Airport Managers, based on the nature and scope of the lease contracts, to streamline the approval and renewal process of CLCs.	BDD is amenable to the recommendation. Initial discussions were had pursuant to this recommendation.	BDD			Not Implemented	BDD remains circumspect about fully delegating authority to the Area Centers, as current practices indicate a lack of consistent accountability in handling lease-related matters. Without demonstrated capability and adherence to established procedures, there is a concern that Area Centers will continue to depend on the Head Office for the approval and renewal of COLs, thereby undermining the intent of decentralization.	The ongoing revision of the Concession Manual, Edition II will explore the appropriate scope, policies, and support mechanisms necessary before such authority can be effectively decentralized.	July 2025 & Sept 2025	Not Implemented			The revision of the Concession Manual, Edition II is still ongoing.
15	CAAP-HO did not undertake sufficient measures to ensure the collection and settlement of receivables recorded under the Other Receivables account amounting to P18.736 million. In addition, no request for approval to write off dormant accounts had been filed with COA, as provided under COA Circular 2023-008 dated August 17, 2023.	We reiterated our previous years' recommendations, with modification, and Management agreed to instruct the Department Manager III and the Chief Accountant to:  a) Locate and expedite the retrieval and submission of the required documents to the Intelligence and Confidential Fund Audit Unit to liquidate the long-outstanding cash advances for confidential funds;	Include all dormant accounts for write-off	Accounting Division		03/2026	Not implemented			09/04/2025	Not Implemented			

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		b) Coordinate immediately with the Federal Aviation Authority to clarify the necessary information for processing the \$68,916 refund to settle the balance in the books of account;	Coordinate with FSIS on the status of the remaining balance and recommend resolution	Finance Department		12/2025	Not implemented			09/04/2025	Implemented	09/17/2025	09/17/2025	The FAA required certain documents on June 19, 2025, which the Management was only able to submit recently, on September 17, 2025.
		c) Determine the remaining payables to the contractor with an ongoing project with CAAP, and ensure that the unrecouped advances of P1.815 million are duly deducted from subsequent billings;	ADMS- PE issue a demand letter regarding the recoupment of the advance payment;	ADMS	08/2025	Present	Not Implemented			09/05/2025	Not Implemented			No payment yet for 2nd progress billing of the project being constructed by the contractor concerned. Hence, not yet recouped.
		d) Immediately issue demand letters to the OGCC lawyers, the four contractors, and the former collecting officers of CAAP to pursue the collection of their outstanding balances recorded under the Other Receivables account;	To coordinate with Accounting Division for the reissuance of demand letters	ELS	08/01/2025	12/31/2025	Not Implemented	For finalization of amounts with Accounting Division		09/12/2025	Not Implemented			
		e) Inform the OGCC regarding its lawyers' non-compliance with relevant laws, rules, and regulations;	To coordinate with Accounting Division for the reissuance of demand letters	ELS	08/01/2025	12/30/2025	Not Implemented	For finalization of amounts with Accounting Division		09/12/2025	Not Implemented			
		f) Coordinate with the Department of Transportation and the former Chairman	Documents are for signature of the former	Finance Department in coordination with Office of	08/01/2025	12/31/2025	Not Implemented		For signature of the documents	09/11/2025	Implemented	09/11/2025	09/11/2025	Pending the submission of liquidation to AD.

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		of the CAAP Board for the immediate submission of liquidation documents to settle the account, including the approved travel order and the explicit authority from the Office of the President to avail of business class airfare in accordance with EO No. 77, s. 2019;	Chairman of the CAAP Board	the Director General									
		g) Provide a valid explanation for processing the cash advance despite the absence of the required documents and a duly approved disbursement voucher, and justify why these transactions should not be disallowed in audit; and	AD to coordinate with ELS regarding the grant of cash advance to OGCC lawyers	Accounting Division	08/01/2025	10/31/2025	Not Implemented		Have a meeting with ELS on the granting of cash advance to OGCC lawyers.	09/12/2025	Not Implemented		
		h) Exhaust all viable means to secure the necessary documents to support the write-off of dormant receivable balances and immediately request COA's approval for write-off in accordance with COA Circular No. 2023-008.	Collection of all necessary documents	Accounting Division		12/31/2025	Not Implemented	Lack of documents to support the write-off of dormant receivable balances	ELS to conduct review as to the propriety of actions taken	09/12/2025	Not Implemented		

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16	Deficiencies in the handling and monitoring of leave cards resulted in erroneous Schedule of Leave Balances.	<p>We reiterated our previous year's recommendation, with modification, and Management agreed to direct:</p> <p>a) The HRMD in CAAP-HO to:</p> <p>i. Provide an explanation as to why the reconciliation of leave cards and the updating of related processes were not prioritized, despite their importance;</p>	Prepare response	HR Operations Division			Implemented		The HR Operations Division sent a letter of response to COA dated March 25, 2025.	09/04/2025	Implemented	03/25/2025	03/25/2025	
		<p>ii. Expedite the revision of its process on updating and maintenance of leave cards and ensure that the revised process would include the regular updating of the leave cards and other internal control measures as approved by the Internal Audit Service. Submit a copy of the revised process to the Audit Team; and</p>	Update procedures in accordance with COA recommendation	HR Operations Division	07/01/25	08/31/25	Implemented		Guidelines for leave records reconciliation have been updated thru HRMD Office Order No. 003 dated August 1, 2025	09/04/2025	Implemented	08/01/2025	08/01/2025	

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		b) The Chief Accountant to adjust the balance of the Leave Benefits Payable account based on the reconciled balances of leave credits of employees to be submitted by the HRMD.	To adjust Leave Benefits Payable balance once the HRMD submitted the corrected leave balances	Accounting Division	08/01/25	12/31/25	Not Implemented	Waiting for the submission of HRMD	The AD will adjust the balance of Leave Benefits Payable once the HRMD has submitted the corrected balances.	09/04/2025	Not Implemented			Pending the reconciliation of leave balances.
		c) For CAAP HO and AC VI to initiate and prioritize the reconciliation of records between the HRMD and all CAAP employees to correct the balances in the leave cards, and submit a duly reconciled schedule of leave balances to the Audit Team and the Accounting Division.	Organize team to prioritize reconciliation of records  AC VI - Coordinated with HR Head Office	HR Operations Division  Area VI HR	08/01/25	03/31/25	Implemented		The HR Operations Division already onboarded 3 out of 10 personnel for leave records reconciliation project as of August 8, 2025.  The AC VI HR already established Leave cards for AC VI personnel.	09/04/2025	Implemented	08/01/2025	08/29/2025	Pending the reconciliation of leave balances.
17	The monetization of leave credits of CAAP-HO employees is not in accordance with Sections 22 and 23 of the Omnibus Rules on Leave Rule XVI of the Administrative Code of 1987.	We reiterated our previous recommendations, and Management agreed to:  a) Instruct the officers responsible for approving requests for monetization of leave credits to ensure strict compliance with the ORL and the existing CAAP Memorandum when authorizing the monetization of leave credits; and	Reiterate guidelines for Leave Monetization in accordance with Sections 22 and 23 of the Omnibus Rules on Leave Rule XVI of the Administrative Code of 1987	HR Operations Division	08/01/25	09/30/25	Implemented		The revised guidelines have been endorsed to ODG for approval as of August 8, 2025.	09/04/2025	Implemented	08/01/2025	08/29/2025	

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		b) Justify why the payment of leave monetization contrary to the ORL amounting to P428,213 should not be disallowed in audit.	Prepare response to COA	HR Operations Division			Implemented		The HR Operations Division sent a letter of response to COA dated March 25, 2025.	09/04/2025	Implemented	03/25/2025	03/25/2025	
18	The irregular disbursements of P0.731 million for Salaries and Wages, Allowances, Benefits, and Incentives made to a resigned employee were contrary to established laws, rules, and regulations.	We recommended, and Management agreed to:  a) Direct the HRMD in CAAP-HO to:  i. Revisit and enhance the payroll process to include controls such as sign-offs or certifications to ensure the strict implementation of the issuance of the Notice of Payroll Changes. Likewise, the HRMD to implement a reconciliation process between the DTRs and the payroll register;	Review and enhance payroll controls	HR Operations, Employee Relations Section	05/01/25	06/30/25	Implemented		Payroll process revised and controls enhanced with strict review of attachments/ references for basis of payroll. Published in HRMD QMS.	09/04/2025	Implemented	05/27/2025	05/27/2025	
		ii. Submit to the Audit Team a report detailing the actions taken to rectify the issue and its plans on how it would	Prepare response to COA				Implemented		The HR Operations Division provided an NTE to concerned personnel/ office.	09/04/2025	Implemented	05/27/2025	05/27/2025	The amount to be returned by the former employee is subject for finalization by the

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		recover the amount in question; and											Accounting Division.	
		iii. Submit an explanation /justification to the Audit Team as to why the payments in the total amount of P0.731 million should not be disallowed in audit.	Prepare response to COA				Implemented		The HR Operations Division sent a letter of response to COA dated May 27, 2025	09/04/2025	Implemented	05/27/2025	05/27/2025	
		b) Require the head of each service/department/division of CAAP to timely inform the HRMD in case of the separation/resignation of an employee.	Prepare memo to all CAAP offices reminding all heads to timely inform the HRMD in case of the separation/resignation of an employee	HRMD - Employee Relations Section			Not implemented	Ongoing	The HRMD - Employee Relations Section is currently in the process of preparing the memo.	09/04/2025	Not implemented			
19	Disbursements were not supported with complete documentation contrary to PD No. 1445, COA Circular No. 2012-001, and CAAP's Petty Cash Fund policy.	We reiterated our prior years' recommendations that Management direct the Chief Accountant to:  a) Ensure that complete supporting documents, as prescribed under COA Circular No. 2012-001 and CAAP Memorandum dated	To ensure completeness of supporting documents for Petty Cash transactions	Accounting Division			Implemented			09/18/2025	Implemented	05/28/2025	05/28/2025	Memorandum dated May 28, 2025 was issued regarding Policy and Procedural

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		August 8, 2023, are attached to the vouchers;											Guidelines on Handling and Maintenance of Petty Cash Fund.	
		b) Submit to the Audit Team the lacking supporting documents; and							09/18/2025	Not Implemented			Lacking supporting documents not yet submitted.	
		c) Provide the Accountable Officers with a checklist of required documents to support different types of transactions.	Provide a checklist of required documents to Accountable Officers	Finance/ / Accounting Division			Implemented		A memo was issued dated May 28, 2025, regarding Policy and Procedural Guidelines on Handling and Maintenance of Petty Cash Fund.	09/18/2025	Implemented	05/28/2025	05/28/2025	
		We also recommended that Management instruct the Technical Inspection and Acceptance Committee (TIAC), along with the relevant offices and personnel, to:  d) Consider adopting the standardized Inspection and Acceptance Report in place of the certificates of inspection and acceptance for petty cash procurements to ensure simplicity and uniformity;	Reconstitution of the TIAC	TIAC	03/2025	12/2025	Implemented	-	On 23 April 2025, the Authority Order (AO) No. 099-2025 was approved by the Director General. The AO reconstituted the structure of TIAC per concerned office/service/department, and defined the functions mandated to the Committee, and the role of the Supply Division in the inspection and acceptance process.	09/18/2025	Implemented	04/23/2025	05/30/2025	
		e) Review the inspection and acceptance process, including the roles and responsibilities of the Inspection Officer (IO) and the	ISO Certification of the AFS Processes	AFS Supply Division-HO			Not Implemented	The ISO Certification of AFS is still ongoing	Meanwhile, the Version 1	09/18/2025	Not Implemented			ISO Certification is ongoing

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		output reports required; and												
		f) Properly document the reviewed procedure and disseminate it to all concerned personnel and to the Audit Team.			-	-			Supply Division Procedures Manual was submitted to the QMS-DMT Team dated 03 July 2025.	09/18/2025	Not Implemented			ISO Certification is ongoing
20	Disallowances and charges amounting to P7.195 million in CAAP-HO, which have become final and executory, remained unsettled due to Management's laxity in enforcing their settlement or recovery contrary to Section 7.1.3 of COA Circular No. 2009-006 dated September 15, 2009.	We reiterated our previous years' recommendations, with modifications, and Management agreed to direct:  a) The Chief Accountant to withhold the salaries or any money due to ALL persons liable, who are still connected with CAAP, for the settlement of their liabilities in accordance with the COA Order of Execution; and	Review records of issued disallowances which have become final and executory and coordinate with the ELS for the settlement of their liabilities	Accounting Division - HO	08/2025	12/2025	Not Implemented		A partial review has been made of the records. The AD will Coordinate with ELS regarding the settlement of disallowance.	09/04/2025	Not Implemented			
		b) The Chief, ELS, to initiate and exhaust all legal means to collect/recover the disallowances and charges by sending demand letters, filing administrative/ criminal actions in case of unjustified refusal to settle their liabilities, and/or other appropriate legal actions.	To coordinate with Accounting Division on the issuance of demand letters	ELS	08/01/2025	12/31/2025	Not Implemented	For finalization of amounts with Accounting Division	To send demand letters and file cases, as may be necessary.	09/04/2025	Not Implemented			

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21	Non-reconciliation and inadequate monitoring of taxes withheld vis-à-vis taxes remitted resulted in the untimely remittances of various withholding taxes amounting to P19.596 million, unremitted withholding taxes as of year-end amounting to P3.215 million and unaccounted balance of the Due to BIR account as of December 31, 2024 amounting to P2.043 million, thus exposing CAAP to unnecessary penalties and interests.	We reiterated our previous years' recommendations, with modification, and Management agreed to instruct the Department Manager III, Finance Department, and the Chief Accountant to:  a) Judiciously review the filing and remittance of withholding taxes and ensure that all applicable taxes are withheld and remitted within the deadline prescribed by the BIR;	OIC, Accounting Division to revisit all transactions recorded under the various taxes and account for over/under remittance	OIC, Accounting Division	08/2025	03/2026	Not Implemented			09/03/2025	Not Implemented			Management is still in the process of revisiting all transactions recorded under the various taxes and account for over/under remittance.
		b) Facilitate the immediate remittance of the unremitted withholding taxes amounting to P3.215 million to avoid incurring additional penalties and surcharges;	OIC, Accounting Division to revisit all transactions recorded under the various taxes and account for over/under remittance	OIC, Accounting Division	08/2025	03/2026	Not Implemented			09/03/2025	Not Implemented			Management is still in the process of revisiting all transactions recorded under the various taxes and account for over/under remittance.
		c) Submit the complete and valid supporting documents to substantiate the over-remittance of P3.489 million in April 2024, as well as the deductions in remittances in the total amount of P4.172 million, including an	OIC, Accounting Division to revisit all transactions recorded under the various taxes and account for over/under remittance	OIC, Accounting Division	08/2025	03/2026	Not Implemented			09/03/2025	Not Implemented			Management is still in the process of revisiting all transactions recorded under the various taxes and account for over/under remittance.

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		explanation/ justification as to why these documents were not readily available during the audit;												
		d) Provide proper guidance and orientation to the personnel designated to monitor the accurate and timely withholding and remittance of taxes. Ensure that her responsibilities include verifying the completeness and accuracy of tax remittances, including cross-checking the "Due to BIR" account against supporting documents; and					Implemented		Concerned personnel has been duly guided and oriented on the monitoring and timely withholding and remittance of taxes.	09/03/2025	Implemented	06/04/2025	06/04/2025	
		We further recommended that CAAP HO and AC III exert diligent efforts to reconcile records to determine the nature and necessary details of the P3.352 million unaccounted balance in the Due to BIR account, and thereafter, remit to the BIR the withholding taxes or prepare the necessary Journal Entry Vouchers to adjust the books, accordingly.		Accounting Section - Area Center III			Not Implemented	Despite exhaustive reconciliation efforts, the balances of the Due to BIR account still remain outstanding. Based on our assessment, these residual amounts are likely attributable to balances carried forward from defunct Air Transportation Office (ATO) accounts prior to the agency's		09/03/2025	Not Implemented			

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								reorganization. All current tax obligations have been accurately computed and remitted within prescribed deadlines.						
22	Taxes on the compensation of various officers and employees in CAAP-HO for CY 2023, amounting to P8.048 million, were not properly withheld during the period it was due but were instead collected in a staggered manner starting CY 2024, leaving uncollected and unrecorded receivables of P3.316 million as of December 31, 2024.	We recommended, and Management agreed to direct the Department Manager III, Finance Department, and the Chief Accountant to record the outstanding receivables under the Due from Officers and Employees account and ensure the immediate collection of these receivables to prevent potential loss of government funds.	Account for all tax withheld per employee and compare with the taxable compensation income to account for over/under deduction of withholding taxes on compensation	OIC, Accounting Division	08/01/25	10/31/25	Not Implemented		Notify all employees on the computation of taxable compensation income and corresponding tax withheld and remaining tax due to be deducted of their salaries as of September 30, 2025.	09/04/2025	Not Implemented			Recomputation is still ongoing.
23	GSIS, PhilHealth, and Pag-IBIG premiums/contributions and/or loan amortizations amounting to P12.246 million were not remitted within the prescribed deadline contrary to existing laws, rules, and regulations, thereby exposing CAAP officers and employees to potential penalties.	We reiterated our prior year's recommendations, with modification, and Management agreed to instruct:  a) The Chief, Human Resource Management Division (HRMD), to immediately update all records with the GSIS, PhilHealth, and Pag-IBIG and to ensure that any changes or new employee information are reported to these Corporations promptly;	Enhance monitoring of employee information update and movement and assign a permanent point person to update the file.	HR Operations Division	04/01/25	04/30/25	Implemented		The HR Operations Division sent a letter of response to COA dated April 2, 2025	09/04/2025	Implemented	03/20/2025	03/20/2025	

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		b) The Accounting Division to remit all contributions that were properly deducted from the employees' payroll;	Remit all Contributions that were properly deducted from payroll	Accounting Division - HO	04/01/25	04/30/25	Implemented		A summary of deduction is being prepared after each payroll and serves as the basis for remittance. All deductions are remitted within the prescribed period	09/04/2025	Not Implemented			Reconciliation is still ongoing.
		c) The Chief Accountant, Area Centers (ACs) V, VI, and XII Accountants, in coordination with the HRMD, to expedite the reconciliation of records to facilitate the remittance of the unremitted balances to the GSIS, PhilHealth, and Pag-IBIG;	AC V -To expedite the reconciliation of records to facilitate the remittance of the unremitted balances to the GSIS, PhilHealth and Pag-IBIG	Accounting and HRM Sections	04/01/25	12/31/25	Not Implemented		The AC V already made remittance of traced variances due to implementation of CPCS and interim salary adjustments  Area Center V to trace variances of prior years	09/04/2025	Not Implemented			Reconciliation is still ongoing.
			AC VI - To hasten the reconciliation of records and ensure the prompt remittance of the outstanding balances to GSIS, PhilHealth, and Pag-IBIG.	Accounting and HR	04/01/25	12/31/25	Implemented		The AC VI partially reconciled the records and remitted balances to GSIS, PhilHealth and Pag-IBIG.					
			HO - To expedite the reconciliation of records to	Accounting Division – HO	03/01/25	12/31/25	Not Implemented		The HO is currently ongoing on its reconciliation					

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			facilitate the remittance of the unremitted balances to the GSIS, PhilHealth and Pag-IBIG											
			AC XII	Accounting Division			Implemented		and remittances were already made for those accounts reconciled.					
									The AC XII HR has already received the service records from the HO. GSIS requires the service records to be uploaded individually into their system for reconciliation purposes. There are salary increases for several employees that have been updated in their service records but were not reflected in the GSIS system. The manual upload of records is currently ongoing.					

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		d) The Chief, Finance Department, to require the HRMD and the Chief Accountant to issue a monthly certification that the amount to be remitted to the GSIS, PhilHealth, and Pag-IBIG corresponds to the amounts withheld in the immediate preceding month to support each payment. In case of discrepancy, both offices are to provide a valid and acceptable justification, along with a detailed schedule identifying the specific line items causing the variance;		Finance			Implemented		Accounting already required the breakdown of the discrepancy between amount withheld and amount to be remitted and ensures that the discrepancy is effected/remitted in the next remittance period	09/10/2025	Implemented	04/01/2025	06/30/2025	Instead of certification, the accounting is preparing a breakdown which shows the amount withheld, remitted, any adjustments, and the variances if any, with remarks as to the reason for variances. This is being submitted to the HRMD to be their basis of updating Agency Remittance Advice (ARA).
		e) AC XII Manager, to designate personnel who shall be responsible for overseeing all mandatory contributions, their deductions, remittances /payments, and posting requirements, and shall ensure the accuracy, timely remittance, and proper posting of all deducted premium contributions and loan payments to GSIS; and					Implemented	The AC XII has already designated a focal person to oversee that mandatory deductions are properly prepared and remitted.	09/10/2025	Implemented	05/31/2025	05/31/2025	Coordinated with the AC XII Auditor.	

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		f) Comply with the laws and regulations on prompt payments of premiums and loan payments to the different government agencies to avoid penalties.	To comply with the laws and regulations on prompt payments of premiums and loan payments to the different government agencies to avoid penalties.	Accounting Division - HO			Implemented		Remittance is made within the prescribed period	09/10/2025	Implemented	05/01/2025	05/01/2025	
24	CAAP did not deduct GSIS loan amortizations from employees' compensation, which is not in accordance with the Implementing Rules and Regulations of Republic Act No. 8291, otherwise known as the Government Service Insurance System Act of 1997.	We recommended, and Management agreed to direct the HRMD and the Accounting Division to:  a) Review and reconcile payroll records of employees with outstanding GSIS loan deductions, and coordinate with the GSIS to ensure that all previous deductions are accurately applied to the respective loan accounts;	Coordinate with GSIS, Philhealth and PagIBIG to reconcile all records	HR Operations Division	03/01/25	10/31/25	Implemented		CAAP coordinated and have sent out letters addressed to GSIS, Philhealth and PagIBIG	09/04/2025	Not Implemented			Pending the review and reconciliation of payroll records of employees with outstanding GSIS loan deductions.
		b) Coordinate with affected employees to deduct their outstanding loan amortizations from their payroll and ensure accurate remittance to GSIS, in compliance with pertinent laws, rules, and regulations;	HRMD to send correspondence to employees with active loan status with GSIS and request to update/ confirm their loan amortizations and for Accounting to remit the accordingly	HRMD	06/01/25	09/30/25	Not Implemented	Ongoing reconciliation with Accounting Division	Prepared memorandum for issuance	09/04/2025	Not Implemented			The Reconciliation is still ongoing.

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		c) Direct the AAO to monitor all outstanding GSIS loans and to affix his/her signature on the payroll register and remittance advice to signify that review was conducted as to the accuracy of deductions; and	Include in the Procedure Manual on preparation of Monthly Payroll for Regular Employees	HR Operations Division	05/01/25	06/30/25	Implemented		Included in the HR QMS Manual  Designated new AAO who is currently handling Payroll for ease of evaluation	09/04/2025	Implemented	05/01/25	06/30/25	
		d) Provide a written explanation for any erroneous loan amortization deductions and remittances, and submit a detailed plan to address the identified deficiencies.	Prepare response to COA	HR Operations Division	04/01/25	04/30/25	Implemented		The HR Operations Division sent a letter of response to COA dated April 2, 2025.	09/04/2025	Implemented	03/27/2025	03/27/2025	
25	Absence of Certificate(s) of Title (COT) or, if available, not registered under CAAP's name raised questions about the validity of CAAP's ownership of several lots.	We reiterated our prior years' recommendations, with modification, that Management direct:  a) CAAP-HO to:  i. Direct the RETTF, ADMS, AMD, and ELS to coordinate closely with MIAA and the OGCC to expedite the approval of the MOA and facilitate the transfer of properties covered under the 2015 Partition Agreement, specifically	Closely monitor coordination efforts made with the Manila International Airport Authority with regards to the transfer of MIAA Properties occupied by the CAAP and adhere to relevant government agencies' guidelines for the transfer thereof.	AMD / RETTF	08/15/25	12/31/25	Not Implemented	Ongoing preparation of the Memorandum of Agreement between MIAA and CAAP. Both CAAP and MIAA shall agree on an MOA to implement the transfer of properties pursuant to RA 9497.	Coordinate with necessary agency for the implementation of the MOA; upon securing Presidential approval of the MOA between the parties.	9/11/2025	Not implemented			MOA is between CAAP and MIAA pending to be presented to the MIAA Board.

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		those formerly covered by Certificates of Title for lots used at Civil Aviation Training Center with lot nos. 3270-B-3-A-2-J-1 (LRA) PSD-436693 and 3270-B-3-A-2-J-2 (LRA) PSD-436693). Also, verify the status of the Manila Radar lot with MIAA and initiate the transfer of the corresponding titles;												
		ii. Instruct the ADMS and AMD to resolve the discrepancies in the property records and promptly process the transfer of the Certificate of Title for the Tagaytay Radar – Site 1 lot in favor of CAAP.	With the approval of the DG, the AMD shall hire a Real Estate Consultant with the main function of liaising between necessary government agencies for the transfer of CAAP-occupied properties.	AMD	08/01/25	12/31/25	Not Implemented	Ongoing	Evaluate candidates for Real Estate Consultants to aid AMD with the implementation of RA 9497, Section 85.	9/16/2025	Not implemented			Ongoing resolution of the noted discrepancies in the property records.
		b) ACs I, II, X, and XII to expedite proper legal remedies for the immediate transfer of titles of lots in favor of CAAP and secure the same to	AC I - For lots under the name of private individuals, their claims were	Legal Unit/Area TWG - Titling	01/01/25	12/31/27	Not Implemented	As for claims referred to SAC, the AC I is waiting for additional documents from claimants to verify their claims. As for those with	Claimants have been informed of the required documents, and a request has been forwarded to Finance Area	9/16/2025	Not implemented			Inquiry disclosed that CAAP, through the RETTF and RETTWGs, is actively

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		support the claim of ownership;	already referred to SAC											working on securing property title documentation of all its real properties nationwide to be registered under the name of this Authority pursuant to the RA 9497 and is presently validating the budgetary and documentary requirements.
			For lots not registered with any private individuals, we are in the process of securing the requirements needed for the application of a special patent.	RET-TWG Area 10		12/31 /27	Not Implemented	complete requirements, the AC I will procure the services of an appraiser to appraise the land, which will serve as the basis for the claim.  In the case of unregistered lands, a budget proposal has been submitted for FY 2026  Fund the survey of lots subject to special patent applications.	I for the augmentation of funds.					In addition, CAAP confirmed that the RETTF and RETTWGs underwent a 2-day workshop on Fundamentals of Real Estate Titling in the Government on 03-04 September 2025 at the Civil Aviation Training Center, as part of the Authority's capacity
			AC X - To coordinate with the DOTr and other government agencies that facilitated the acquisition process and request the turnover of all titles of land and other necessary documents so that the titling process will materialize.	RET-TWG			Not Implemented		AC X has already emailed the DOTR requesting the status of acquired lots.  RET-TWG will coordinate with the other government agencies responsible for site acquisition so that all the titles and other documents will					

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			AC II- Seek proper legal land actions or remedies that would enable the Management to resolve issues encountered in the titling of lots and expedite processing of land titles  AC XII – To expedite the Titling of CAAP lots				Implemented	Lack of funds.	be turned over to the custody of Area Center X.  The Management instructed the SPRO to proceed with the processing of the titles and will make a request again for the funds to be used for the transfer of the titles.  The designated personnel of AC XII are actively working to expedite the titling of CAAP lots.					building initiatives.
		c) ACs V and XII to require the submission of all the necessary documentation for the processing of the titles of the lands, as well as necessary reports, i.e., Report on the Status of Real Estate Titling;	AC V - To require the submission of all the necessary documentation for the processing of the titles of the lands, as well as necessary reports, i.e., Report on the Status of Real Estate Titling  AC XII – To submit all	RET TWG		12/31 /27	Not Implemented  Implemented	Incomplete documents at hand	AC V is schedule to attend training to be conducted by RET-HO on September 02-05, 2025. Please note that these dates are still tentative.  Designated personnel	9/16/2025	Not implemented			Inquiry disclosed that CAAP, through the RETTF and RETTWGs, is actively working on securing property title documentation of all its real properties nationwide to be registered under the name of this Authority

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			necessary documentation for the processing of the title of lands						regularly prepare and update on the progress of the land titling.					<p>pursuant to the RA 9497 and is presently validating the budgetary and documentary requirements.</p> <p>In addition, CAAP confirmed that the RETTF and RETTWGs underwent a 2-day workshop on Fundamentals of Real Estate Titling in the Government on 03-04 September 2025 at the Civil Aviation Training Center, as part of the Authority's capacity building initiatives.</p>
		d) AC I to strictly monitor the enforcement of the terms and conditions contained in any binding agreements concerning the Agency's land holdings to ensure the desired	Area I is now actively monitoring contracts related to land transactions, particularly those involving the transfer of property from private	Legal Unit/Area TWG - Titling			Implemented			9/17/2025	Implemented	June 2025	September 2025	Certification issued by Area Center I for compliance with the recommendation.

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		outcomes are achieved;	individuals to the Authority											
		e) AC II RET-TWG to comply with the duties and functions laid out in Area Order No. AC2-2023-005;	The Management reiterated the duties and responsibilities of the RET-TWG.	AC II - RET-TWG			Not Implemented	Lack of Funds	The Management instructed the SPRO to proceed with the processing of the titles in assistance to RET-TWG.	9/16/2025	Not implemented			Inquiry disclosed that CAAP, through the RETTF and RETTWGs, is actively working on securing property title documentation of all its real properties nationwide to be registered under the name of this Authority pursuant to the RA 9497 and is presently validating the budgetary and documentary requirements.
		f) ACs V and XII to secure and submit copies of legal documents and/or land title certificates;	AC V - To secure and submit copies of legal documents and/or land title certificates			12/31/25	Not Implemented	Incomplete documents for some lots	Submitted available copies of legal documents and title certificates to COA AC V	9/16/2025	Not implemented			In addition, CAAP confirmed that the RETTF and RETTWGs underwent a 2-day workshop on Fundamentals of Real Estate Titling in the Government

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													on 03-04 September 2025 at the Civil Aviation Training Center, as part of the Authority's capacity building initiatives.	
a.		g) ACs X and XII to make representation with CAAP HO to request the conduct of land appraisal/ revaluation to accurately reflect current market values in the financial statements; and	AC X - We will make a representation to the HO requesting the conduct of land appraisal/revaluation to accurately reflect current market values in the financial statements.	RET-TWG Area CEO		12/31 /27	Not Implemented		To request the CAAP HO through a letter requesting the appropriate Office to conduct of land appraisal/revaluation to accurately reflect current market values in the financial statements.	9/16/2025	Not implemented			Both ACs are yet to make a representation with CAAP-HO.
			AC XII – Coordinate with HO for the conduct of land appraisal/revaluation				Not Implemented		Designated personnel to coordinate with HO in the upcoming real estate workshop.					
		h) AC XII to request any relevant documents from the Asset Management Division of the HO to support the recorded Land account of AC XII, and update the supporting schedule of the Land account, ensuring that it includes all necessary					Implemented		AC XII confirms to have received documents from AMD	9/18/2025	Implemented			AMD communicated all reference materials to ACs.

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		information for ascertaining the ownership and accurate recording of the account.											
26	The prolonged non-disposal of unserviceable properties, with a carrying amount of at least P6.717 million, led to further deterioration and decline in value, while also incurring additional costs for storage, maintenance, and security.	We reiterated our prior years' recommendations, with modification, that Management:  a) Instruct the Disposal Committee of CAAP HO, ACs II, V, and XII to promptly initiate disposal procedures for unserviceable properties in accordance with the provisions of COA-DBM Joint Circular No. 2024-01 and COA Circular No. 89-296 to avoid further deterioration, preserve asset value, and help decongest storage areas; and	AC II - The Management instructed the Disposal Committee to initiate disposal procedures for unserviceable properties.  AC V Virac Airport- to promptly initiate disposal procedures for unserviceable properties in accordance with the provisions of COA-DBM Joint Circular No. 2024-01 and COA Circular No. 89-296 to avoid further deterioration, preserve asset value, and help decongest storage areas  AC XII	Disposal Committee  Virac Airport Disposal Committee			Not Implemented  Not Implemented		The Management instructed the Disposal Committee to initiate disposal procedures for unserviceable properties.  Virac Airport  Collected all items subject for disposal including the PPEs listed in the observation.  To prepare documents such as IIRUP, Pictures of PPEs for Disposal, Disposal Committee evaluation and recommendation  Already disposed of the first batch of unserviceable items. On going preparation of the documents and items.	9/5/2025	Not implemented		IIRUP dated 2024 subject for disposal this CY 2025 was already approved. However, it is due for final quotation to serve as the basis of appraisal and bidding. While documents for other unserviceable properties are being collated to finalize the Inventory and Inspection Report, subject for approval and disposal.

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			Conduct disposal two (2) Helio aircraft through donation to the PHILSCA.	Supply Division-HO / PDC-HO			Not Implemented	The timeline for the preparation, review and approval of documentation required further time than the preset schedule of the disposal and thus adjusted accordingly.	The disposal of two (2) Helio aircraft was already approved by the CAAP Board through the issued Board Resolution dated 18 June 2025.					
			Disposal of Office, IT Equipment and Other Scrap Materials FY 2025					Particularly, as per inquiry with the PHILSCA, the discussion of the donation of the aircraft will be tackled on 20 August 2025 during their Board of Trustees meeting which shall be the basis for the issuance of the required PHILSCA Board Resolution.	Currently, the disposal committee constantly coordinates with the PHILSCA representative awaiting for the provision of the PHILSCA Board Resolution as part of the requisite for the donation.					
		b) Direct the AD of CAAP HO, ACs II, V, and XII to secure complete supporting documents related to the unserviceable properties and disposal activities to properly substantiate	The Management instructed the Disposal Committee to secure complete supporting documents related to the							9/5/2025	Not implemented			No adjustments made yet as unserviceable properties are due for disposal this 2025, if warranted.

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		the corresponding journal entries.	unserviceable properties and disposal activities.										
			AC V - To secure complete supporting documents related to the unserviceable properties and disposal activities to properly substantiate the corresponding journal entries.	Virac Airport Disposal Committee	04/01/25	12/31/25	Not Implemented	Ongoing process of Disposal	To facilitate preparation of documents such as IIRUP, Pictures of PPEs for Disposal, Disposal Committee evaluation and recommendation				
			AC II - The Management instructed the Disposal Committee to secure complete supporting documents related to the unserviceable properties and disposal activities.	Disposal Committee	08/01/25	12/31/25	Not Implemented	Ongoing process	The IIRUP is to be submitted to COA for evaluation and inspection.				
			AC XII				Implemented		AC XII was able to dispose of the first batch of unserviceable items. On going preparation of the documents and items.				

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		c) Direct AC XI to:  i. Expedite the preparation of an updated and/or complete Inventory and Inspection Report of Unserviceable Properties (IIRUP) to come up with a complete list of unserviceable properties and waste materials based on the latest physical inventory;	AC XI - Preparation of Inventory and Inspection Report of Unserviceable Properties (IIRUP) and list of unserviceable properties and waste materials	AC XI - Supply Unit/ Disposal Committee	01/01/25	12/31/25	AC XI - Implemented		The Inventory and Inspection Report of Unserviceable Properties (IIRUP) as well as the list of unserviceable as of December 31, 2024, were already prepared and submitted to the office of the auditor.	9/5/2025	Not implemented			Necessary documents related to unserviceable properties and disposals were not yet submitted to Area Center Auditors.
		ii. Determine the appraised value of all unserviceable properties and waste materials using the COA Manual on Appraisal of Government Properties;	AC XI - Will do the appraisal on all unserviceable properties and waste materials using COA manual on government properties	Disposal Committee	01/01/25	12/31/25	Not Implemented		AC XI is currently in progress for its partial implementation, as appraisal was made for the disposal of batteries only.	9/5/2025	Not implemented			Necessary documents related to unserviceable properties and disposals were not yet submitted to Area Center Auditors.
		iii. Instruct the Supply and Property Officers and the Area Accountant to issue a certification that the documents and records can no longer be found, traced, and reconciled and that the	AC XI - For Supply Officer and Accountant to issue certification on the documents and records can no longer be found, traced, and reconciled and that unserviceable	Supply and Accounting Unit	01/01/25	12/31/25	Implemented			9/5/2025	Not implemented			Necessary documents related to unserviceable properties and disposals were not yet submitted to Area Center Auditors.

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		unserviceable properties are found on site with no owner (abandoned property). Provided that efforts have been exerted by the persons responsible and done in good faith; and	properties found at station are abandoned.											
		iv. Furnish the Audit Team program for disposal with time schedules and other relevant documents at least 20 days before the advertisement of the call to public auction pursuant to COA Circular No. 89-296.	AC XI - Management will comply with the recommendations.	Supply and Accounting Unit	01/01/25	12/31/25	Implemented			9/5/2025	Not implemented		Necessary documents related to unserviceable properties and disposals were not yet submitted to Area Center Auditors.	
27	Negative slippage of more than 15 per cent was noted in six projects as of December 31, 2024, which is not in accordance with the guidelines outlined in the Government Procurement Policy Board (GPPB) Circular No. 03-2019, resulting in prolonged delays in the implementation of the infrastructure projects.	We recommended, and Management agreed to require the Aerodrome Development and Management Service (ADMS) to strictly monitor the negative slippage and immediately issue the appropriate warning letters to the concerned contractors. In addition, require the contractors to submit the necessary documents in accordance with GPPB Circular No. 03-2019.	The ADMS to strictly monitor negative slippage of the projects being implemented.	ADMS	08/01/25	Present	Implemented		The PMO-ADMS issued Notice of Delay for any projects that incur negative slippages of five, ten, and fifteen percent to contractors to call their attention to expedite the construction and cope with their delays. When the project reached	9/15/2025	Implemented	8/01/25	Present	Copies of warning letters issued to the concerned contractors were submitted to the Audit Team on 9/25/2025 to support compliance with the audit recommendation.



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	resulted from their timely completion.	are met to avoid similar delays.												
29	Delays in the preparation and execution of contracts, as well as in meeting the posting requirements on PhilGEPS, contrary to Section 37 of RA No. 9184, thus depriving the intended users of the timely benefits from the projects.	<p>We recommended that Management ensure the timely execution of government contracts within 10 calendar days from receipt of the Notice of Award, in compliance with Section 37 of RA No. 9184. We further recommended the following:</p> <p>a) For AC II: Instruct the BAC Secretariat and BAC Chairman, through the preparation of Procurement Monitoring Report, to monitor the compliance of the Agency with the provisions of RA No. 9184 insofar as the conduct of major procurement activities for each government project within the periods prescribed is concerned; and</p>	AC II - The Management instructed the BAC Secretariat and BAC Chairman, through the preparation of Procurement Monitoring Report, to monitor the compliance of the Agency with the provisions of RA No. 9184 insofar as the conduct of major procurement activities for each government project within the periods prescribed is concerned				Implemented		The Management reminded the BAC Secretariat and BAC Chairman of their responsibility prepare a procurement monitoring report.	6/30/2025	Implemented			Per inquiry and validation made by the Area Center II Audit Team
		b) For AC VI: Require all BAC Secretariat to post in the PhilGEPS the Notice of Award within three CDs from its issuance, and the Notice to Proceed and the approved contract within 15 CDs from the issuance of the NTP.	AC VI - Instructed all BAC Secretariat to post to PhilGEPS the NOA and NTP.	Procurement Unit/BAC	03/01/25	03/31/25	Implemented		The Bids and Awards Committee of Area VI has reiterated to the BAC Secretariats the mandatory compliance with the PhilGEPS posting requirements. A detailed monitoring	6/16/2025	Not Implemented			Per inquiry and validation made by the Area Center VI Audit Team

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30	AC XI did not enforce their rights to require the contractor to repair structural defects during the defects liability period, contrary to Section 62.2.2 of the 2016 Revised Implementing Rules and Regulations (IRR) of RA No. 9184.	We recommended, and Management agreed to strictly require the end-user(s) of the project, along with the project inspector, to meticulously examine or inspect the projects for compliance and identify any structural defects during the "defects liability period". This would ensure that the contractor addresses any observed defects, as stipulated in the Performance Security, before issuing the Certificate of Final Acceptance and releasing the retention money to the contractor, in accordance with Sections 6.2 and	AC XI - Management will comply with the recommendations.	AC XI - Gensan Airport	03/01/25	12/31/25	Implemented		The management carried out corrective measures without incurring additional costs to CAAP. The contractor confirms and commits to addressing the defects identified in the audit observation.	9/1/2025	Implemented	March 2025	Present	For continuous monitoring of AC XI Audit Team.

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		62.2.2 of the revised IRR of RA No. 9184.												
31	AC XI did not require the contractor to provide a Warranty Security, contrary to the provisions of the 2016 Revised IRR of RA No. 9184, thus undermining the purpose of the law in ensuring that the contractor fulfills his responsibilities and putting the government's interests at a disadvantage as there were structural defects observed after finally accepting the project.	We recommended, and Management agreed, that for future procurement of infrastructure projects, the contractor(s) must strictly provide a Warranty Security. Clearly state in the Specific Condition of the Contract such a requirement to ensure that the contractor posts the warranty after the Certificate of Final Acceptance is issued.	AC XI - Management will comply with the recommendations.	AC XI - Gensan Airport	01/01/25	25	Implemented		Management assured that beginning CY 2025, the BAC will explicitly incorporate the warranty security requirement into the bidding documents to ensure compliance and safeguards for future projects.	9/1/2025	Implemented	March 2025	Present	For continuous monitoring of AC XI Audit Team.
32	The Authority's submitted Gender and Development (GAD) Database/Sex-Disaggregated Data (SDD) lacked sufficient gender statistics, undermining the effectiveness of the gender analysis and the relevance of the identified gender issues in the GAD Plan and Budget (GPB).	We recommended, and Management agreed to: a) Direct the GFPS to consolidate and submit the results of the gender-related survey and ensure that the GAD database/SDD is enhanced to include comprehensive and relevant gender statistics to support the institutionalization of the GAD D/SDD; and	To re-establish the GAD D/SDD survey.	GAD GFPS	03/01/25	09/30/25	Not Implemented	Due to technical problem encountered during the data generation	The GAD S/SDD Survey was re-established, and a memo was issued to CAAP employees to join the GAD S/SDD Survey.	09/10/2025	Not Implemented			They have yet to submit the consolidated results of the survey since they re-established it.
		b) Strengthen the data collection, consolidation, and management mechanisms to improve the reliability of identified gender issues and	The GAD GFPS in coordination with ITD and HRMD will monitor, manage and consolidate the	GAD GFPS	03/01/25	09/31/25	Not Implemented	Due to technical problems encountered during the data generation, CAAP GAD GFSP was unable to generate	The GAD GFPS conduct a coordination meeting with the ITD and HRMD to facilitate the re-establishment of	09/10/2025	Not Implemented			

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		the accuracy of the accomplishments.	data gathered through the survey. This data will be used to analyze and evaluate the plans and programs of GAD and align it to the needs of CAAP employees.					the result of the survey.	the GAD D/SDD survey and determine the responsibility of each division/department involved.					
33	CAAP utilized only 67.82 per cent of its budget for GAD in CY 2024, depriving beneficiaries of the potential benefits from identified GAD Programs, Activities, and/or Projects (PAPs).	We recommended, and Management agreed to:  a) Reassess and review the technical and financial requirements of all GAD-related projects to ensure that they are market-responsive and encourage broader participation from qualified bidders; and	GADFPS will review all GAD-related projects and ensure compliance to relevant laws and regulations.				Not Implemented			09/10/2025	Not Implemented			
		b) Undertake proactive measures to strengthen the implementation of GAD PAPs, including revising the GPB, as necessary, to ensure that identified gender issues are properly addressed and that intended beneficiaries fully receive the associated benefits.	GADFPS will review all GAD-related projects and ensure compliance to relevant laws and regulations.				Not Implemented			09/10/2025	Not Implemented			

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34	Delayed submission of the CY 2024 GAD Accomplishment Report (AR) contrary to Section V of COA Circular No. 2014-001 and Section 1.1 of PCW Memorandum Circular No. 2024-05.	We recommended, and Management agreed, to direct the GFPS to establish a clear internal timeline and enforceable deadlines for the submission of GAD ARs by the ACs to help ensure the timely consolidation and submission of the annual GAD AR to the Audit Teams and PCW in compliance with applicable regulations.	The CAAP Management to issue a memorandum to CAAP GAD GFPS regarding deadline for the submission of the GAD Annual Report	GAD GFPS	03/01/25	09/30/25	Implemented		A memorandum was issued reminding the GAD GFPS of the required date for the submission of CAAP GAD Annual Report.	09/02/2025	Implemented	08/14/2025	08/14/2025	A memorandum dated August 14, 2025 was issued advising all concerned offices/units to submit their GAD Accomplishments Reports to GFPS on or before the first week of January each year in order to meet the deadline of the submission of consolidated GAD AR.
35	CAAP was not able to assess and measure the functionality of its GFPS as well as the extent of the gender mainstreaming efforts of CAAP due to non-utilization of the GFPS Functionality Assessment Tool (FAT) as well as the non-administration of the enhanced Gender Mainstreaming and Evaluation Framework (GMEF).	We recommended, and Management agreed, to direct the GFPS to proactively explore and utilize the publicly available resources on the PCW website – such as handbooks, toolkits, and instructional videos – on the GFPS FAT and GMEF and proceed with the implementation of these tools to support the evaluation and enhancement of CAAP's gender mainstreaming initiatives.	GADFPS will explore the official website of the PCW to access available handbooks, toolkits, and instructional materials that can enhance the quality of gender analysis and GAD implementation .	GAD GFPS	08/01/2025	12/31/2025	Not Implemented		If necessary, the Authority will allocate resources for the purchase or acquisition of the relevant materials. In addition, this will be included as part of the discussions during the CY 2026 GAD Planning and Budget tentatively scheduled on the 4 <sup>th</sup> Quarter of 2025.	09/02/2025	Not Implemented			