



Republic of the Philippines  
**COMMISSION ON AUDIT**  
**NATIONAL GOVERNMENT SECTOR**  
**Cluster 1 – Executive Offices**  
Quezon City

July 26, 2021

**Secretary CARLITO G. GALVEZ, JR.**  
Office of the Presidential Adviser on the Peace Process  
7<sup>th</sup> Floor, Agustin I Building, F. Ortigas Jr. Street  
Ortigas Center, Pasig City

**Dear Secretary Galvez:**

We are pleased to transmit the Annual Audit Report (AAR) on the audit of the Office of the Presidential Adviser on the Peace Process (OPAPP) for the year ended December 31, 2020 in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of the Government Auditing Code of the Philippines (PD No. 1445).

The attached report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and the corresponding Recommendations, which were discussed with the concerned Management Officials and Staff, and the Status of Implementation of Prior Year's Audit Recommendations.

The audit was conducted to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions as well as the extent of compliance with applicable laws, rules and regulations; and (c) determine the extent of implementation of prior year's audit recommendations. Moreover, the audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). We believe that our audit provides reasonable basis for our unqualified audit opinion.

Pursuant to Section 89 of the General Provision of the General Appropriations Act for FY 2020 (Republic Act No. 11465), we request that a status report on the actions taken on the recommendations be submitted within sixty (60) days from receipt of the report, either in printed form or by way of electronic documents, using the attached Agency Action Plan and Status of Implementation (AAPSI) form.

We express our appreciation for the valuable support and cooperation extended to the Audit Team by the officials and staff of the Agency.

Very truly yours

  
**SOFIA C. GEMORA**  
Director IV



**Republic of the Philippines  
COMMISSION ON AUDIT  
Commonwealth Ave., Quezon City**

# **ANNUAL AUDIT REPORT**

**on the**

## **OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS**

**For the Year Ended December 31, 2020**



## EXECUTIVE SUMMARY

### A. Introduction

The Office of the Presidential Adviser on the Peace Process (OPAPP) was created by virtue of Executive Order (EO) No. 125 dated September 15, 1993 under the immediate control and supervision of the President of the Philippines. It is charged with the task of managing, implementing and supervising all the components of the comprehensive peace process in continuance of the work initiated by the National Unification Commission (NUC).

EO No. 3 dated February 28, 2001 was issued defining the government's policy framework for peace, including the systematic approach and the administrative structure for carrying out the comprehensive peace process.

Administrative Order No. 172 was issued on March 23, 2007, creating the National Committee on Social Integration (NCSI) under the OPAPP to implement the Social Integration Program (SIP) for rebel groups and pursue the government agenda that calls for principled negotiated settlement with all armed rebel groups under the rule of law and in accordance with the constitutional process.

The OPAPP is presently headed by Secretary Carlito G. Galvez, Jr., Presidential Adviser on the Peace Process, assisted by three Undersecretaries and three Assistant Secretaries.

As of December 31, 2020, OPAPP has a total workforce of 642, details as shown below:

Position	No. of Personnel
Co-Terminus (Presidential Appointees)	5
Government Peace Negotiating Panels	-
Contractual (Plantilla)	164
Contract of Service	452
Consultants	18
Job Orders	3
<b>Total</b>	<b>642</b>

## B. Operational Highlights

The reported accomplishments of OPAPP for the Calendar Year (CY) 2020 are shown below:

Organizational Outcomes and Performance Indicators	Physical Targets	Accomplishments	
		Actual	Percentage
<b>Organizational Outcome : Negotiated political settlement of all internal armed conflicts</b>			
<b>Technical Advisory and Support Services on the Comprehensive Peace Process Program</b>			
<b>Outcome Indicators</b>			
1. Percentage of completion of delivery of the components of the Annex on Normalization namely security, socioeconomic component, confidence-building measures and transitional justice and reconciliation	20%	20%	100
2. Percentage completion of the implementation of remaining commitments under the Final Peace Agreement (FPA)	40%	27.50%	69
3. Number of comprehensive agreements signed	-	-	
4. Percentage completion of the implementation of agreements	25%	35%	1405
<b>Output Indicators</b>			
1. Number of mechanisms reconstituted and operationalized for the implementation of the Comprehensive Agreement on the Bangsamoro (CAB)	13	18	138
2. Number of mechanisms for the implementation of the GPH-MNLF peace agreement established and operationalized	2	2	100
3. Number of policies issued and adopted	3	2	67
4. Number of mechanisms supporting the transition of non-state armed groups (NSAGs) into legitimate political or socioeconomic organizations established and/or operationalized	7	19	271
5. Number of localized NAPWPS implemented	-	-	

## C. Financial Highlights

The financial position, financial performance and sources and utilization of funds of OPAPP for CY 2020, with corresponding figures for CY 2019, are shown on the next page:

Particulars	Amount (₹)	
	2020	2019 As Restated
<b>Financial Position</b>		
Assets	3,735,425,326.66	4,146,974,636.95
Liabilities	344,127,694.20	512,064,134.13
Net Assets/Equity	<b>3,391,297,632.46</b>	<b>3,634,910,502.82</b>
<b>Financial Performance</b>		
Revenue	326,949.50	10,280,636.90
Current Operating Expenses	552,889,954.49	625,723,930.71
Net Financial Assistance / Subsidy	315,497,453.26	526,929,393.93
Other Non-Operating Income	4,100.00	32,938.83
Surplus/(Deficit)	<b>(237,061,451.73)</b>	<b>(88,480,961.05)</b>
<b>Sources and Utilization of Funds</b>		
Appropriations	2,711,206,221.73	3,120,685,180.37
Allotments	2,536,696,221.73	3,120,685,180.37
Obligations Incurred	2,132,732,413.08	2,131,287,065.49
Disbursements	1,259,814,483.51	2,045,710,451.82
Unobligated Allotments	<b>403,963,808.65</b>	<b>989,398,114.88</b>

The Statement of Appropriations, Allotments, Obligations, Disbursements and Balances for CY 2020 is shown in *Annex A*.

#### D. Scope of Audit

The audit covered the accounts and operations of the OPAPP for CY 2020. It was conducted to (a) ascertain the level of assurance that may be placed on the Management's assertion on the financial statements; (b) determine the propriety of transactions as well as extent of compliance on the applicable laws, rules and regulations; and (c) determine the extent of implementation of prior year's audit recommendations. Moreover, the audit was conducted in accordance International Standards of Supreme Audit Institutions (ISSAIs).

#### E. Auditor's Report on the Financial Statements

The Auditor rendered an unqualified opinion on the fairness of presentation of the financial statements of the OPAPP for CY 2020.

#### F. Summary of Significant Observations and Recommendations

The following are the significant audit observations and corresponding recommendations, which were discussed with Management officials concerned,



details of which are contained in the Part II of this report. Management views and comments were incorporated in the report, where appropriate:

1. Cash in bank accounts with a total balance of ₱50,468,260.69 were not remitted yet to the National Treasury as there being no action taken on the previous audit recommendation to comply with EO No. 338 dated May 17, 1996, as implemented under Commission on Audit (COA)-Department of Budget and Management (DBM)-Department of Finance (DOF) Joint Circular (JC) No. 1-97 dated January 2, 1997.

We recommended and Management agreed to require the Chief of Finance and Administrative Services (FAS) to make representation with the Permanent Committee for the authority to maintain special accounts pursuant to DOF-DBM-COA JC No. 4-12, otherwise, their balance should be remitted to the National Treasury for lack of explicit authority to maintain such special accounts.

2. Deficiencies were noted in the granting and liquidation of the advances to Special Disbursing Officers of which out of the year-end balance of ₱33,430,473.48, a total of ₱14,925,969.21 or 45 percent remained unliquidated for one to five years contrary to the provisions of COA Circular 97-002 dated February 10, 1997; and a total of ₱9,322,319.67 were granted to 23 accountable officers even if the previous cash advances have not been liquidated and accounted for in the books contrary with Section 89 of Presidential Decree (PD) 1445.

We recommended and Management agreed to:

- a. require the AOs to refund the excess balance of cash advance immediately or within the prescribed periods after completion/termination of the purpose thereof;
  - b. submit to the Audit Team proof of exhaustion of all administrative remedies taken by the Accountant in requiring the liquidation/settlement of cash advances in preparation for the filing of appropriate charges in case the accountable officers failed to comply; and
  - c. ensure that all documentary/procedural requirements are complied with prior to the processing of the cash advance and that no cash advance shall be drawn unless the previous cash advance had been properly liquidated and taken up in the books.
3. The balance of the Accounts Payable amounting to ₱172,062,246.24 as of December 31, 2020 is unreliable due to the inclusion of the unreverted amount of ₱10,557,729.17 representing the account outstanding for two years or more, contrary to EO No. 87 and Section 98 of PD No. 1445.



We reiterated our recommendation and Management agreed to require the Chief Accountant to revert to the Unappropriated Surplus of the General Fund the remaining payables, which are outstanding for two years and more, particularly pertaining to those accounts and funds for which the implementation of the programs/projects has been completed and accomplished.

4. Cash and Receivables accounts' balances amounting to ₱42,834,531.39 remained dormant or non-moving for more than five years due to lack of appropriate action taken despite previous audit recommendations to comply with COA Circular Nos. 97-001 and 2015-001 dated February 5, 1997 and January 29, 2015, respectively.

We recommended and Management agreed to require the Chief Accountant to:

- a. conduct thorough analysis of the cash accounts, particularly pertaining to those accounts and funds, which are non-moving for more than five years; funds which are dormant and are no longer necessary for the attainment of the purposes for which the funds were established/received and/or the project implementation has been completed, terminated, cancelled or abandoned;
- b. return the unutilized balances to the Source Agency/donors/financing entities in the case of grants or foreign-funded programs/projects wherein the attendant agreements require the return of unused balances or remit the same to the National Treasury; and
- c. request an authority from COA to write-off the receivables, which are dormant or remained outstanding for 10 years or more following the requirements stated under COA Circular No. 2016-005 dated December 19, 2016.

#### **G. Summary of Audit Suspensions, Disallowances and Charges at year end**

Audit suspension and disallowances amounting to ₱4,226,552,630.18 and ₱15,912,123.00, respectively were issued in CY 2020 to the agency. While prior years audit suspensions and disallowances totaling ₱249,706,657.13 and ₱118,945.80, respectively were settled/paid leaving an unsettled balance of ₱4,289,975,086.20 and ₱51,879,820.33, respectively as of December 31, 2020.

#### **H. Implementation of Prior Year's Recommendations**

Of the 28 audit recommendations contained in CY 2019 Annual Audit Report (AAR), 16 were implemented and 12 were not implemented. The details are presented in Part III of this report.

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# PART IV

## ANNEXES

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Republic of the Philippines  
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Cluster 1 –Executive Offices

## **INDEPENDENT AUDITOR’S REPORT**

### **The Secretary**

Office of the Presidential Adviser on the Peace Process  
7<sup>th</sup> Floor, Agustin I Building, F. Ortigas Jr. Street  
Ortigas Center, Pasig City

### **Opinion**

We have audited the accompanying financial statements of the Office of the Presidential Adviser on the Peace Process (OPAPP) which comprise the statement of financial position as at December 31, 2020, the statement of financial performance, statement of cash flows, statement of changes in net assets/equity, statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the OPAPP as at December 31, 2020, and its financial performance, statement of cash flows, statement of changes in net assets/equity, statement of comparison of budget and actual amounts for the year then ended in accordance with Philippine Public Sector Accounting Standards (PPSASs).

### **Basis for Opinion**

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are described in the Auditor’s Responsibility for the Audit of the Financial Statements section of our report. We are independent of the agency in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Other Information**

Management is responsible for the other information. The other information obtained at the date of this auditor's report is included in the Annual Report of OPAPP but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management for Financial Statements**

Management is responsible for the preparation and fair presentation of financial statements in accordance with PPSASs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or by error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit observations, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## COMMISSION ON AUDIT

By:

  
RACHEL S. POLICARPO  
Supervising Auditor

June 30, 2021





**OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS  
STATEMENT OF FINANCIAL POSITION  
ALL FUNDS**

**AS AT DECEMBER 31, 2020**

(In Philippine Peso)

	<u>Note</u>	<u>2020</u>	<u>2019 As Restated</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	113,178,943.75	182,409,544.33
Receivables	6	3,507,337,794.53	3,870,656,356.58
Inventories	7	3,791,926.96	2,154,903.85
Other Current Assets	8	58,101,933.01	39,801,314.71
<b>Total Current Assets</b>		<b>3,682,410,598.25</b>	<b>4,095,022,119.47</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	52,544,970.11	51,073,486.54
Intangible Assets	10	469,758.30	879,030.94
<b>Total Non-Current Assets</b>		<b>53,014,728.41</b>	<b>51,952,517.48</b>
<b>Total Assets</b>		<b>3,735,425,326.66</b>	<b>4,146,974,636.95</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	11	172,062,246.24	288,710,696.81
Inter-Agency Payables	12	172,015,447.96	223,334,437.32
Trust Liabilities	13	50,000.00	19,000.00
<b>Total Current Liabilities</b>		<b>344,127,694.20</b>	<b>512,064,134.13</b>
<b>Total Liabilities</b>		<b>344,127,694.20</b>	<b>512,064,134.13</b>
<b>Total Assets less Total Liabilities</b>		<b>3,391,297,632.46</b>	<b>3,634,910,502.82</b>
<b>NET ASSETS / EQUITY</b>			
Accumulated Surplus/(Deficit)		3,391,297,632.46	3,634,910,502.82
<b>Total Net Assets/Equity</b>		<b>3,391,297,632.46</b>	<b>3,634,910,502.82</b>



**OFFICE OF THE PRESIDENTIAL ADVISER  
ON THE PEACE PROCESS  
STATEMENT OF FINANCIAL PERFORMANCE  
ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

(In Philippine Peso)

	<u>Note</u>	<u>2020</u>	<u>2019</u> <u>(As Restated)</u>
<b>Revenue</b>			
Service and Business Income	14	26,949.50	32,918.53
Shares, Grants and Donations	15	300,000.00	10,247,718.37
<b>Total Revenue</b>		<b>326,949.50</b>	<b>10,280,636.90</b>
<b>Less: Current Operating Expenses</b>			
Personnel Services	16	160,144,086.41	149,755,463.64
Maintenance and Other Operating Expenses	17	380,210,328.44	464,412,395.50
Financial Expenses	18	7,749.90	11,084.71
Non-Cash Expenses	19	12,527,789.74	11,544,986.86
<b>Total Current Operating Expenses</b>		<b>552,889,954.49</b>	<b>625,723,930.71</b>
<b>Surplus/(Deficit) from Current Operations</b>		<b>(552,563,004.99)</b>	<b>(615,443,293.81)</b>
Net Financial Assistance/Subsidy	20	315,497,453.26	526,929,393.93
Other Non-Operating Income	21	4,100.00	32,938.83
<b>Surplus/(Deficit) for the Period</b>		<b>(237,061,451.73)</b>	<b>(88,480,961.05)</b>

**OFFICE OF THE PRESIDENTIAL ADVISER  
ON THE PEACE PROCESS  
STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In Philippine Peso)

	<u>Note</u>	<u>2020</u>	<u>2019</u> <u>(As Restated)</u>
Balance at January 1		5,188,028,278.14	4,655,540,262.71
Prior Year Errors/Adjustments	4	(1,553,117,775.32)	(688,389,515.67)
<b>Restated balance</b>		<u>3,634,910,502.82</u>	<u>3,967,150,747.04</u>
<b>Add/(Deduct):</b>			
<b>Changes in Net Assets/Equity for</b>			
<b>the Calendar Year</b>			
Surplus/(Deficit) for the period		(237,061,451.73)	(88,480,961.05)
Adjustment of net revenue recognized directly in net assets/equity	22	<u>(6,551,418.63)</u>	<u>(243,759,283.17)</u>
<b>Balance at December 31</b>		<u><u>3,391,297,632.46</u></u>	<u><u>3,634,910,502.82</u></u>

**OFFICE OF THE PRESIDENTIAL ADVISER  
ON THE PEACE PROCESS  
STATEMENT OF CASH FLOWS  
(ALL FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(In Philippine Peso)**

	<u>Note</u>	<u>2020</u>	<u>2019 As Restated</u>
<b>Cash Flows From Operating Activities</b>			
<b>Cash Inflows</b>			
Receipt of Notice of Cash Allocation	23	2,053,063,965.00	2,980,018,760.00
Collection of Income/Revenues	24	326,949.50	32,918.53
Collection of Receivables	25	499,510.00	2,320,275.14
Other Receipts	26	6,737,793.14	242,921,017.25
Adjustments	27	53,600,045.84	4,933,431.70
<b>Total Cash Inflows</b>		<b>2,114,228,263.48</b>	<b>3,230,226,402.62</b>
<b>Cash Outflows</b>			
Remittance to National Treasury	28	6,551,418.63	243,759,283.17
Payment of Expenses	29	383,606,001.59	377,788,259.74
Purchase of Inventories	30	7,827,072.23	22,428,523.27
Grant of Cash Advances	31	109,261,437.76	131,696,766.65
Prepayments	32	157,169.60	718,815.46
Payment of Accounts Payable	33	442,630,908.63	26,397,278.25
Remittance of Personnel Benefit			
Contributions and Mandatory Deductions	34	21,496,102.66	19,838,676.80
Grant of Financial Assistance/Subsidy	35	57,924,992.21	-
Release of Inter-Agency Fund Transfers	36	751,956,767.41	1,507,952,538.55
Other Disbursements	37	545,282.91	1,498,395.85
Reversal of Unutilized NCA	20	395,904,321.67	937,679,066.53
Adjustments	38	4,473,030.36	359,110.37
<b>Total Cash Outflows</b>		<b>2,182,334,505.66</b>	<b>3,270,116,714.64</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>		<b>(68,106,242.18)</b>	<b>(39,890,312.02)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash Outflows</b>			
Purchase/Construction of Property, Plant and Equipment and Intangible Assets	39	1,124,358.40	3,026,461.13
<b>Total Cash Outflows</b>		<b>1,124,358.40</b>	<b>3,026,461.13</b>
<b>Net Cash Provided by (Used In) Investing Activities</b>		<b>(1,124,358.40)</b>	<b>(3,026,461.13)</b>
Increase (Decrease) in Cash and Cash Equivalents		(69,230,600.58)	(42,916,773.15)
Cash and Cash Equivalents, January 1		182,409,544.33	225,326,317.48
<b>Cash and Cash Equivalents, December 31</b>		<b>113,178,943.75</b>	<b>182,409,544.33</b>

**OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

**ALL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

(In Philippine Peso)

Particulars	Note	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
<b>RECEIPTS</b>					
Service and Business Income	40	-	26,949.50	26,949.50	-
Other Non-Operating Receipts					
Refund of Petty Cash and Advances	41	-	6,128,413.74	6,128,413.74	-
Other Receipts	42	-	609,379.40	609,379.40	-
<b>Total Receipts</b>		-	<b>6,764,742.64</b>	<b>6,764,742.64</b>	-
<b>PAYMENTS</b>					
Personnel Services	43	189,807,943.00	194,799,943.00	156,751,160.12	38,048,782.88
Maintenance and Other	44				
Operating Expenses	45	2,491,382,274.73	2,500,803,840.73	1,098,565,515.55	1,402,238,325.18
Capital Outlay		-	15,602,438.00	4,497,807.84	11,104,630.16
<b>Total Payments</b>		<b>2,681,190,217.73</b>	<b>2,711,206,221.73</b>	<b>1,259,814,483.51</b>	<b>1,451,391,738.22</b>
<b>NET RECEIPTS/ PAYMENTS</b>		<b>(2,681,190,217.73)</b>	<b>(2,704,441,479.09)</b>	<b>(1,253,049,740.87)</b>	<b>(1,451,391,738.22)</b>



# OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS (OPAPP)

## Notes to Financial Statements

For the year ended December 31, 2020

### 1. General Information/Agency Profile

The financial statements of the Office of the Presidential Adviser on the Peace Process (OPAPP) were authorized for issue on February 14, 2021 as shown in the Statement of Management Responsibility for Financial Statements signed by Ms. Leilannie T. Disomangcop, Accounting Division Head and Undersecretary Arnulfo R. Pajarillo, Finance and Administrative Services.

OPAPP is an office created under EO No. 125, s. 1993, to provide technical and administrative support to the Presidential Adviser on the Peace Process (PAPP) in the discharge of his/her functions for the coordination and implementation of all components of the comprehensive peace process.

Recognizing the growing demand for peace as a vital component in Philippine development and responding to the changing situation of the country, EO No. 3, s. 2001 was signed to amend the previous order which reaffirms the government's commitment in achieving just and lasting peace through a comprehensive peace process spearheaded by OPAPP.

To actualize the guidelines of EO No. 3, s. 2001, and to transform directives on the peace process into actual programs and projects, the National Government dedicated a section for peace on the Philippine Development Plan (PDP) of 2020-2022. Section 1, Chapter 17 of the PDP recognizes the vital role of winning the peace in achieving holistic national development. Specifically, the plan provides concrete directives that the peace process should be geared towards bringing all armed conflict to a permanent and peaceful closure.

The PDP promotes a two-pronged strategy in winning peace, namely:

#### 1. Peace agreements with all internal armed conflict groups successfully negotiated and implemented -

- a. Pursue the meaningful implementation of the agreement with MILF toward healing in the Bangsamoro;
- b. Complete the implementation of the remaining commitments under the GPH-MNLF Peace Agreements;
- c. Accelerate the signing and implementation of the final peace agreement with the CPP-NPANDF; and

d. Immediately conclude the peace process with the CBA-CPLA and the RPMP-RPA-ABB.

**2. Communities in conflict-affected and conflict-vulnerable areas protected and developed -**

- a. Implement peace-promoting and catch-up socioeconomic development in conflict areas;
- b. Empower communities by increasing their capacity to address conflicts and reduce their vulnerabilities; and
- c. Make government more responsive to peace, conflict, and security issues.

The office of OPAPP is located at 7F Agustin I Bldg., F. Ortigas Jr. Road, Ortigas Center, Pasig City.

**2. Statement of Compliance and Basis of Preparation of Financial Statements**

The financial statements of OPAPP have been prepared in accordance with and comply with the Philippine Public Sector Accounting Standards (PPSAS) issued by the COA per Resolution No. 2014-003 dated January 24, 2014.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

**3. Summary of Significant Accounting Policies and Other information**

**3.1 Basis of Accounting**

The OPAPP uses accrual basis of accounting. All expenses are recognized in the accounting records when incurred and reported in the financial statements in the period to which they relate. Income is on accrual basis except for transactions where accrual basis is impractical or some other methods are required by law.

**3.2 Financial Instruments**

**a. Financial assets**

*Initial recognition and measurement*

Financial assets within the scope of PPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair

value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The OPAPP determines the classification of its financial assets at initial recognition.

The OPAPP's financial assets include: cash on hand and in banks, trade and other receivables.

### ***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification.

### ***Derecognition***

The OPAPP derecognizes a financial asset or, where applicable, a part of a financial asset or part of OPAPP of similar financial assets when:

- The right to receive cash flows from the asset has expired or is waived.
- The OPAPP has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:
  - a) the OPAPP has transferred substantially all the risks and rewards of the asset; or b) the OPAPP has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### ***Impairment of financial assets***

The OPAPP assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated



future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the Agency. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

#### **b. Financial liabilities**

##### ***Initial recognition and measurement***

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The OPAPP's financial liabilities include payables to OPAPP employees and other payables.

##### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification.

##### ***Derecognition***

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

### **c. Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

### **3.3 Cash and Cash Equivalents**

*Cash and Cash Equivalents* account comprises cash on hand and cash in bank. This also includes collections remitted to the National Treasury through Authorized Government Depository Banks (AGDBs).

The *Petty Cash* is maintained under the Imprest System and all replenishments are directly charged to the expense account.

### **3.4 Inventories**

*Inventories* are accounted for under the Perpetual Inventory System. They are initially recognized at cost and subsequently measured using the Weighted Average Method.

*Inventories* are recorded as current assets. When they are distributed or disposed, their carrying amount is recognized as an expense.

### **3.5 Property, Plant and Equipment (PPE)**

PPE are carried at its cost less any accumulated depreciation and any accumulated impairment losses.

The OPAPP adopts the straight line method of depreciation using the Schedule of Estimated Useful Life of PPE prescribed by COA and applying a residual value equivalent to at least five percent of the cost of the PPE.

Depreciation begins when the PPE is available for use such as when it is in the location and condition necessary for it to be capable of operating as intended. It is computed for one month if the PPE is available for use on or before the 15<sup>th</sup> of the month. However, if the PPE is available for use after the 15<sup>th</sup> of the month, depreciation starts in the succeeding month. The depreciation charge for each period is recognized as expense.

The carrying amount of an item of PPE is derecognized on disposal or when no future economic benefits or service potential is expected from its use or disposal. The gain or loss arising from the derecognition of PPE through disposal by sale is the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### **3.6 Leases**

#### ***Operating lease***

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Agency.

Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

### **3.7 Intangible Assets**

*Intangible assets* are measured initially at cost. Where the intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

### **3.8 Changes in accounting policies and estimates**

The OPAPP recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The OPAPP recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

### **3.9 Revenue**

*Revenue/Income* is measured at the fair value of the consideration received or receivable.

### **3.10 Events after the Reporting Date**

There are no material non-adjusting events and transactions after the reporting date that would influence the opinion and decision of users taken on the basis of the financial statements.

### **3.11 Other Information**

Notice of Cash Allocation (NCA) is recorded under the Regular Agency Fund.

The Modified Obligation System is used to record allotments received and obligations incurred; separate registries are maintained to control allotments and obligations for each class of allotment.



### 3.12 Budget Information

The annual budget is prepared on a cash basis and is published in the website of *DBM*.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) was prepared since the budget and the financial statements were not prepared on a comparable basis. The SCBAA was presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes.

### 3.13 Related Party Transaction

OPAPP is under the supervision and control of the Office of the President as Other Executive Office.

#### a. Key Management Personnel

There are seven key management personnel in OPAPP also known as the Executive Committee. These are the Secretary, three Undersecretaries and three Assistant Secretaries who are all appointed by the President.

#### b. Key Management Personnel Remuneration

The aggregate remunerations of the key management personnel determined on a fulltime equivalent basis which also included remunerations of undersecretaries and assistant secretaries during the year, details as follows:

Particulars	Aggregate Remuneration (P)		
	Secretary	Under-Secretaries	Assistant Secretaries
<b>No. of Personnel</b>	<b>1</b>	<b>3</b>	<b>3</b>
Salaries and Wages	3,155,580.00	6,432,768.00	5,709,400.35
Personal Economic Relief Allowance	24,000.00	72,000.00	72,000.00
Representation Allowance	168,000.00	396,000.00	360,000.00
Extraordinary and Miscellaneous Expenses	354,000.00	594,000.00	450,000.00
Clothing Allowance	6,000.00	18,000.00	18,000.00
Mid-Year End Bonus	262,965.00	536,064.00	474,393.00
13 <sup>th</sup> Month Bonus and Cash Gift	267,965.00	551,064.00	489,393.00
Hazard Pay	32,000.00	86,000.00	71,000.00
Service Recognition Incentive	10,000.00	30,000.00	30,000.00

Particulars	Aggregate Remuneration (P)		
	Secretary	Under-Secretaries	Assistant Secretaries
Performance Enhancement Incentive	5,000.00	15,000.00	15,000.00
<b>Total</b>	<b>4,285,510.00</b>	<b>8,730,896.00</b>	<b>7,689,186.35</b>

#### 4. Prior Year Errors/Adjustments

The OPAPP has prior year errors/ adjustments that affected the current Accumulated Surplus/(Deficit) account with the following details:

Particulars	Amount (P)	
	2020	2019
<b>Credits (Additions) to Accumulated Surplus (Deficits)</b>		
Collection/refund and liquidation of fund transfers to NGAs in prior years	1,973,509.76	1,105,082,478.35
Collection/refund and liquidation of fund transfers to LGU in prior years	147,095.93	794,048,794.50
Refund and liquidation of fund transfers to NGO/POs in prior years	0.21	921,656,513.16
Collection/refund and liquidation of cash advances in prior years	2,042.03	20,725,659.87
Collection/refund and liquidation of petty cash fund in prior years	-	827,350.02
Stale Checks	1,412,406.11	9,537,160.43
Adjustment of Report of Supplies Issued	567.37	557,809.65
PPE reclassification	10,255,339.80	226,807.63
Adjustment on disallowance	-	56,827.00
Adjustment of Inter-Agency payable	13,971,136.26	-
Adjustment of depreciation on PPE	2,478,202.51	-
Correcting entries on collection	6,250.00	-
Adjustment of amortization	1,478,050.29	-
<b>Sub-total</b>	<b>31,724,600.27</b>	<b>2,852,719,400.61</b>
<b>Debits (Deductions) to Accumulated Surplus (Deficits)</b>		
Adjustment of liquidations	1,459,305,793.96	2,041,747,222.01
Adjustment of MOOE	1,290,123.84	117,064,200.88
Adjustment of accounts payable	3,193,753.07	-
Adjustment of Inter-Agency payable	116,633,250.00	-
Adjustment of other payables	-	5,278,728.03
Collection/MOOE	-	95,669.05
Correcting entries on collection	1,000.00	87,271.13



Particulars	Amount (P)	
	2020	2019
PPE reclassification	2,447,636.52	-
Adjustment of depreciation on PPE	1,970,733.74	48,000.00
Collection/overpayment of salaries	-	8,793.84
<b>Sub-total</b>	<b>1,584,842,375.59</b>	<b>2,164,329,884.94</b>
<b>Total</b>	<b>(1,553,117,775.32)</b>	<b>(688,389,515.67)</b>

#### Supporting Information to the Statement of Financial Position

#### 5. Cash and Cash Equivalents

Particulars	Amount (P)	
	2020	2019 As Restated
Cash on hand	695,327.57	60,561.06
Petty Cash	1,447,023.81	1,747,360.60
Cash in Bank-LCCA	111,036,592.37	180,601,622.67
<b>Total</b>	<b>113,178,943.75</b>	<b>182,409,544.33</b>

*Cash on Hand* pertains to cash collections for the last working day of the year which were remitted to the National Treasury on the succeeding working day.

*Petty Cash* represents the amount of cash in the hands of 26 petty cash custodians for the payment of Agency's petty cash expenses consisting of the following:

Particulars	Amount (P)	
	2020	2019 As Restated
MDS Regular	1,447,023.81	1,747,360.60
<b>Total</b>	<b>1,447,023.81</b>	<b>1,747,360.60</b>

MDS Regular is used to cover the Agency's petty expenses such as office supplies, repairs and maintenance, transportation, fuel, oil and lubricants for day to day transactions.

*Cash in Bank-LCCA* pertains to the following:

Bank Account Number	Purpose	Amount (P)
0672-1068-85	Implementation of the program projects that will assist alleged political offenders (APO's) who may be release from imprisonment – Reintegration Program	301,667.99



Bank Account Number	Purpose	Amount (P=)
0672-1088-29	Strengthening the National Peace Infrastructure (SNPI) Programme – funding from United Nations Development Programme (UNDP)	171,257.50
0672-1087-21	Mainstreaming Peace and Development in Local Governance in the Philippines (MPDLGP) Project – Grant/Fund from the Spanish Government’s Agencia Española de Cooperación Internacional para el desarrollo (AECID)	32,515,567.04
0672-1059-94	Peace talks with the MILF to achieve peace in Mindanao and PAMANA-Department of Agriculture (DA)	50,166,592.70
0672-1087-72	Program for Technical Assistance Facility in Support of the Government of the Philippines Security, Peace and Development Agenda – funding from the Australian Government Aid (AusAID)	3,947,607.56
0672-1097-52	Support the benefits of peace in communities affected by armed conflicts as Community Peace Dividend Funds (CPDF) Program - Grant/Fund from the Spanish Government’s Agencia Española de Cooperación Internacional para el desarrollo (AECID)	23,848,153.35
0672-1077-68	Support for the Joint Monitoring Committee (JMC) and its Joint Secretariat for GRP-NDFP Talks from the Royal Norwegian Government (RNG)	85,746.23
<b>Total</b>		<b>111,036,592.37</b>

#### 6. Receivables

Account	Amount (P=)	
	2020	2019 As Restated
Due from NGAs	1,368,818,285.21	2,133,850,420.32
Due from LGUs	1,436,027,861.97	1,040,115,032.20
Receivables-Disallowances/Charges	2,924,223.08	2,924,223.08
Due from NGOs/POs	662,309,714.21	662,309,714.21
Other Receivables	37,257,710.06	31,456,966.77
<b>Total</b>	<b>3,507,337,794.53</b>	<b>3,870,656,356.58</b>

*Due from NGAs* pertains to fund transfers to various NGAs for implementation of

projects and advances to DBM-Procurement Services (PS) for purchase of goods/services with an increase of ₱765,032,135.11 due to submission of prior financial liquidations/completion of projects and stale checks for fund transfers to various NGA partners. Demand letters to these peace partners to submit liquidation reports to OPAPP have been done on a regular basis, especially for those completed projects.

*Due from LGUs* pertains to fund transfers to various LGUs for implementation of projects with an increase of ₱395,912,829.77 due to additional fund transfer to various LGUs partners for PAMANA 2020 projects and other projects and activities of office. Demand letters to these peace partners to submit liquidation reports to OPAPP have been done on a regular basis, especially for those completed projects.

*Receivables-Disallowances/Charges* pertains to the amount of disallowances in audit due from individuals which have become final and executory.

*Due from NGOs/POs* pertains to advances granted to various NGOs/POs for implementation of projects. Demand letters to these peace partners to submit liquidation reports to OPAPP have been done on a regular basis, especially for those completed projects.

*Other Receivables* pertains to the unliquidated cash advances of personnel increase of ₱5,800,743.29 due from who are no longer connected with the Agency.

The aging of Receivables as of December 31, 2020 is as follows:

Account	Current	Amount (P)					Total
		Past Due					
		1 year	2 years	3 Years	5 Years		
Due from NGAs	444,470,360.76	219,683,374.83	6,319,076.12	689,567,523.38	8,777,950.12	1,368,818,285.21	
Due from LGUs	585,503,640.00	44,903,250.00	178,390,709.71	621,265,802.38	5,964,459.88	1,436,027,861.97	
Receivables-Disallowances / Charges							
Due from NGOs/POs				647,152,866.41	2,924,223.08	2,924,223.08	
Other Receivables		853,246.07	1,977,603.72	25,070,999.40	9,355,860.87	37,257,710.06	
<b>Total</b>	<b>1,029,974,000.76</b>	<b>265,439,870.90</b>	<b>186,687,389.55</b>	<b>1,983,057,191.57</b>	<b>42,179,341.75</b>	<b>3,507,337,794.53</b>	



7. Inventory

Account	Amount (P)	
	2020	2019 As Restated
Office Supplies Inventory	846,962.67	58,989.23
Semi-Expendable Machinery and Equipment	1,307,176.47	912,925.33
Semi-Expendable Furniture, Fixtures and Books	1,637,787.82	1,182,989.29
<b>Total</b>	<b>3,791,926.96</b>	<b>2,154,903.85</b>

The reconciliation of the *Office Supplies Inventory* is as follows:

<u>Particulars</u>	Amount (P)	
	2020	2019 As Restated
Carrying Amount, January 1	1,312,793.82	988,011.37
Add: Purchases during the year	3,052,199.47	3,052,199.47
Total	4,364,993.29	4,040,210.84
Less: Expenses during the year	2,727,417.02	3,981,221.61
Adjustment	790,613.60	-
<b>Carrying Amount, December 31</b>	<b>846,962.67</b>	<b>58,989.23</b>

8. Other Current Assets

Account	Amount (P)	
	2020	2019 As Restated
<b>Advances</b>	<b>47,097,392.71</b>	<b>28,908,232.36</b>
Advances for Operating Expenses	12,818,582.23	4,112,214.75
Advances to SDO	33,430,473.48	24,540,389.16
Advances to Officers and Employees	848,337.00	255,628.45
Advances for Payroll	-	-
<b>Prepayments</b>	<b>7,939,133.65</b>	<b>7,827,675.70</b>
Prepaid Rent	7,271,855.34	7,271,855.34
Prepaid Insurance	112,536.89	1,078.94
Other Prepayments	554,741.42	554,741.42
<b>Deposits</b>	<b>3,065,406.65</b>	<b>3,065,406.65</b>
Guaranty Deposits	2,915,406.65	2,915,406.65
Other Deposits	150,000.00	150,000.00
<b>Total</b>	<b>58,101,933.01</b>	<b>39,801,314.71</b>

*Advances for Operating Expenses* pertains to cash advances granted for the monthly operational expenses of OPAPP Field Offices and in support to the operationalization of the Government National Incident Command to combat COVID-19.



*Advances to Special Disbursing Officers (SDOs)* pertains to cash granted to OPAPP officers relative to the conduct and implementation of OPAPP various projects and activities.

*Advances to Officers and Employees* pertains to advances granted for local and foreign traveling expenses of OPAPP officers and employees.

*Prepaid Rent* pertains to the two months deposits and one month advance of office rentals paid by OPAPP.

*Prepaid Insurance* pertains to the unexpired insurance policy for the OPAPP vehicles and building with GSIS.

*Other Prepayments* represents unexpired portion of Fidelity Bond Premium and over remittance to Pag-IBIG.

*Guaranty Deposits* pertains to deposit made for services availed of including prior years.

*Other Deposits* pertains to the guaranty deposit for gasoline/fuel withdrawals of the OPAPP in Northern Star Energy Corporation.

The aging of these accounts as of December 31, 2020 is as follows:

Account	Current (P)	Past Due (P)			Total (P)	
		1 year	2 years	3 Years		5 Years
Advances for Operating Expenses	9,640,810.67	2,837,262.16			340,509.40	12,818,582.23
Advances to SDOs	18,504,504.27	13,952,917.22	672,686.99	77,029.00	223,336.00	33,430,473.48
Advances to Officers and Employees	742,107.50	82,872.50	23,357.00			848,337.00
Prepaid Rent		289,384.00	971,698.85	1,627,727.23	4,383,045.26	7,271,855.34
Prepaid Insurance	75,706.07	36,830.82				112,536.89
Other Prepayments					554,741.42	554,741.42
Guaranty Deposits		234,384.00	27,000.00		2,654,022.65	2,915,406.65
Other Deposits					150,000.00	150,000.00
<b>Total</b>	<b>28,963,128.51</b>	<b>17,433,650.70</b>	<b>1,694,742.84</b>	<b>1,704,756.23</b>	<b>8,305,654.73</b>	<b>58,101,933.01</b>

9. Property, Plant and Equipment

Particulars	2020					
	Carrying Amount January 1	Addition	Adjustment	Total	Depreciation	Carrying Amount, December 31
Infrastructure Assets	-		3,688,090.00	3,688,090.00	-	3,688,090.00
Buildings and Other Structures	33,250.00		1,029.16	34,279.16	(5,240.84)	29,038.32
Machinery and Equipment	25,073,825.67	1,124,358.40	8,776,523.11	34,974,707.18	(7,937,929.28)	27,036,777.90
Transportation Equipment	21,205,210.25			21,205,210.25	(3,401,459.67)	17,803,750.58
Furniture, Fixtures and Books	3,617,793.63			3,617,793.63	(442,562.51)	3,175,231.12
Leased Assets	343,610.46			343,610.46	(78,786.24)	264,824.22
Improvements	799,796.53			799,796.53	(252,538.56)	547,257.97
Other PPE						
<b>Total</b>	<b>51,073,486.54</b>	<b>1,124,358.40</b>	<b>12,465,642.27</b>	<b>64,663,487.21</b>	<b>(12,118,517.10)</b>	<b>52,544,970.11</b>

Particulars	2019 As Restated					
	Carrying Amount January 1	Addition	Adjustments	Total	Depreciation	Carrying Amount December 31
Buildings and Other Structures	-	33,250.00	-	33,250.00	-	33,250.00
Machinery and Equipment	25,427,096.16	8,910,170.52	(3,674,312.96)	30,662,953.72	(5,589,128.05)	25,073,825.67
Transportation Equipment	16,601,208.57	-	(1,228,132.98)	15,373,075.59	5,832,134.66	21,205,210.25
Furniture, Fixtures and Books	7,078,056.40	1,602,170.72	(4,608,103.08)	4,072,124.04	(454,330.41)	3,617,793.63
Leased Assets	422,426.70	-	-	422,426.70	(78,816.24)	343,610.46
Improvements	620,291.61	522,550.00	-	1,142,841.61	(343,045.08)	799,796.53
Other PPE						
<b>Total</b>	<b>50,149,079.44</b>	<b>11,068,141.24</b>	<b>(9,510,549.02)</b>	<b>51,706,671.66</b>	<b>(633,185.12)</b>	<b>51,073,486.54</b>

Particulars	2020		
	Cost	Accumulated Depreciation	Carrying Amount
Infrastructure Assets	3,688,090.00	-	3,688,090.00
Buildings and Other Structures	33,250.00	4,211.68	29,038.32
Machinery and Equipment	83,051,985.64	56,015,207.74	27,036,777.90
Transportation Equipment	50,375,104.11	32,571,353.53	17,803,750.58
Furniture, Fixtures and Books	7,773,277.55	4,598,046.43	3,175,231.12
Leased Assets Improvements	829,643.94	564,819.72	264,824.22
Other PPE	1,322,550.00	775,292.03	547,257.97
<b>Total</b>	<b>147,073,901.24</b>	<b>94,528,931.13</b>	<b>52,544,970.11</b>

*Infrastructure Assets* pertains to the improvement of OPAPP internet cabling to accommodate the upgrade of internet connectivity in the workplace given the demand of on-line based meetings and coordination due to COVID-19 pandemic.

2019 As Restated			
Particulars	Cost	Amount (₱)	
		Accumulated Depreciation	Carrying Amount
Buildings and Other Structures	33,250.00	-	33,250.00
Machinery and Equipment	73,150,074.97	48,076,249.30	25,073,825.67
Transportation Equipment	50,375,104.11	29,169,893.86	21,205,210.25
Furniture, Fixtures and Books	7,773,277.55	4,155,483.92	3,617,793.63
Leased Assets Improvements	829,643.94	486,033.48	343,610.46
Other PPE	1,322,550.00	522,753.47	799,796.53
<b>Total</b>	<b>133,483,900.57</b>	<b>82,410,414.03</b>	<b>51,073,486.54</b>

#### 10. Intangible Assets

This account is composed of computer software which was assessed to have a useful life of three years.

Account	Amount (₱)	
	2020	2019 As Restated
Gross Cost	2,563,350.00	2,563,350.00
Accumulated Amortization	2,093,591.70	1,684,319.06
<b>Total</b>	<b>469,758.30</b>	<b>879,030.94</b>

The analysis of the account is as follows:

Particulars	Amount (₱)	
	2020	2019 As Restated
Carrying Amount, January 1	879,030.94	633,586.47
Add: Purchases during the year	-	1,970,733.74
Adjustment	-	805,300.00
Total	879,030.94	3,409,620.21
Less: Amortization	409,272.64	2,530,589.27
<b>Carrying Amount, December 31</b>	<b>469,758.30</b>	<b>879,030.94</b>



**11. Financial Liabilities**

Account	Amount (P)	
	2020	2019 As Restated
Accounts Payable	172,062,246.24	288,710,696.81

Accounts Payable account consists of the following:

Account	Amount (P)	
	2020	2019 As Restated
Prior Years Obligations	51,694,335.86	89,680,318.34
Stale Checks	118,546,699.19	196,222,550.67
Unclaimed Checks	1,512,514.64	2,708,500.00
Check subsequently cancelled	308,696.55	99,327.80
<b>Total</b>	<b>172,062,246.24</b>	<b>288,710,696.81</b>

The aging of this account as of December 31, 2020 is as follows:

Account	Current (P)	Past Due (P)		Total (P)
		1 year	2 years	
Accounts Payable	136,676,544.89	24,827,972.18	10,557,729.17	<b>172,062,246.24</b>

**12. Inter-Agency Payables**

Account	Amount (P)	
	2020	2019 As Restated
Due to BIR	7,185,986.21	3,537,899.23
Due to GSIS	1,463,499.40	308,862.74
Due to Pag-IBIG	253,760.53	(74,473.43)
Due to PhilHealth	245,606.42	257,424.68
Due to Other NGAs	162,866,595.40	219,304,724.10
<b>Total</b>	<b>172,015,447.96</b>	<b>223,334,437.32</b>

*Due to BIR* pertains to the unremitted withholding taxes for salaries and other compensations and for the procurement of goods and services which were remitted in 2020.

*Due to GSIS* pertains to the unremitted GSIS premiums as of year-end.

*Due to Pag-IBIG* pertains to the over remittance of Pag-IBIG premiums as of year-end.

*Due to PhilHealth* pertains to the unremitted PhilHealth premiums as of year-end.

Due to Other NGAs pertains to downloading of funds from various NGAs to OPAPP-Current Account and Re-Integration account.

The aging of the accounts as of December 31, 2020 is as follows:

Account	Current	Amount (₱)			Total
		1 year	2 years	5 years	
Due to BIR	7,165,424.56	-	-	20,561.65	7,185,986.21
Due to GSIS	1,463,499.40	-	-	-	1,463,499.40
Due to Pag-IBIG	253,760.53	-	-	-	253,760.53
Due to PhilHealth	245,606.42	-	-	-	245,606.42
Due to NGAs	-	-	161,438,698.29	1,427,897.11	162,866,595.40
<b>Total</b>	<b>9,128,290.91</b>	-	<b>161,438,698.29</b>	<b>1,448,458.76</b>	<b>172,015,447.96</b>

### 13. Trust Liabilities

*Guaranty/Security Deposits Payable* amounting to ₱50,000.00 in 2020 and ₱19,000.00 in 2019 pertains to receipt of bidding fee from the bidders of OPAPP procurements.

### Supporting Information to the Statement of Financial Performance

#### 14. Service and Business Income

*Interest Income* amounting to ₱26,949.50 and ₱32,918.53 in 2020 and 2019 as restated, respectively, pertains to bank interest income earned quarterly on local currency deposit, current account.

#### 15. Shares Grants and Donations

Account	Amount (₱)	
	2020	2019 As Restated
Income from Grants and Donation in Cash	300,000.00	-
Income from Grants and Donation in kind	-	10,247,718.37
<b>Total</b>	<b>300,000.00</b>	<b>10,247,718.37</b>

*Income from Grants and Donation in Cash* amounting to ₱300,000.00 in 2020 respectively, pertains to local currency deposit, current account, in support for expenditures in combating COVID-19.

**16. Personnel Services**

Account	Amount (P)	
	2020	2019 As Restated
Salaries and Wages (16.1)	103,224,458.81	97,669,326.88
Other Compensation (16.2)	37,457,395.38	32,831,921.59
Personnel Benefit Contributions (16.3)	14,092,288.88	13,073,457.35
Other Personnel Benefits (16.4)	5,369,943.34	6,180,757.82
<b>Total</b>	<b>160,144,086.41</b>	<b>149,755,463.64</b>

**16.1 Salaries and Wages**

This account pertains to salaries and wages of regular employees of OPAPP.

**16.2 Other Compensations**

Account	Amount (P)	
	2020	2019 As Restated
Personal Economic Relief Allowance (PERA)	4,085,855.91	3,987,355.91
Representation Allowance (RA)	2,962,750.00	3,025,125.00
Transportation Allowance (TA)	796,250.00	895,500.00
Clothing/Uniform Allowance	1,008,000.00	708,000.00
Honoraria	3,323,483.59	1,470,706.25
Overtime and Night Pay	1,917,098.38	2,615,000.00
Hazardous Duty Pay	3,108,882.35	2,939,904.82
Year End Bonus	16,861,825.15	14,932,223.70
Cash Gift	853,750.00	865,750.00
Other Bonuses and Allowances	2,539,500.00	1,392,355.91
<b>Total</b>	<b>37,457,395.38</b>	<b>32,831,921.59</b>

*Other Bonuses and Allowances* pertains to the Service Recognition Incentives (SRI) Service and Performance Enhancement Incentive (PEI) given to employees.

*Hazardous Duty Pay* – pertains to the compliance of OPAPP to the Administrative Order No. 26 dated 23 March 2020 Authorizing the Grant of Hazard Pay to Government Personnel who Physically Report for Work during the Period of Implementation of Enhanced Community Quarantine relative to the COVID-19 Outbreak.



### 16.3 Personnel Benefit Contributions

Account	Amount (P)	
	2020	2019
Retirement and Life Insurance Premiums	12,350,342.55	11,732,746.41
Pag-IBIG Contributions	391,593.84	200,500.00
PhilHealth Contributions	1,145,252.49	941,410.94
Employees Compensation Insurance Premiums	205,100.00	198,800.00
<b>Total</b>	<b>14,092,288.88</b>	<b>13,073,457.35</b>

### 16.4 Other Personnel Benefits

Account	Amount (P)	
	2020	2019
Terminal Leave Benefits	1,187,773.52	5,057,781.88
Other Personnel Benefits	4,182,169.82	1,122,975.94
<b>Total</b>	<b>5,369,943.34</b>	<b>6,180,757.82</b>

*Other Personnel Benefits* pertains to the monetization of personnel leave credits.

### Retrospective Restatement of Adjustments/Errors:

Personnel Services of P461,972.05 was adjusted from the financial statements of 2019. The financial statements of 2019 have been restated to correct this error. The effect of the restatement on those financial statements is summarized below. There is no effect in 2020 Statement of Financial Performance.

#### Effect on 2019 Statement of Financial Performance

Particulars	Amount (P)
Increase in Personnel Services	<b>131,850.40</b>
Increase in Salaries and Wages-Casual/Contractual	103,850.40
Increase in PERA	2,000.00
Increase in Representation Allowance (RA)	9,000.00
Increase in Transportation Allowance (TA)	9,000.00
Increase in Other Bonuses and Allowances	8,000.00

#### Effect on 2020 Statement of Financial Position

Particulars	Amount (P)
Decrease in Other Current Asset	131,850.40
Decrease in Net Asset/Equity	131,850.40

**17. Maintenance and Other Operating Expenses (MOOE)**

Account	Amount (P)	
	2020	2019 As Restated
Traveling Expenses (17.1)	18,431,994.80	77,721,614.70
Training and Scholarship Expenses (17.2)	4,820,590.21	15,324,873.43
Supplies and Materials Expenses (17.3)	14,050,055.48	23,318,545.42
Utility Expenses (17.4)	13,641,727.25	13,053,435.14
Communication Expenses (17.5)	9,362,398.06	6,987,440.88
Confidential, Intelligence and Extraordinary Expenses (17.6)	57,827,300.00	62,362,200.00
Professional Services (17.7)	169,745,353.61	109,073,640.56
General Services (17.8)	7,522,641.32	8,426,332.86
Repairs and Maintenance (17.9)	2,760,882.11	6,464,964.45
Taxes, Insurance Premiums and Other Fees (17.10)	1,054,805.78	16,407,717.34
Other MOOE (17.11)	80,992,579.82	125,271,630.72
<b>Total</b>	<b>380,210,328.44</b>	<b>464,412,395.50</b>

**17.1 Traveling Expenses**

Account	Amount (P)	
	2020	2019 As Restated
Traveling Expenses-Local	17,640,189.85	74,492,031.66
Traveling Expenses-Foreign	791,804.95	3,229,583.04
<b>Total</b>	<b>18,431,994.80</b>	<b>77,721,614.70</b>

**17.2 Training and Scholarship Expenses**

This account pertains to trainings conducted by OPAPP amounting to P4,820,590.21 and P15,324,873.43 in CYs 2020 and 2019 as restated, respectively.

**17.3 Supplies and Materials Expenses**

Account	Amount (P)	
	2020	2019 As Restated
Office Supplies Expenses	6,683,447.23	13,343,856.05
Drugs and Medicines Expenses	22,703.00	119,734.94
Medical, Dental and Laboratory Supplies Expenses	1,086,962.14	-

Account	Amount (P)	
	2020	2019 As Restated
Fuel, Oil and Lubricants Expenses	5,239,544.55	9,449,897.07
Semi-Expendable Machinery and Equipment Expenses	702,312.47	150,525.75
Semi-Expendable Furniture, Fixtures and Books Expenses	148,403.75	250,773.30
Other Supplies and Materials Expenses	166,682.34	3,758.31
<b>Total</b>	<b>14,050,055.48</b>	<b>23,318,545.42</b>

#### 17.4 Utility Expenses

Account	Amount (P)	
	2020	2019 As Restated
Water Expenses	1,654,063.15	1,418,859.20
Electricity Expenses	11,940,604.60	11,554,914.94
Other Utility Expenses	47,059.50	79,661.00
<b>Total</b>	<b>13,641,727.25</b>	<b>13,053,435.14</b>

#### 17.5 Communication Expenses

Account	Amount (P)	
	2020	2019 As Restated
Postage and Courier Services	944,358.34	237,465.22
Telephone Expenses	6,117,215.62	4,681,374.91
Internet Subscription Expenses	2,180,480.86	1,938,849.16
Cable, Satellite, Telegraph and Radio Expenses	120,343.24	129,751.59
<b>Total</b>	<b>9,362,398.06</b>	<b>6,987,440.88</b>

#### 17.6 Confidential, Intelligence and Extraordinary Expenses

Account	Amount (P)	
	2020	2019 As Restated
Confidential Expenses	55,000,000.00	60,000,000.00
Extraordinary and Miscellaneous Expenses	2,827,300.00	2,362,200.00
<b>Total</b>	<b>57,827,300.00</b>	<b>62,362,200.00</b>



**17.7 Professional Services**

Account	Amount (P)	
	2020	2019 As Restated
Consultancy Services	15,905,659.94	12,618,508.88
Other Professional Services	153,839,693.67	96,455,131.68
<b>Total</b>	<b>169,745,353.61</b>	<b>109,073,640.56</b>

*Consultancy Services* pertains to the salary paid to consultants contracted by OPAPP.

*Other Professional Services* pertains to the salary paid to Agency's personnel under the Contract of Service.

**17.8 General Services**

This account pertains to security services provided amounting to P7,522,641.32 and P8,426,332.86 in 2020 and 2019 as restated, respectively.

**17.9 Repairs and Maintenance**

Account	Amount (P)	
	2020	2019 As Restated
Buildings and Other Structures	160.00	7,935.25
Machinery and Equipment	574,372.05	527,138.55
Transportation Equipment	1,878,821.15	1,734,557.45
Furniture and Fixtures	10,339.00	119,408.60
Leased Assets Improvements	297,189.91	4,075,924.60
<b>Total</b>	<b>2,760,882.11</b>	<b>6,464,964.45</b>

**17.10 Taxes, Insurance Premiums and Other Fees**

Account	Amount (P)	
	2020	2019 As Restated
Taxes, Duties and Licenses	25,593.79	14,757,579.26
Fidelity Bond Premiums	908,344.39	885,275.57
Insurance Expenses	120,867.60	764,862.51
<b>Total</b>	<b>1,054,805.78</b>	<b>16,407,717.34</b>

**17.11 Other Maintenance and Operating Expenses**

Account	Amount (P)	
	2020	2019 As Restated
Advertising Expenses	539,999.99	535,677.25
Printing and Publication Expenses	776,652.97	1,969,152.77
Representation Expenses	29,331,619.71	73,944,316.09
Transportation and Delivery Expenses	190.00	13,560.00
Rent/Lease Expenses	46,705,907.24	43,584,625.94
Subscription Expenses	3,318,189.74	4,062,030.45
Donations	-	550,627.86
Other MOOE	320,020.17	611,640.36
<b>Total</b>	<b>80,992,579.82</b>	<b>125,271,630.72</b>

**Retrospective Restatement of Adjustments:**

Maintenance and Other Operating Expenses of P43,704,737.20 was adjusted from the financial statements of 2019. The financial statements of 2019 have been restated to correct this error. The effect of the restatement on those financial statements is summarized below. There is no effect in 2020 Statement of Financial Performance.

**Effect on 2019 Statement of Financial Performance**

Particulars	Amount (P)
Increase in Maintenance and Other Operating Expenses	<b>43,704,737.20</b>
Increase in Traveling Expenses	22,375,545.85
Increase in Training and Scholarship Expenses	376,453.21
Increase in Supplies and Materials Expenses	4,398,432.56
Increase in Utility Expenses	68,083.53
Increase in Communication Expenses	81,662.42
Increase in Confidential, Intelligence and Extraordinary Expenses	5,000,000.00
Increase in Professional Services	605,707.18
Increase in General Services	4,750.00
Increase in Repairs and Maintenance	366,345.54
Increase in Taxes, Insurance Premiums and Other Fees	111,429.65
Increase in Other MOOE	10,316,327.26

**Effect on 2020 Statement of Financial Position**

Particulars	Amount (P)
Decrease in Other Current Assets	43,704,737.20
Decrease in Net Asset/Equity	43,704,737.20

**18. Financial Expenses**

Account	Amount (P)	
	2020	2019 As Restated
Bank Charges	7,749.90	11,084.71
<b>Total</b>	<b>7,749.90</b>	<b>11,084.71</b>

**Retrospective Restatement of Adjustments:**

Financial Expenses of P950.00 was adjusted from the financial statements of 2019. The financial statements of 2019 have been restated to correct this error. The effect of the restatement on those financial statements is summarized below. There is no effect in 2020 Statement of Financial Performance.

**Effect on 2018 Statement of Financial Performance**

Particulars	Amount (P)
Increase in Financial Expenses - Bank Charges	950.00

**Effect on 2019 Statement of Financial Position**

Particulars	Amount (P)
Decrease in Other Current Asset	950.00
Decrease in Net Asset/Equity	950.00

**19. Non-Cash Expenses**

Account	Amount (P)	
	2020	2019 As Restated
Depreciation-Other Structures	5,240.84	-
Depreciation-Machinery and Equipment	7,937,929.28	8,462,601.34
Depreciation-Transportation Equipment	3,401,459.67	2,035,963.32
Depreciation-Furniture, Fixtures and Books	442,562.51	490,830.41
Depreciation-Leased Assets Improvements	78,786.24	78,816.24
Depreciation-Other Property Plant and Equipment	252,538.56	343,045.08
Amortization-Intangible Assets	409,272.64	133,730.47
<b>Total</b>	<b>12,527,789.74</b>	<b>11,544,986.86</b>

**Retrospective Restatement of Adjustments:**

Non-Cash Expenses of (P1,516,153.25) was adjusted from the financial statements of 2019. The financial statements of 2019 have been restated to



correct this error. The effect of the restatement on these financial statements is summarized below. There is no effect in 2020 Statement of Financial Performance.

**Effect on 2019 Statement of Financial Performance**

Particulars	Amount (₱)
Decrease in Non-Cash Expenses	(1,516,153.25)

**Effect on 2020 Statement of Financial Position**

Particulars	Amount (₱)
Increase in Other Current Assets	1,516,153.25
Increase in Net Assets/Equity	1,516,153.25

**20. Net Financial Assistance Subsidy**

Account	Amount (₱)	
	2020	2019 As Restated
<b>Subsidy from National Government (SNG):</b>		
Receipt of Notice of Cash Allocation	2,053,063,965.00	2,980,018,760.00
Tax Remittance Advice (TRA)	29,510,555.61	24,935,425.26
Reversal of Unutilized NCA	(395,904,321.67)	(937,679,066.53)
<b>Total SNG</b>	<b>1,686,670,198.94</b>	<b>2,067,275,118.73</b>
Less: Financial Assistance to NGAs	133,319,735.51	669,401,635.12
Financial Assistance to LGUs	1,208,017,235.61	868,157,249.29
Subsidies – Others	29,835,774.56	2,786,840.39
<b>Total Financial Assistance/Subsidy</b>	<b>1,371,172,745.68</b>	<b>1,540,345,724.80</b>
<b>Net Financial Assistance/Subsidy</b>	<b>315,497,453.26</b>	<b>526,929,393.93</b>

*Subsidies – Others* pertains to the support of OPAPP to the National Incident Command to combat pandemic COVID-19

**Retrospective Restatement of Adjustments:**

Net Financial Assistance/Subsidy of (₱1,521,044,109.34) was adjusted from the financial statements of 2019. The financial statements of 2019 have been restated to correct this error. The effect of the restatement on those financial statements is summarized below. There is no effect in 2020 Statement of Financial Performance.

**Effect on 2018 Statement of Financial Performance**

<b>Particulars</b>	<b>Amount (₱)</b>
Decrease in Net Financial Assistance Subsidy	(1,521,044,109.34)
Increase in Financial Assistance to NGAs	669,401,635.12
Increase in Financial Assistance to LGUs	850,382,353.83
Increase in Subsidies-Others	1,260,120.39

**Effect on 2019 Statement of Financial Position**

<b>Particulars</b>	<b>Amount (₱)</b>
Decrease in Receivables	(1,521,044,109.34)
Decrease in Net Assets/Equity	(1,521,044,109.34)

**21. Other Non-Operating Income**

<b>Account</b>	<b>Amount</b>	
	<b>2020</b>	<b>2019</b>
Sale of Assets (21.1)	4,100.00	25,000.00
Miscellaneous Income (21.2)	-	7,938.83
<b>Total</b>	<b>4,100.00</b>	<b>32,938.83</b>

**21.1 Sale of Assets**

<b>Particulars</b>	<b>Amount (₱)</b>	
	<b>2020</b>	<b>2019</b>
Sale of Unserviceable Property	4,100.00	25,000.00
<b>Total</b>	<b>4,100.00</b>	<b>25,000.00</b>

**21.2 Miscellaneous Income**

<b>Particulars</b>	<b>Amount (₱)</b>	
	<b>2020</b>	<b>2019</b>
Miscellaneous Income	-	7,938.83
<b>Total</b>	<b>-</b>	<b>7,938.83</b>

**Supporting Information to the Statement of Changes in Net Assets/Equity**

**22. Adjustment of net revenue recognized directly in net assets/equity**

The direct adjustment to Net Assets/Equity pertains to the closing of the Cash-Treasury/Agency Deposit, Regular account to the Accumulated Surplus/Deficit) account amounting P6,551,418.63 and P243,759,283.17 in 2020 and 2019, respectively.

Supporting Information to the Statement of Cash Flows

23. Receipt of NCA

Accounts	Amount (P)	
	2020	2019
Receipt of NCA	2,053,063,965.00	2,980,018,760.00
Receipt of Working Fund for Foreign-Assisted Projects	-	-
<b>Total</b>	<b>2,053,063,965.00</b>	<b>2,980,018,760.00</b>

The NCA issued for the years 2020 and 2019 are as follows:

2020		
Particulars	Date	Amount (P)
NCA - BMB-D-20-0000369	01/02/2020	153,706,000.00
NCA - BMB-D-20-0001863	02/12/2020	185,899,000.00
NCA - BMB-D-20-0004241	03/23/2020	171,086,368.00
NCA - BMB-D-20-0005082	04/20/2020	21,628,902.00
NCA - BMB-D-20-0007317	06/29/2020	298,078,000.00
NCA - BMB-D-20-0008915	08/11/2020	412,340,000.00
NCA - BMB-D-20-0012006	10/28/2020	40,000,000.00
NCA - BMB-D-20-0012888	11/11/2020	15,000,000.00
NCA - BMB-D-20-0013930	11/23/2020	32,628,978.00
NCA - BMB-D-20-0014100	11/24/2020	214,488,753.00
NCA - BMB-D-20-0014223	11/25/2020	207,057,964.00
NCA - BMB-D-20-0014224	11/25/2020	301,150,000.00
<b>Total</b>		<b>2,053,063,965.00</b>

2019		
Particulars	Date	Amount (P)
NCA - BMB-D-19-0000146	01/03/2019	104,944,000.00
NCA - BMB-D-19-0001747	02/2/2019	42,750,000.00
NCA - BMB-D-19-0002877	03/01/2019	30,976,646.00
NCA - BMB-D-19-0005278	04/01/2019	161,814,000.00
NCA - BMB-D-19-0010361	07/01/2019	397,186,000.00
NCA - BMB-D-19-0012984	07/01/2019	851,736.00
NCA - BMB-D-19-0015373	08/01/2019	2,024,000,000.00
NCA - BMB-D-19-0016983	09/01/2019	199,939,958.00
NCA - BMB-D-19-0018052	09/01/2019	15,868,662.00
NCA - BMB-D-19-0018471	10/01/2019	466,958.00
NCA - BMB-D-19-0026713	12/01/2019	1,220,800.00
<b>Total</b>		<b>2,980,018,760.00</b>



24. **Collection of Income/Revenues**

Account	Amount (P)	
	2020	2019
Collection of service and business income	26,949.50	32,918.53
Receipt of shares, grants and donations	300,000.00	-
<b>Total</b>	<b>326,949.50</b>	<b>32,918.53</b>

25. **Collection of Receivables**

Account	Amount (P)	
	2020	2019
Collection of receivables from audit disallowances	-	1,292,014.78
Collection of Other receivables	499,510.00	1,028,260.36
<b>Total</b>	<b>499,510.00</b>	<b>2,320,275.14</b>

26. **Other Receipts**

Account	Amount (P)	
	2020	2019 As Restated
Receipt of refund of fund transfers	295,677.49	231,040,219.33
Unused PCF	252,474.41	532,118.94
Refund of overpayment of Personnel Services	-	8,280.21
Refund of overpayment of MOOE	139,059.38	127,670.26
Receipt of refund of cash advances	5,875,939.33	11,147,728.51
Other miscellaneous receipts	174,642.53	65,000.00
<b>Total</b>	<b>6,737,793.14</b>	<b>242,921,017.25</b>

The receipt of refund of fund transfers was due to refunds made by LGUs, NGAs and NGOs/POs downloaded in current and previous years.

The receipt of refund of cash advances was generally due to refunds for unliquidated cash advances in current and prior years.

27. Adjustments

Account	Amount (P)	
	2020	2019
Restoration of cash for cancelled/ lost/ stale checks/ ADA	52,087,531.20	2,224,931.70
Restoration of cash for unreleased checks	1,512,514.64	2,708,500.00
<b>Total</b>	<b>53,600,045.84</b>	<b>4,933,431.70</b>

Other adjustments pertain to adjustments in prior years' collections and deposits for the Regular, Domestic Funds and Foreign Grant Fund.

28. Remittance to National Treasury

Account	Amount (P)	
	2020	2019
Petty Cash	252,474.41	528,451.57
Cash Advances	5,287,234.82	10,934,587.31
Due from NGAs	4,602.74	192,111,121.43
Due from LGUs	291,074.75	457,027.81
Other miscellaneous receipts	174,642.53	73,174.69
Due from NGOs	-	38,597,177.27
Other Receivables	402,330.00	1,021,581.34
Overpayment of salaries	-	36,161.75
Refund of overpayment of Maintenance and Other Operating Expenses	139,059.38	-
<b>Total</b>	<b>6,551,418.63</b>	<b>243,759,283.17</b>

29. Payment of Expenses

Account	Amount (P)	
	2020	2019 As Restated
Payment of personnel services	118,400,884.03	117,811,433.34
Payment of maintenance and other operating expenses	263,491,767.67	241,079,667.36
Payment of financial expenses	6,449.90	10,134.71
Replenishment of Petty Cash	958,725.16	9,220,275.73
Liquidation of cash advances granted during the year	314,854.16	8,406,554.89
Liquidation of prior year's cash advances	433,320.67	1,260,193.71
<b>Total</b>	<b>383,606,001.59</b>	<b>377,788,259.74</b>

**30. Purchase of Inventories**

Account	Amount (P)	
	2020	2019
Purchase of inventory held for distributions	4,446,636.20	314,882.27
Purchase of inventory held for consumption	3,380,436.03	22,113,641.00
<b>Total</b>	<b>7,827,072.23</b>	<b>22,428,523.27</b>

**31. Grant of Cash Advances**

Account	Amount (P)	
	2020	2019
Advances for operating expenses	5,116,756.00	8,888,300.00
Advances for payroll	11,393,417.37	13,287,096.53
Advances to special disbursing officers	90,853,771.75	103,723,603.79
Advances to officers and employees	1,897,492.64	5,797,766.33
<b>Total</b>	<b>109,261,437.76</b>	<b>131,696,766.65</b>

**32. Prepayments**

Account	Amount (P)	
	2020	2019
Prepaid Rent	-	289,384.00
Prepaid Insurance	157,169.60	195,047.46
Other Prepayments	-	234,384.00
<b>Total</b>	<b>157,169.60</b>	<b>718,815.46</b>

**33. Payment of Accounts Payable**

This pertains to prior year obligations paid in the current year amounting to P442,630,908.63 in 2020 and P26,397,278.25 in 2019.

**34. Remittance of Personnel Benefit Contributions and Mandatory Deductions**

Particulars	Amount (P)	
	2020	2019
Remittance of taxes withheld not covered by Tax Remittance Advice	52,743.65	18,479.86
Remittance to GSIS / Pag-IBIG / Philhealth	19,391,659.01	19,820,196.94



Particulars	Amount (P)	
	2020	2019
Remittance of other payables	2,051,700.00	-
<b>Total</b>	<b>22,925,408.85</b>	<b>19,838,676.80</b>

**35. Grant of Financial Assistance/Subsidy**

Particulars	Amount (P)	
	2020	2019
Grant of Financial Assistance to NGOs/POs	47,641,120.00	-
Grant of Other Subsidies	10,283,872.21	-
<b>Total</b>	<b>57,924,992.21</b>	<b>-</b>

**36. Release of Inter-Agency Fund Transfers**

This pertains to release of funds to NGAs/LGUs for the implementation of projects totaling P751,956,767.41 and P1,507,952,538.55 in 2020 and 2019, respectively.

**37. Other Disbursements**

This pertains to payment of Tax Refund of OPAPP employee at the end of the year and other overstated of tax remittance to the transactions totaling P545,282.91 in 2020 and P1,498,395.85 in 2019, respectively.

**38. Adjustments**

Particulars	Amount (P)	
	2020	2019
Reversing entry for unreleased checks in previous year	2,708,500.00	359,110.37
Other adjustments-Outflows	1,764,530.36	-
<b>Total</b>	<b>4,473,030.36</b>	<b>359,110.37</b>

**39. Purchase/Construction of PPE and Intangible Assets**

Particulars	Amount (P)	
	2020	2019
Purchase of machinery and equipment	1,124,358.40	961,084.54
Purchase of furniture, fixtures and books	-	94,642.85

Particulars	Amount (P)	
	2020	2019
Purchase of computer software	-	1,970,733.74
<b>Total</b>	<b>1,124,358.40</b>	<b>3,026,461.13</b>

#### Supporting Information to the SCBAA

#### 40. Service and Business Income

Total actual collections of service and business income amounted to P26,949.50 in 2020 and P32,918.53 in 2019.

#### 41. Refund of Petty Cash and Advances

Refund of Petty Cash and Advances pertains to repayments of advances made by employees in the Regular, Foreign-Assisted grants and Trust Receipts amounting to P6,128,413.74 in 2020 and P11,674,596.70 in 2019.

#### 42. Other Receipts

Account	Amount (P)	
	2020	2019
Receipt of refund of fund transfers	295,677.49	231,040,219.33
Refund of overpayment of Personnel Services	-	8,280.21
Refund of overpayment of MOOE	139,059.38	127,670.26
Other miscellaneous receipts	174,642.53	65,000.00
<b>Total</b>	<b>609,379.40</b>	<b>231,241,169.80</b>

#### 43. Personnel Services

Account	Amount (P)	
	2020	2019
General Administration and Support	45,465,000.00	46,539,000.00
Operations	90,379,464.16	131,653,000.00
Locally Funded projects	15,916,000.00	-
Special Purpose Fund	4,990,695.96	2,539,494.00
<b>Total</b>	<b>156,751,160.12</b>	<b>180,731,494.00</b>

44. **Maintenance and Other Operating Expenses**

Account	Amount (₱)	
	2020	2019
General Administration and Support	162,155,498.63	156,237,000.00
Operations	159,265,266.28	354,230,000.00
Locally Funded projects	533,783,325.24	-
Special Purpose Fund	1,161,489.77	2,227,673,387.00
Automatic Appropriation - Foreign Assisted/ Foreign Grants Fund	242,199,935.63	25,160,143.00
Prior Year's Appropriations - Continuing Appropriation	162,155,498.63	96,050,325.68
<b>Total</b>	<b>1,098,565,515.55</b>	<b>2,859,350,855.68</b>

45. **Capital Outlay**

Account	Amount (₱)	
	2020	2019
Operations	4,170,122.34	-
Locally Funded projects	-	-
Prior Year's Appropriations- Continuing Appropriation	327,685.50	80,602,830.69
<b>Total</b>	<b>4,497,807.84</b>	<b>80,602,830.69</b>



## OBSERVATIONS AND RECOMMENDATIONS

### A. Financial and Compliance Audit

#### *Maintenance of bank accounts without authority*

1. Cash in bank accounts with total balance of ₱50,468,260.69 were not remitted yet to the National Treasury as there being no action taken on the previous audit recommendation to comply with EO No. 338 dated May 17, 1996, as implemented under COA-DBM-DOF Joint Circular No. 1-97 dated January 2, 1997.

EO No. 338, as implemented under COA-DBM-DOF JC No. 1-97 provides that “all existing balances of trust receipts deposited with authorized government depository banks or any forthcoming trust receipt which are intended to be deposited with authorized government depository banks are hereby required to be deposited with the National Treasury.”

The composition of the Cash in Bank - LCCA of the OPAPP as of December 31, 2020 is presented below:

<b>Fund Cluster</b>	<b>Fund</b>	<b>Bank Account Number</b>	<b>Balance (₱)</b>
Special Accounts- Locally Funded /Domestic Grants Fund	OPAPP-Current Account (CA)	0672-1059-94	50,166,592.70
	Re-Integration Program	0672-1068-85	301,667.99
Special Accounts- Foreign Assisted/Foreign Grants Fund	Royal Norwegian Government (RNG) - Financial for GRP-NDFP Talks	0672-1077-68	85,746.23
	UNDP-Strengthening National Peace Infrastructure (SNPI) Program	0672-1088-29	171,257.50
	AusAID Program for Technical Assistance Facility (TAF) in support of the Government of the Philippines Security, Peace and Development Agenda	0672-1087-72	3,947,607.56
	Mainstreaming Peace and Development in Local Governance in the Philippines (MPDLGP) Project	0672-1087-21	32,515,567.04
Community Peace Dividend Funds (CPDF)	0672-1097-52	23,848,153.35	
<b>Total</b>			<b>111,036,592.37</b>

Of the seven bank accounts, two are being maintained without authority. Volume III of the GAM for NGAs states that the Cash in Bank-LCCA “is used to recognize deposits with AGDBs of income received for which the agency has authority to use; trust receipts authorized under specific contracts and agreements; Revolving Fund under specific laws; and credit advices/memos received from the AGDBs.”

In CY 2018 and CY 2019, the Audit Team made observations regarding the Agency’s maintenance of substantial cash balance under the Cash in Bank – LCCA account without the required authority, thus to be remitted to the National Treasury. However, in CY 2020, the same condition still existed.

Details of the balance of such account in the total amount of ₱50,468,260.69 are presented below:

**1) OPAPP-Current Account (CA) – ₱50,166,592.70**

Maintained for domestic funds and serves as trust account of OPAPP. This was originally used for MILF Funds transferred from the Office of the President (OP) for the talks between the Government and the MILF.

**2) Re-Integration Program Fund – ₱301,667.99**

- Total funds deposited since the start of project in 2003 was ₱10,000,000.00;
- Sourced from the President’s Social Funds (PSF) under the Presidential Management Staff (PMS) to support the re-integration to mainstream society and other development undertakings of Alleged Political Offenders (APOs) who were former Rebolusyonaryong Partido ng Manggagawa-Pilipinas/ Revolutionary Proletarian Army/Alex Boncayao Brigade (RPM-P/RPA/ABB).

Analysis of the foregoing balances revealed that these were accumulated from the transactions of the agency prior to CY 2020 as a result of Management’s non-remittance of deposits to the National Treasury contrary to the provisions of EO No. 338, as implemented under COA-DBM-DOF- JC No. 1-97.

Management commented that they will prioritize the submission of the request from the Permanent Committee on the maintenance of special accounts.

Also, Management stated that the Finance Unit would coordinate with the Land Bank of the Philippines (LBP) for the closing of the mentioned special accounts.

**We recommended and Management agreed to require the Chief of FAS to make representation with the Permanent Committee for the authority to maintain special accounts pursuant to DOF-DBM-COA JC No. 4-12, otherwise, their balance should be remitted to the National Treasury for lack of explicit authority to maintain such special accounts.**



*Non-liquidation of cash advances within the reglementary period*

2. Deficiencies were noted in the granting and liquidation of the advances to Special Disbursing Officers of which out of the year-end balance of ₱33,430,473.48, a total of ₱14,925,969.21 or 45 percent remained unliquidated for one to five years contrary to the provisions of COA Circular 97-002 dated February 10, 1997; and a total of ₱9,322,319.67 were granted to 23 accountable officers even if the previous cash advances have not been liquidated and accounted for in the books contrary with Section 89 of PD 1445.

The Advances to SDOs account showed a balance of ₱33,430,473.48 as of December 31, 2020, summarized as follows:

Particular	Amount (₱)		Total
	Regular Fund	Special Accounts- Locally Funded /Domestic Grants Fund (OPAPP – Current Account)	
Balance, January 1, 2020	24,040,389.16	500,000.00	24,540,389.16
Add: Cash Advances granted	91,946,271.78	350,000.00	92,296,271.78
Sub-total	115,986,660.94	850,000.00	116,836,660.94
Less: Liquidations:	83,393,384.62	12,802.84	83,406,187.46
<b>Balance, December 31, 2020</b>	<b>32,593,276.32</b>	<b>837,197.16</b>	<b>33,430,473.48</b>
<b>Percentage of Liquidation</b>	<b>71.90%</b>	<b>1.51%</b>	<b>71.39%</b>

a. **Unliquidated cash advances for one to five years**

The granting, utilization and liquidation of cash advances are prescribed under the following rules and regulations:

COA Circular No. 97-002 states that:

- When a cash advance is no longer needed or has not been used for a period of two months, it must be returned to or refunded immediately to the Collecting Officer.
- All cash advances shall be fully liquidated at the end of each year. Except for petty cash fund, the accountable officer (AO) shall refund any unexpended balance to the Cashier/Collecting Officer who will issue the necessary official receipt.

For CY 2020, the Management sent demand letters to various AOs and this resulted to the increase of liquidation percentage to 71.39%. However, of the total balance of Advances to SDOs account disclosed that ₱14,925,969.21 or 45% remained unliquidated for 1 to 5 years already. Aging schedule is shown on the next page:



Account	Current (P)	Past Due (P)			Total (P)	
		1 year	2 years	3 Years		5 Years
Advances to SDOs	18,504,504.27	13,952,917.22	672,686.99	77,029.00	223,336.00	33,430,473.48

**We recommended and Management agreed to:**

- a. **Require the AOs to refund the excess balance of cash advance immediately or within the prescribed periods after completion/termination of the purpose thereof; and**
- b. **Submit to the Audit Team proof of exhaustion of all administrative remedies taken by the Accountant in requiring the liquidation/settlement of cash advances in preparation for the filing of appropriate charges in case the accountable officers failed to comply.**
- b. **Cash advances granted even if the previous ones have not been liquidated and accounted for in the books of accounts**

Section 89 of PD 1445 states that:

“No cash advance shall be given unless for a legally specific purpose. A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served. No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.”

Examination of the account Advances to SDOs showed that additional cash advances totaling ₱9,322,319.67 were granted to various accountable officers (AO) even if the previous cash advances have not been liquidated and accounted for in the books of accounts as shown in the table below:

No.	Name of Accountable Officer	Amount of Previous Unliquidated CA (P)	Amount of Additional CA Granted despite non-liquidation of previous CAs (P)	Unliquidated Balance as of December 31, 2020 (P)
1	Abdul Hakim A. Limug	250,300.00	309,000.00	559,300.00
2	Arnulfo R. Pajarillo	5,000,905.11	1,702,922.95	6,703,828.06
3	Asmerah O. Lontua	15,635.00	225,848.30	241,483.30
4	Christina Loren B.Umali	105,094.25	842,390.00	947,484.25
5	Sarah Jean S. Trajano	106,577.28	564,850.00	671,427.28

No.	Name of Accountable Officer	Amount of Previous Unliquidated CA (₱)	Amount of Additional CA Granted despite non-liquidation of previous CAs (₱)	Unliquidated Balance as of December 31, 2020 (₱)
6	Chenna Sola Resaba	21,800.00	172,111.42	193,911.42
7	David B. Diciano	107,390.00	860,750.00	968,140.00
8	Ericson Anthony Z. Esporas	693,250.00	118,800.00	812,050.00
9	Jana Jill L. Gallardo	374,800.00	198,000.00	572,800.00
10	Jayson N. Encinares	137,070.00	775,770.00	912,840.00
11	Jennifer April M. Casalem	126,700.00	694,500.00	821,200.00
12	John C. Estrellado	60,000.00	676,100.00	736,100.00
13	Lourdes P. Asiatico	143,100.00	313,444.00	456,544.00
14	Maria Esperanza Carmen M. Liamco	45,000.00	45,000.00	90,000.00
15	Maria Josela O. Clemente	28,436.55	528,020.00	556,456.55
16	Ma. Celin H. Mendoza	38,000.00	64,000.00	102,000.00
17	Mohamad B.Dipatuan	104,052.62	183,039.00	287,091.62
18	Nadia S. Lorena	50,000.00	100,000.00	150,000.00
19	Nina Sheila S. Jickain	58,500.00	30,000.00	88,500.00
20	Rhaffi Jumdain	163,100.00	67,600.00	230,700.00
21	Rosalyn B. Lachica	198,482.70	433,450.00	631,932.70
22	Salman U. Usop	87,668.80	151,894.00	239,562.80
23	Wendell P. Orbeso	555,331.64	264,830.00	820,161.64
	<b>Total</b>	<b>8,471,193.95</b>	<b>9,322,319.67</b>	<b>17,793,513.62</b>

The granting of cash advances to AOs with previous unliquidated cash advances of ₱9,322,319.67 contributed to the accumulation of balances by 28% of the total year-end unliquidated cash advances of ₱33,430,473.48.

The non-compliance with the rules and regulations on the granting and liquidation of cash advances is considered weakness in the control of government resources. The longer is the unutilized funds in the hands of the AOs, the higher probability of exposing such funds to possible misuse or misapplication or loss.

**We recommended and Management agreed to ensure that all documentary/procedural requirements are complied with prior to the processing of the cash advance and that no cash advance shall be drawn unless the previous cash advance had been properly liquidated and taken up in the books.**



*Long outstanding balance of Accounts Payable*

3. The balance of the Accounts Payable amounting to ₱172,062,246.24 as of December 31, 2020 is unreliable due to the inclusion of the unreverted amount of ₱10,557,729.17 representing the account outstanding for two years or more, contrary to EO No. 87 and Section 98 of PD No. 1445.

Section 1 of EO 87 ordered that:

All documented accounts payable for fiscal year 2016 and years prior thereto shall be reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government. Henceforth, all documented accounts payable which remain outstanding for at least two years, for which no actual administrative or judicial claim has been filed, shall be subject to automatic reversion.

While Section 98 of PD No. 1445 states that:

The Commission, upon notice to the head of agency, may revert to the unappropriated surplus of the general fund of the national government, any unliquidated balance of accounts payable in the books of the national government, which has been outstanding for two years or more and against which no actual claim, administrative or judicial, has been filed or which is not covered by perfected contracts on record. This section shall not apply to unliquidated balances of accounts payable in trust funds as long as the purposes for which the funds were created have not been accomplished.

The balance of the Accounts Payable at year end is composed of the following:

<b>Fund Cluster</b>	<b>Fund</b>	<b>Balance (₱)</b>
General Fund	Regular Fund	170,174,302.31
Special Accounts - Locally Funded /Domestic Grants Fund	OPAPP-CA	1,706,358.84
Special Accounts -Foreign Assisted /Foreign Grants Fund	UNDP-Strengthening National Infrastructure (SNPI) Program	165,937.50
	Royal Norwegian Government (RNG) - Financial for GRP-NDFFP Talks	4,725.00
	Community Peace Dividend Funds (CPDF)	10,922.59
<b>Total</b>		<b>172,062,246.24</b>

The audit recommendations contained in Part 2 of the Calendar Year (CY) 2019 Annual Audit Report (AAR) requiring the Accounting Section to revert to the



Unappropriated Surplus of the General Fund those payables, which remained outstanding for two years or more, and for which the implementation of the programs/projects has already been accomplished.

Review, however, of the Aging of Accounts Payable revealed that account balances in the total amount of ₱10,557,729.17 or 6 percent of the outstanding balance of Accounts Payable, remained outstanding and unreturned to the unappropriated surplus of the general fund. The aging of the account as of December 31, 2020 is as follows:

Account	Amount (₱)	Current (₱)	Past Due (₱)	
			1 year	Over 2 years
Accounts Payable	172,062,246.24	136,676,544.89	24,827,972.18	10,557,729.17

Moreover, examination of the balance of the Accounts Payable under the Special Funds disclosed that ₱356,047.70 of the total amount of ₱10,557,729.17 remained outstanding for over two years despite completion/accomplishment of the purpose of the implementation of the programs/projects, as pointed out in the CY 2019 AAR. The details are shown below:

Fund	Particulars	Payee	Amount (₱)
OPAPP-CA	Staled check for the month of April 2013	Various creditors	2,492.81
	Staled check for the month of July 2013		137,617.39
	Stale check (in reference to check no. 1045628 dated 09/15/2015)		50,000.00
UNDP-SNPI	Staled check since December 2016	Made'M Services	165,937.50
<b>Total</b>			<b>356,047.70</b>

As stated in the EO, the existence of prior years' accounts payable in the books of accounts of agencies unnecessarily immobilizes public funds, hampers efforts to determine the actual financial condition of the national government, and hinders effective resource planning and allocation.

**We reiterated our recommendation and Management agreed to require the Chief Accountant to revert to the Unappropriated Surplus of the General Fund the remaining payables which are outstanding for two years and more, particularly pertaining to those accounts and funds for which the implementation of the programs/projects has been completed and accomplished.**

### *Existence of Dormant Accounts*

4. Cash and Receivables accounts' balances amounting to ₱42,834,531.39 remained dormant or non-moving for more than five years due to lack of appropriate action taken despite previous audit recommendations to comply with COA Circular Nos. 97-001 and 2015-001 dated February 5, 1997 and January 29, 2015, respectively.

Under COA Circular No. 97-001, the following terms shall be construed to mean as follows:

- i. Dormant Accounts - refer to individual or group of accounts, which balances remained non-moving for more than five years.
- ii. Dormant Funds - refer to funds with their own assets, liabilities and residual equity created for specific projects/programs, the implementation of which have been completed and the account balances remained non-moving for more than five years.

COA Circular No. 2015-001 prescribes the guidelines and procedures in the reversion to the General Fund of all dormant cash balances, unauthorized accounts and unnecessary special and trust funds by national government agencies (NGAs) with depository banks. The said guidelines and procedures are in conformity with the Permanent Committee JC No. 4-2012 dated September 11, 2012, implementing EO No. 431 dated May 30, 2005.

While COA Circular No. 2016-005 dated December 19, 2016 prescribes the guidelines and procedures on the Write-Off of Dormant Receivable Accounts, Unliquidated Cash Advances and Fund Transfers (FTs) of NGAs. Among others, it provides the following:

Dormant Unliquidated Cash Advances – advances granted to disbursing officers, agency officers and employees which remained non-moving for ten (10) years or more and where settlement/collectability could no longer be ascertained.

The Accountant shall prepare aging of dormant receivables, unliquidated cash advances and fund transfers on a quarterly basis to support the request for write-off and indicate in the remarks column the existence of the applicable conditions as follows:

- a. Absence of records or documents to validate/support the claim and/or unreconciled reciprocal accounts;
- b. Death of the accountable office/employee/debtor;

- c. Unknown whereabouts of the accountable office/employee/debtor; and that he/she could not be located despite diligent efforts to find him/her;
- d. Incapacity to pay or insolvency;
- e. Exhaustion of all possible remedies by the Management to collect the receivables and to demand liquidation of cash advances and fund transfer; and
- f. No pending case in court involving the subject dormant account.

The Head of the government entity shall file the request for authority to write-off dormant receivable accounts, unliquidated cash advances and FT to the COA Audit Team Leader (ATL) and/or Supervising Auditor (SA). No filing fee is required.

As at December 31, 2020, the balance of dormant accounts totaled ₱42,834,351.39, with details shown below.

Account	Amount	Years Dormant	Action Taken by Management
<b>Cash</b>			
Cash in Bank - LCCA		5 – 16	Communicated with source agency and donors to return the balances
<b>Receivables</b>			
Due from NGAs	402,629.40	>10 years	sent demand letters
Due from NGOs/POs	4,229,876.30	>10 years	sent demand letters
Other Receivables	417,140.00	>10 years	sent demand letters
<b>Total</b>	<b>42,834,531.39</b>		

Dormant and/or unnecessary special and trust funds consisted mainly of funds granted by foreign donors, as presented below.

Grant	Fund	Year Started	Balance (₱)
Foreign	RNG	2007	85,746.23
	UNDP-SNPI	2012	171,257.50
	AusAID-TAF	2012	3,947,607.56
	MPDLGP	2011	32,515,567.04
Sub-total			36,720,178.33
Domestic/Local	Re-Integration	2003	301,667.99
<b>Grand Total</b>			<b>37,021,846.32</b>

Dormant OPAPP-Current Account, as follows:

Project	Year Started	Balance (₱)
1. Project for Peace and Social Integration Program (SIP)	2010	530,836.27
2. Asia Foundation	2013	232,023.10
<b>Total</b>		<b>762,859.37</b>



Per confirmation with Government Servicing Banks (GSBs) particularly with the LBP, the balances of the respective bank accounts are already dormant as of December 31, 2020; thus, instead of earning interests, these are incurring dormancy fees.

Likewise, verification of the aforesaid accounts and funds disclosed that the implementation of the projects/programs has already been completed/implemented and/or terminated.

**We recommended and Management agreed to require the Chief Accountant to:**

- a. conduct thorough analysis of the cash accounts, particularly pertaining to those accounts and funds, which are non-moving for more than five years; funds which are dormant and are no longer necessary for the attainment of the purposes for which the funds were established/received and/or the project implementation has been completed, terminated, cancelled or abandoned;
- b. return the unutilized balances to the Source Agency/donors/financing entities in the case of grants or foreign-funded programs/projects wherein the attendant agreements require the return of unused balances or remit the same to the National Treasury; and
- c. request an authority from COA to write-off the receivables, which are dormant or remained outstanding for 10 years or more following the requirements stated under COA Circular No. 2016-005 dated December 19, 2016.

**B. Others**

***Gender and Development (GAD) Plan and Budget***

5. For CY 2020, OPAPP allocated ₱25,124,455.00 or 1.37 percent of its total budget of ₱1,828,757,000.00 for the implementation of various GAD related activities, utilizing a total of ₱3,798,350.00, which is only 15.12 percent of the allocated budget and only 0.002 percent of its regular appropriations, thus, the intended benefits of the plan were not fully achieved.

Section 31 of the General Provisions (GP) of the GAA CY 2020 or RA No. 11465 provides, among others, that all agencies of the government shall formulate a GAD Plan designed to address gender issues within their concerned sectors or mandate and implement the applicable provisions under RA 9710 or the Magna Carta of Women. The GAD Plan shall be integrated in the regular activities of the agencies, which shall be at least five percent of their budgets.

Verification of the Annual GAD Plan and Budget (GPB) showed that OPAPP allocated ₱25,124,455.00 or 1.37 percent of its regular appropriation of ₱1,828,757,000.00 for the implementation of several GAD-related activities for CY 2020. The actual expenditures reported in the 2020 Annual GAD Accomplishment Report submitted to the Philippine Commission on Women totaled to ₱3,798,350.00 or 15.12 percent of the GPB and 0.002 percent of its regular appropriations.

OPAPP budgeted 45 GAD activities for CY 2020 and out of the 45 activities, only 11 have an actual result.

**We recommended and Management agreed to require the concerned GAD Focal Point System to:**

- a. **Strictly adhere with the provisions of the GP of the GAA and ensure that at least five percent of its budget is allocated to provide more comprehensive and responsive GAD plans and programs; and**
- b. **Formulate a more feasible GAD plan and programs that could be implemented for a given period.**

6. ***Programs and Projects related to Senior Citizens and Persons With Disability (PWDs)***

Section 32 of the GP of GAA CY 2020 or RA No. 11465 directs all government agencies to formulate plans, programs and projects intended to address the concerns of senior citizens and persons with disability, insofar as it relates to their mandated functions, and integrate the same in their regular activities.

Management, however, was not able to formulate plans/projects related to the concerns of senior citizens and persons with disability in the Agency for CY 2020, thus, no related expenses were incurred during the year.

**We recommended and Management agreed to formulate programs and projects intended to address the concerns of Senior Citizens and PWDs.**

7. ***Disaster Risk Reduction and Management (DRRM)***

For CY 2020, the OPAPP attended lectures related to DRRM and conducted earthquake/fire drills to raise awareness and develop security and safety practices in line with the goal of the government on DRRM.

8. ***Compliance with Tax laws***

Management remitted monthly to the Bureau of Internal Revenue (BIR) the Value Added Tax (VAT) and other percentage taxes withheld on goods and services, creditable income taxes and on compensation of personnel through the Tax Remittance Advice (TRA), in compliance with the Department of Finance (DOF) and DBM Joint Circular No. 1-2000A dated July 31, 2001.

Joint Circular No. 1-2000A requires all NGAs to prepare and file the TRAs to cover remittance of taxes withheld supported by applicable Withholding Tax Returns with the concerned BIR-Revenue District Office on or before the 10<sup>th</sup> day of the following month after the taxes is withheld.

Verification of the summary of withholding tax showed that the balance of the Due to BIR account amounted to ₱3,537,899.23 as at December 31, 2020, with details shown below.

Particulars	Amount (₱)	
	Withheld	Remitted
Compensation	17,282,216.32	15,268,553.87
Expanded	10,797,571.78	8,783,417.49
VAT	9,242,585.48	6,084,416.01
<b>Total</b>	<b>37,322,373.58</b>	<b>30,136,387.37</b>
		<b>7,185,986.21</b>

The balance of ₱7,185,986.21 was remitted in January 2021.

9. ***Compliance with the GSIS Premium Deductions and Remittances***

The Due to GSIS account had a beginning balance of ₱308,862.74 with total premium deductions of ₱15,705,829.86 and total remittances of ₱14,551,193.20, leaving a balance of ₱1,463,499.40 as of December 31, 2020 which was remitted in January 2021.

10. ***Compliance with the Pag-IBIG Fund Law***

The Due to Pag-IBIG account had a negative beginning balance of ₱74,473.40 with total premium deductions of ₱2,893,184.56 and total remittances of ₱2,564,950.60, leaving a balance of ₱253,760.53 as of December 31, 2020 which was remitted in January 2021.



11. *Compliance with the PhilHealth Deductions and Remittances*

The Due to PhilHealth account had a beginning balance of ₱257,424.68 with total premium deductions of ₱2,263,696.95 and total remittances of ₱2,275,515.21, leaving a balance of ₱245,606.42 as of December 31, 2020 which was remitted in January 2021.

12. *Compliance with the Property Insurance Law*

The OPAPP insured its insurable properties with the GSIS in compliance with COA Circular No. 92-390 dated November 17, 1992 on the Inventory of Physical Assets, Insurance and Bonding of Risks with the General Insurance Fund (GIF) of the GSIS as required under RA No. 656, Property Insurance Law, as amended by PD No. 245 dated July 13, 1973. The amount of insurance premiums paid with the GSIS for the CY 2020 totaled to ₱232,325.55.

*Status of Audit Suspensions and Disallowances*

13. **Audit suspension and disallowances amounting to ₱4,226,552,630.18 and ₱15,912,123.00, respectively were issued in CY 2020 to the agency. While prior years audit suspensions and disallowances totaling ₱249,706,657.13 and ₱118,945.80, respectively were settled/paid leaving an unsettled balance of ₱4,289,975,086.20 and ₱51,879,820.33, respectively as of December 31, 2020.**

Section 7.1.1 of the 2009 Rules and Regulations on the Settlement of Accounts (RRSA) circularized under COA Circular No. 2009-006 dated September 15, 2009 provides, among others, that the agency head, who is primarily responsible for all government funds and property pertaining to his agency, shall ensure that the settlement of disallowances and charges is made within the prescribed period and the requirements of transactions suspended in audit are complied with.

The summary of the audit suspensions, disallowances and charges issued and settled during the year is shown below:

Particulars	Balance as of 01/01/2020 (₱)	Issued CY 2020 (₱)		Balance as of 12/31/2020 (₱)
		NS/ND	NSSDC	
Notice of Suspension	313,129,113.15	4,226,552,630.18	249,706,657.13	4,289,975,086.20
Notice of Disallowance	36,086,643.13	15,912,123.00	118,945.80	51,879,820.33
Notice of Charges	-	-	-	-
<b>Total</b>	<b>349,215,756.28</b>	<b>4,242,464,753.18</b>	<b>249,825,602.93</b>	<b>4,341,854,906.53</b>

Audit suspension totaling ₱4,226,552,630.18 pertains to lack of documentary requirements on fund transfers to NGOs/POs and liquidation of cash advance amounting to ₱4,225,563,181.70 and ₱1,383,266.56, respectively.

The audit disallowances issued for CY 2020 totaling ₱15,912,123.00 pertains to issuances of the nine (9) computer tablets and cellular phones that were not returned or turned over to the Property and Supplies Section by the end users and suspensions that matured into disallowances due to non-compliance/submission of the requirements within the (90) days amounting to ₱406,870.00 and ₱15,505253, respectively.

The audit suspensions and disallowances amounting to ₱249,706,657.13 and ₱118,945.80, respectively were partially settled/paid in 1<sup>st</sup> and 4<sup>th</sup> quarter of CY 2020, leaving an unsettled balance of ₱4,289,975,086.20 and ₱51,879,820. 33 as of December 31, 2020.

**We recommended and Management agreed to strictly enforce the settlement of the audit suspensions and disallowances particularly those with Notice of Finality of Decisions (NFDs) issued pursuant to the provisions of COA Circular No. 2009-006.**

#### 14. *Utilization of Yolanda Funds*

The receipt of fund transfer from the Presidential Management Staff (PMS) amounting to ₱460,000.00 under Check No. 337099 dated April 14, 2015 for the payment of financial assistance to the agency's employees whose houses were partially/totally/heavily damaged by Typhoon Yolanda and the 7.2 Magnitude earthquake in Bohol was already fully utilized and liquidated in September 2015.

There were no other transactions related to the utilization of Yolanda Funds for CY 2020.

#### 15. *Utilization of Marawi Funds*

On July 25, 2018, the DBM released funds from the FY 2018 GAA under the National Disaster Risk Reduction and Management Fund (Calamity Fund) totaling ₱24,950,010.00 to support the project/program focused on social healing and peace building of OPAPP for Marawi, the amount of ₱4,125,979.94 was obligated during the year.

Of the allotment released from 2018 continuing appropriations in the total amount of ₱20,824,030.06, the amount of ₱5,824,547.74 or 28 percent was obligated during the year, leaving a balance of ₱14,999,482.32 in CY 2019, which was remitted to the Bureau of Treasury on December 31, 2019.

There were no other transactions related to the utilization of Marawi Funds for CY 2020.



16. *Utilization of Covid Funds*

For CY 2020, following the declaration of the national state of public health emergency and the subsequent enactment of the Bayanihan Act One and issuance of NBC 580, the OPAPP has realigned its allotments to be used solely for COVID-19 related expenditures, particularly in support of Secretary Galvez’s designation as the Chief Implementer of the Philippines’ declared national policy against COVID-19.

OPAPP have a total allotment of ₱59,291,936.33 for Covid Funds. The Agency has obligated 99.94% of its FY 2019 realigned allotment while the unutilized FY 2020 realigned allotment is currently on track with its programmed expenditure and is expected to be fully utilized within the FY 2021. The details of the allotments, obligations and the obligation-based budget utilization rate (OBUR) are as follows:

Particulars	Allotment (a)	Obligation (b)	Disbursement (c)	Unutilized (a-b)	Percentage	
					OBUR (b/a)	DBUR (c/b)
<b>FY 2019 GAA (as realigned)</b>						
Secretary’s Approval only						
MOOE	20,679,858.83	20,679,858.83	20,679,858.83	0.00	100	100
DBM/OP approval						
MOOE	28,371,099.00	15,375,581.32	13,500,581.32	12,995,517.68	54.19	87.81
CO	500,000.00	369,675.50	327,685.50	130,324.50	73.94	88.64
<b>Sub-total</b>	<b>49,550,957.83</b>	<b>36,425,115.65</b>	<b>34,508,125.65</b>	<b>13,125,842.18</b>	<b>73.51</b>	<b>94.74</b>
<b>FY 2020 GAA (as realigned)</b>						
Secretary’s Approval only						
MOOE	7,860,592.47	7,860,592.47	7,860,592.47	0.00	100	100
DBM/OP approval						
CO	15,102,438.00	4,170,122.34	3,311,360.00	10,932,315.66	27.61	79.41
<b>Sub-total</b>	<b>22,963,030.47</b>	<b>12,030,714.81</b>	<b>11,171,952.47</b>	<b>10,932,315.66</b>	<b>52.39</b>	<b>92.86</b>
<b>TOTAL</b>	<b>72,513,988.30</b>	<b>48,455,830.46</b>	<b>45,680,078.12</b>	<b>24,058,157.84</b>	<b>66.82</b>	<b>94.27</b>
MOOE	56,911,550.30	43,916,032.62	42,041,032.62	12,995,517.68	77.17	95.73
CO	15,602,438.00	4,539,797.84	3,639,045.50	11,062,640.16	29.10	80.16

OPAPP disbursements of Covid Funds were room accommodation of front-liners combatting Covid-19 and purchased of rapid testing kit.

The Management of OPAPP have already implemented the observations noted by the Audit Team for CY 2020 Covid Funds transactions. Details of the observations that were implemented are shown below:

Observation	Recommendation
Emergency lease of seven venues with payments totaling ₱12,066,287.62 were not supported with notarized Omnibus	Require the OPAPP-Bids and Awards Committee (BAC) Secretariat to require the lessors to submit the accomplished



<b>Observation</b>	<b>Recommendation</b>
Sworn Statement (OSS) from the lessor, contrary to Section 4.1 of GPPB Circular No. 01-2020 dated April 06, 2020.	notarized OSS from to avoid issuance of audit suspension or disallowance. Henceforth, strictly comply with the provisions of Section 4.1 of GPPB Circular No. 01-2020, particularly on the submission of the above stated requirement/document.
The updated Annual Procurement Program (APP) and all procurement transactions with Notice of Award (NOA) under emergency cases in relation to the Bayanihan Act One were not posted in the GPPB online portal, contrary to Section 9 of GPPB Circular No. 01-2020 dated April 06, 2020.	Instruct the BAC Secretariat to comply with the posting requirements under Section 9 of GPPB Circular No. 01-2020.
Financial assistance to front-liners combating the COVID-19 pandemic were charged to various expense accounts instead of the account Subsidies-Others, contrary to the Chart of Accounts guidelines under Chapter 3, Volume III of the GAM, resulting in the overstatement of various expense accounts and understatement of Subsidies-Others.	Require the Accounting Division to reclassify the affected expenses to their proper accounts, and henceforth used the appropriate account in accordance with the Chart of Accounts.

17. *Utilization of National Task Force to End Local Communist Armed Conflict (NTF-ELCAC)*

NTF-ELCAC was created under EO No. 70 issued on November 4, 2018 and became effective upon its publication in the Official Gazette on December 10, 2018.

Under Sections 1 and 2 of the said EO, a Task Force was created under the OP to ensure efficient and effective implementation of the Whole-of-Nation Approach for the attainment of inclusive and sustainable peace. The government shall prioritize and harmonize the delivery of basic services and social development packages in the conflict-affected areas and vulnerable communities, facilitate societal inclusivity, and ensure active participation of all sectors of society in the pursuit of the country's peace agenda.

The OPAPP is the Co-Lead Agency for the Local Peace Engagement (LPE) Cluster that is tasked to implement the localization of the peace process through a two-track approach: (1) conduct of community consultations and problem-solving sessions to address issues of peace, and (2) conduct of local peace dialogues with local armed groups. To operationalized the localized peace engagement, OPAPP, initiated the crafting and cascading of the LPE Guidelines through ELCAC Summits in Visayas and Mindanao and during various Regional Task Force (RTF) – ELCAC fora.

Based on the accomplishment report submitted, OPAPP was able to draft the LPE Guidelines through various consultation meetings with various stakeholders. It then cascaded the guidelines to groups of stakeholders during the ELCAC Summit. Likewise, OPAPP served as the link between the National and Regional Level of ELCAC works. Accordingly, OPAPP was able to forge local peace engagements resulting in mass surrender of rebel groups and fostering of peace and order in their locality among others.

Details of Sources and Utilization of Funds on the Operation of ELCAC for OPAPP are as follows:

Year	Funding source	Particulars	Budget (₱)	Obligated (₱)	Disbursement (₱)	Balance as of 12/31/2020 (₱)
2019	Regular Agency Fund (2019 RA 11260)	Various ELCAC-related expenses	5,675,797.83	5,675,797.83	5,367,371.31	308,426.52
	Contingent Fund (2019 RA 11260)	SARO-BMB-D-19-0011852 dated September 10, 2019)	2,404,012.20	2,404,012.20	2,396,967.70	7,044.50
2020	Regular Agency Fund (2020 RA 11465)	Administrative costs	2,000,000.00	2,309,897.65	2,219,947.65	(219,947.65)
<b>Total</b>			<b>10,079,810.03</b>	<b>10,389,707.68</b>	<b>9,984,286.66</b>	<b>405,421.02</b>

#### I. Unsubmitted Vouchers/transactions

Various vouchers and their corresponding supporting documents pertaining to the ELCAC fund for CY 2019 were not submitted to the Office of the Auditor, contrary to Paragraph 6.05 of COA Circular No. 95-006 dated May 18, 1995, which states that official involved in the daily recording of transactions in the books of accounts shall turn over the receipts and the disbursement records with all paid vouchers and documents evidencing the transactions to the Auditor within 10 days from date of receipt of said documents, thereby reliability and validity of the transactions could not be determined.

Monitoring and review of DVs and JEVs submitted monthly by the the OPAPP Accounting Section disclosed that out of the JEVs and its supporting documents of 53 transactions totaling ₱2,298,739.19 that were not submitted to the Audit Team, ₱1,364,686.89 pertains to ELCAC Fund expenses.

2. Actual Obligations and Disbursements exceeded the Budgeted Amount

For CY 2020, OPAPP received NCA from DBM amounting to ₱2,000,000.00 intended for administrative costs, which the Audit Team found in order in audit.

The agency actual obligations for ELCAC CY 2020 amounted to ₱2,309,897.65, which is ₱309,897.65 more than the budgeted amount of ₱2,000,000.00, charged to the regular budget allocation of OPAPP.

Total Disbursement for CY 2020 amounted to ₱2,219,947.65.



STATUS OF IMPLEMENTATION OF PRIOR YEAR'S  
AUDIT RECOMMENDATIONS

Of the 28 audit recommendations embodied in the CY 2019 AAR, 16 were implemented and 12 were not implemented, details as follows:

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p><b>CY 2019</b></p> <p><i>A. Financial Audit</i></p> <p>1. Various accounting errors/omissions were noted in the recording of liquidations of transferred funds which resulted in net understatement of accounts Financial Assistance to NGAs/LGUs/NGOs/POs, Due to NGAs, and Accumulated Surplus (Deficit) by ₱990,961,267.05, ₱116,633,250.00, and ₱874,688,789.75 respectively; and net overstatement of Accounts Payable by ₱360,772.70.</p> <p>We recommended and Management agreed to require the Chief Accountant to:</p> <p>a. effect the necessary adjustments/corrections in the books of accounts. Ensure that the liquidation of expenses incurred are properly classified and correctly recorded in the books of accounts.</p>	<p>1</p>	<p>The Accounting staff prepared the necessary adjustments/correcting entries to its books of accounts with proper documentation.</p>	<p><b>Implemented</b></p> <p>The necessary adjustments were made in the books of accounts and were found in order.</p>

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>b. revert to the Unappropriated Surplus of the General Fund those payables, which remained outstanding for two years or more, and for which the implementation of the programs/projects has already been accomplished.</p>		<p>The Accounting Staff reviewed the Accounts Payable balances which remained outstanding for two years and more.</p>	<p><b>Not Implemented</b> Payables which were outstanding for two years and more remained unreturned to the Unappropriated Surplus of the General Fund. The Special accounts remained open.</p> <p>This is reiterated in Part II of this report.</p>
<p>c. effect the necessary adjustments/corrections in the books of accounts for the recorded liquidations that were still outstanding as of December 31, 2019.</p>		<p>The Accounting staff prepared the necessary adjustments/ correcting entries to its books of accounts with proper documentation.</p>	<p><b>Implemented</b> The necessary adjustments were made in the books of accounts and were found in order.</p>
<p>d. monitor the utilization and liquidation thereafter of the transferred funds to the concerned LGUs.</p>		<p>Finance continues to monitor and follow-up the liquidation of the outstanding fund transfers by sending demand letters to the LGUs and NGOs and by regular follow-ups with the concerned units and AMOs.</p>	<p><b>Implemented</b> Continuous monitoring of the utilization and liquidations of the transferred funds to the concerned LGUs.</p>
<p>e. prepare and maintain SLs for Accounts Payable under the different funds of the</p>		<p>The Accounting Staff prepared a separate SL for Accounts Payable, for further reconciliation.</p>	<p><b>Implemented</b> A detailed schedule was prepared and</p>

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>agency in accordance with Section 12, Chapter 2, Volume I of the GAM.</p>			<p>maintained by the Accounting Staff in the system used by the agency.</p>
<p><i>B. Compliance Audit</i></p> <p>2. Of the ₱180,601,622.67 balance of the Cash in Bank-LCCA account as of December 31, 2019, two bank accounts containing ₱118,901,277.36 are being maintained without proper authority, in violation of EO No. 338 dated May 17, 1996, as implemented under COA-DBM-DOF JC No. 1-97 dated January 2, 1997.</p> <p>We reiterated our recommendation and Management agreed to require the Chief of FAS to make representation with the Permanent Committee for the authority to maintain special accounts pursuant to DOF-DBM-COA JC No. 4-12, otherwise, their balances should be remitted to the National Treasury for lack of explicit authority to maintain such special accounts.</p>	<p>2</p>	<p>The Management reconciled the accounts and coordinated with Land Bank for the closing of Special accounts.</p> <p>However, for the OPAPP – Current Account, all the related expenses and transfer of funds for the implementation of FY 2016 PAMANA Agricultural Productivity Support Projects in the Autonomous Region in Muslim Mindanao active and the activities are on-going.</p> <p>The Management will prioritize its request of authority from the Permanent Committee on</p>	<p><b>Not Implemented</b></p> <p>Communications with the donors on the reversion of unused fund is on-going. Likewise, authority to maintain special accounts with regard to ongoing projects from the permanent committee is still in process.</p> <p>This is reiterated in Part II of this report.</p>



Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>3. The Advances to SDOs account accumulated to an outstanding year-end balance of ₦53,788,969.05 due to non-compliance with the rules and regulations on the granting, utilization and liquidation of cash advances. Of the year-end balance, ₦44,782,290.40 or 83 percent remained unliquidated for 61 days to over one year.</p> <p>We recommended and Management agreed to:</p> <ol style="list-style-type: none"> <li>a. Send demand letters to all AOs to liquidate/settle their cash advances, which had exceeded the allowable period of retaining their accountabilities;</li> <li>b. Require the AOs to refund the excess balance of cash advance immediately or within the prescribed periods after completion/termination of the purpose thereof;</li> </ol>	<p>3</p>	<p>the maintenance of special accounts in compliance with the Joint Administrative Order No. 431.</p> <p>Finance strictly monitors the liquidation of all granted cash advances. Further, the Finance regularly issues Demand letters and reported the status of unliquidated cash advances to the concerned units.</p> <p>The Management issued a memorandum and updated the policy, reiterating the provisions of COA Circular No. 97-002 particularly on granting of additional cash advances. Unit Heads instructed the accountable officers to</p>	<p><b>Implemented</b></p> <p>Demand letters were issued to the AOs to liquidate/settle their cash advances.</p> <p><b>Not Implemented</b></p> <p>CAs remained outstanding despite termination/end of purpose.</p> <p>This is reiterated in Part II of this report.</p>

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>c. Ensure that all documentary/procedural requirements are complied with prior to the processing of the cash advance and that no cash advance shall be drawn unless the previous cash advance had been properly liquidated or taken up in the books; and</p> <p>d. Submit to the Audit Team proof of exhaustion of all administrative remedies taken by the Accountant in requiring the liquidation/settlement of cash advances in preparation for the filing of appropriate charges in case the accountable officers failed to comply.</p>		<p>refund immediately the excess balance of cash advance and the justification, as there were still delays in the refund of the excess balance of cash advances.</p> <p>The Finance Unit regularly issues Demand letters and reported the status of unliquidated cash advances to the concerned units.</p>	<p><b>Not Implemented</b></p> <p>Some of the CAs were granted despite non-liquidation of previous CAs.</p> <p>This is reiterated in Part II of this report.</p> <p><b>Not Implemented</b></p> <p>Proof of exhaustion of remedies taken by the Accountant were not yet submitted to the Office the Auditor.</p> <p>This is reiterated in Part II of this report.</p>
<p>4. Sixty-four percent or ₱3,368,887,041.49 out of ₱5,259,762,628.28 fund transfers to IAs and NGOs/POs are aged more than two years to over ten</p>	4		

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>years, which is not in accordance with rules and regulations. On the other hand, unimplemented project for more than two years with a budget of ₱115,109,250.00 is still unreverted/unrefunded to the SA and remained recorded under the Due to Other NGAs account.</p> <p>We recommended that Management:</p> <ol style="list-style-type: none"> <li>Coordinate with the IAs to ensure the timely submission of reports so that their liquidation of expenses are promptly recorded in the books;</li> <li>Require the Chief Accountant to institute mechanisms in monitoring the status of the fund transfers to ensure that previous fund transfers are liquidated and recorded in the books prior to the release of subsequent tranches;</li> <li>Send demand letters reminding the IAs to promptly submit their liquidation reports with</li> </ol>		<p>The Management coordinates with the Area Management Offices and its implementing partners on the status of the remaining/ outstanding balances.</p> <p>Finance continues to monitor and follow-up the liquidation of outstanding fund transfers by sending demand letters to the IAs. Further, the Finance coordinated with ICTU and MEALD for the development of functional system / dashboard monitoring for the physical and financial performance targets with the status of fund</p>	<p><b>Implemented</b></p> <p>The Management coordinates with the IAs through Area Management Offices/ Teams to ensure the timely submission of reports.</p> <p><b>Implemented</b></p> <p>Mechanisms to monitor the status of the fund transfers were placed to ensure that previous fund transfers are liquidated and recorded in the books prior to the release of subsequent tranches</p> <p><b>Not Implemented</b></p> <p>Not all IAs were given demand letters.</p>



Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>complete supporting documents; and</p> <p>d. Make representation with the SA whether or not to continue with the project. If to be continued, the Head of the NPMD prepare a plan or program that will facilitate the implementation of the projects under the FY 2016 PAMANA-DA in conflict-affected areas in the ARMM as programmed in the MOA. If not, refund the unutilized balance to the source agency.</p>		<p>transfers and its liquidations.</p> <p>Fund balance from DA amounting to ₱115,109,250.00 for the FY 2016 PAMANA-DA was reprogrammed for implementation in CY 2020. However, following the declaration of National State of Public Health Emergency due to Corona Virus 2019 (COVID-19), all programs were put on hold or for later implementation. A MOA between OPAPP and the LGUs of the Bangsamoro Autonomous in Muslim Mindanao (BARMM), formerly ARMM, was signed to implement the remaining funds.</p>	<p><b>Implemented</b></p> <p>Management coordinated with various SA whether to continue or not the PAMANA program. OPAPP is still awaiting for the final decision.</p>
<p>5. Transactions pertaining to the disbursements of PCF and fund transfers to IAs amounting to ₱125,199.35 and ₱429,564,319.80, respectively, were processed/recorded in the books/released to IAs despite the insufficiency of supporting documents, which is not in accordance with Sections 2 and 4 of PD No. 1445 and other pertinent rules and regulations.</p>	<p>5</p>		

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>We recommended and Management agreed to:</p> <p>a. Stop the practice of issuing written justifications, and instead properly support/substantiate disbursements with sufficient and relevant documents to promote transparency in the utilization of public funds;</p> <p>b. Reduce the amount of PCF to a sufficient amount that would meet the one-month requirement, and instruct the AO to request for replenishment when the disbursements reach at least 75 percent of the PCF to ensure availability of funds when needed; and</p> <p>c. Refrain from providing meals and snacks during meetings when the attendees are purely OPAPP officials/employees, unless the same are charge to the RA or EME of the concerned OPAPP officials or borne personally by the attendees.</p>		<p>Management concurred with the recommendations of the office of the Commission on Audit.</p> <p>The Management refrain from providing meals and snacks to meetings attended only by OPAPP employees.</p> <p>Finance coordinated with the Units, both in the</p>	<p><b>Implemented</b></p> <p>Management required that disbursements be properly supported/substantiated with sufficient and relevant documents.</p> <p><b>Not Implemented</b></p> <p>Based on the aging of PCF, the amount of PCF granted to AOs is still in excess of the one-month requirement.</p> <p>The observation was closed in the 2020 AAR.</p> <p><b>Implemented</b></p> <p>For CY 2020, the management only provides meals and snacks for those meeting with other attendees aside from OPAPP officials and employees.</p> <p><b>Not Implemented</b></p>

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>We recommended that Management strictly conform with the stipulations agreed upon in the MOA by demanding from the IAs all the required documentary requirements prior to the processing of the payment.</p>		<p>Central office and the field offices, to intensify and strengthen its government rules and regulations. This includes requiring that all the documents needed for replenishments, reimbursements, financial liquidations and procurement are compliant with the COA Circulars 2012-002 and 2012-003.</p>	<p>Checks were prepared despite deficiency of supporting documents which resulted in the accumulation of unreleased checks which later became stale.  The observation was closed in the 2020 AAR.</p>
<p>6. The validity, accuracy and existence of the PPE account balance of ₱125,676,197.29 as of December 31, 2019 was doubtful because of the: (a) failure to complete the conduct of the annual physical count, contrary to Section 38, Chapter 10, Volume I of the GAM and (b) non-submission for audit of several JEVs, including their supporting documents, related to PPE accounts.</p> <p>We recommended that Management require the:</p> <p>a. Head of the PSS to submit the required annual RPCPPE to the Audit Team not later than January 31 of each</p>	<p>6</p>	<p>Accounting and Property and Supply Department conducted the inventory and reconciliation of each</p>	<p><b>Implemented</b>  The RPCPPE was submitted on</p>



Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>year in accordance with Section 38, Chapter 10, Volume I of the GAM; and</p> <p>b. Chief Accountant to submit the JEVs, including all supporting documents, taking up accounts payable for the acquisition of PPE totaling ₱3,112,000.68, in accordance with Par. 6.05 of COA Circular No. 95-006.</p>		<p>PPE accounts and subsequent adjustments were prepared thereafter.</p> <p>Finance instructed both departments, Accounting and PSS, to regularly conduct the reconciliation and to update the Property Cards and the PPE Ledger Cards in accordance to the Government Accounting Manual. Further, Finance coordinated with ICTU for the improvement/enhancement of the system.</p> <p>Control mechanisms on the acquisition and disposal of PPEs were reviewed and reinforced; and coordination between Finance and ICTU for the enhancement of the system was enacted.</p>	<p>September 29, 2020, however, material variances between the RPCPPE and the accounting records were noted, hence the need for further reconciliation between the two records.</p> <p><b>Implemented</b></p> <p>The Accounting submitted the JEVs and the supporting documents for the adjustment on the Accounts Payable account and were found in order.</p>
<p>7. The presence of various accounts and funds, which balances remained dormant or non-moving for more than five years as of December 31, 2019, is contrary to COA Circular Nos. 97-001 and 2015-001</p>	<p>7</p>		

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>dated February 5, 1997 and January 29, 2015, respectively.</p> <p>We recommended that Management require the:</p> <p>a. Chief Accountant to conduct thorough analysis of the cash accounts, particularly pertaining to those accounts and funds, which are non-moving for more than five years; funds which are dormant and are no longer necessary for the attainment of the purposes for which the funds were established/received and/or the project implementation has been completed, terminated, cancelled or abandoned.</p> <p>b. Chief Accountant, upon completion of the analysis and other procedures as stated in the prescribed guidelines of the COA Circular No. 2015-001, to return the unutilized</p>		<p>The Management continues to issue demand letters to outstanding accounts of two/over five years.</p> <p>Further, Finance noted that for the dormant/non-moving accounts under Due to NGAs are on process. Similarly, Management must review the requirements and the availability of the supporting documents prior request of the authority for write off the outstanding accounts particularly more than ten years.</p>	<p><b>Not Implemented</b></p> <p>Schedules/Analysis of accounts are prepared monthly. Analysis of the accounts is still on-going.</p> <p>This is reiterated in Part II of this report.</p> <p><b>Not Implemented</b></p> <p>Communications with the donors/source agencies with regard to the return of unused grants/ funds is on-going.</p>

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>balances to the Source Agency/donors/financial entities in the case of grants or foreign-funded projects wherein the attendant agreements require the return of unused balances or remit the same to the National Treasury; and</p> <p>c. Head of the FAS to request an authority from COA to write-off the receivables, which are dormant or remained outstanding for 10 years or more following the requirements stated under COA Circular No. 2016-005 dated December 19, 2016.</p>			<p>The observation was reiterated in the 2020 AAR.</p> <p><b>Not Implemented</b></p> <p>To date, no request for write-off of dormant accounts was submitted to the Office of the Auditor.</p> <p>This is reiterated in Part II of this report.</p>
<p>8. Claims of overtime services rendered amounting to ₱467,119.63 were paid despite the employees' incurrence of tardiness contrary to CSC-DBM JC No. 2. Likewise, overtime service costing ₱485,972.44</p>	<p>8</p>		



Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>was not duly supported with the required documents.</p> <p>We recommended that Management:</p> <p>a. Require the Head of the FAS to-</p> <p>i. justify the cash payment for overtime services in lieu of the implementation of the CTO; and</p> <p>ii. charge the undertime/tardiness to the concerned employees' vacation leave credits, and require the refund of the overtime pay they received while tardy.</p> <p>b. Require the Head of the HRM to-</p> <p>i. develop an internal policy on the rendition of overtime services in conformity with DBM-CSC JC No.</p>		<p>The OPAPP Personnel pointed out that payments of overtime were done in good faith in order to meet the demand of the office's mandate.</p> <p>The Management updated its internal policy and guidelines on overtime services and overtime pay. Copy of the updated policy on office hours of the Agency was provided to the Civil Service Commission and to the office of the Commission on Audit.</p> <p>The Human Resource Management Department will further review its policy on OPAPP office hours and guidelines on overtime services and claims.</p>	<p><b>Implemented</b></p> <p>The Head of the FAS submitted justification for the cash payment for overtime services.</p> <p><b>Implemented</b></p> <p>The undertime of the employees in CY 2020 were charged to leave credits. Further, the employees were required to refund the overtime pay received while tardy.</p> <p><b>Not Implemented</b></p> <p>No final approved policy on overtime</p>

Observations and Recommendations	References AAR Paragraph No.	Action/s Taken by Management	Results of Auditor's Validation
<p>2 dated November 25, 2015; and</p> <p>ii. Stop the grant of grace period, and review the legality/regularity of the agency's policy on Flexible Time Arrangement/Schedule.</p> <p>c. Henceforth, institute sound internal control in adherence to the policies and guidelines of the DBM-CSC JC No. 2 and COA Circular 2012-001 to ensure that the render and payment of overtime services are proper and valid.</p>		<p>The agency implemented a flexible work arrangement, without the grant of grace period.</p> <p>The agency reviews its internal control on their policies and guidelines in payment of overtime.</p>	<p>services is adopted by the Agency.</p> <p>This is reiterated in Part II of this report.</p> <p><b>Implemented</b></p> <p>The grant of grace period to the employees was stopped by the agency.</p> <p><b>Implemented</b></p> <p>Sound internal control was instituted by Management to adhere with the guidelines.</p>

STATEMENT OF APPROPRIATIONS, ALLOTMENTS, OBLIGATIONS, DISBURSEMENTS AND BALANCES  
as of the quarter ending December 31, 2020


CURRENT YEAR APPROPRIATIONS - FY 2020 GAA RA 11465
AUTOMATIC APPROPRIATIONS - FOREIGN ASSISTED FOREIGN GRANTS FUND
CONTINUING APPROPRIATIONS - FY 2019 GAA RA 11242

Department : Other Executive Office (GEO)  
 Agency : Office of the Presidential Adviser on the Peace Process (OPAPP)  
 Operating Unit :  
 Organization Code (UACS) : 16 028 000000  
 Funding Source Code (see Clusters) : 101

PARTICULARS	UACS CODE	APPROPRIATIONS			ALLOTMENTS			CURRENT YEAR OBLIGATIONS					CURRENT YEAR DISBURSEMENTS					BALANCES					
		AUTHORIZED APPROPRIATIONS	ADJUSTMENTS (TRANSFER TO/FROM MODIFICATIONS/AUGMENTATIONS)	ADJUSTED APPROPRIATIONS	ALLOTMENTS RECEIVED	ADJUSTMENTS (REDUCTIONS, MODIFICATIONS/AUGMENTATIONS)	TRANSFER TO	TRANSFER FROM	ADJUSTED TOTAL ALLOTMENTS	1ST QTR ENDING MARCH 31	2ND QTR ENDING JUNE 30	3RD QTR ENDING SEPT 30	4TH QTR ENDING DEC 31	TOTAL	1ST QTR ENDING MARCH 31	2ND QTR ENDING JUNE 30	3RD QTR ENDING SEPT 30	4TH QTR ENDING DEC 31	TOTAL	UNRELEASED APPROPRIATIONS	UNOBLIGATED ALLOTMENT	UNPAID OBLIGATIONS (15-20) = (23+24)	
1	2	3	4	5 = 3+4	6	7	8	9	10 = ((6+(7)-8)+9)	11	12	13	14	15 = (11+12+13+14)	16	17	18	19	20 = (16+17+18+19)	21 = (5-10)	22 = (10-15)	23	24
<b>FOREIGN ASSISTED/FOREIGN GRANTS FUND</b>																							
OOE		-	25,024,004.00	25,024,004.00	-	25,024,004.00	-	-	25,024,004.00	-	156,956.66	574,554.36	#####	1,162,899.77	-	156,956.66	574,554.36	-	731,511.02	-	23,661,114.23	431,378.75	-
PAP		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
PS	50100000 00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
MOOE	50200000 00	-	25,024,004.00	25,024,004.00	-	25,024,004.00	-	-	25,024,004.00	-	156,956.66	574,554.36	#####	1,162,899.77	-	156,956.66	574,554.36	-	731,511.02	-	23,661,114.23	431,378.75	-
Fin. Exp	50300000 00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CO	50600000 00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>GRAND TOTAL</b>		-	25,024,004.00	25,024,004.00	-	25,024,004.00	-	-	25,024,004.00	-	156,956.66	574,554.36	#####	1,162,899.77	-	156,956.66	574,554.36	-	731,511.02	-	23,661,114.23	431,378.75	-
PS	50100000 00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
MOOE	50200000 00	-	25,024,004.00	25,024,004.00	-	25,024,004.00	-	-	25,024,004.00	-	156,956.66	574,554.36	#####	1,162,899.77	-	156,956.66	574,554.36	-	731,511.02	-	23,661,114.23	431,378.75	-
Fin. Exp	50300000 00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CO	50600000 00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>RECAPITULATION BY MFO</b>		-	25,024,004.00	25,024,004.00	-	25,024,004.00	-	-	25,024,004.00	-	156,956.66	574,554.36	#####	1,162,899.77	-	156,956.66	574,554.36	-	731,511.02	-	23,661,114.23	431,378.75	-
01		-	25,024,004.00	25,024,004.00	-	25,024,004.00	-	-	25,024,004.00	-	156,956.66	574,554.36	#####	1,162,899.77	-	156,956.66	574,554.36	-	731,511.02	-	23,661,114.23	431,378.75	-
* WHICH																							
FOR PROGRAM/PROJECTS																							
A. NO																							
Just and Listing see attached																							

CERTIFIED CORRECT:  
  
 LIGAYA M. MORA  
 ACTING HEAD, BUDGET DIVISION

CERTIFIED CORRECT:  
  
 LEILANIE T. B. SOMANG, CPA  
 HEAD, ACCOUNTING DIVISION

NOTED BY:  
  
 DIR. MA. CORAZON B. ALMARIO  
 DIRECTOR III, FINANCE DEPARTMENT

RECOMMENDING APPROVAL:  
  
 ARNULFO R. PAJARILLO  
 DPAPRU, FINANCE AND ADMINISTRATIVE SERVICES

APPROVED BY:  
  
 SEC. CARLITO G. GALVEZ JR.  
 PRESIDENTIAL ADVISER ON PEACE, RECONCILIATION AND UNITY



STATEMENT OF APPROPRIATIONS, ALLOTMENTS, OBLIGATIONS, DISBURSEMENTS AND BALANCES  
as of the quarter ending December 31, 2020

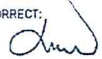
	CURRENT YEAR APPROPRIATIONS - FY 2020 GAAR 11110
	SUPPLEMENTAL APPROPRIATIONS
	CONTINUING APPROPRIATIONS- FY 2019 GAAR 1, 2, 11114

Department : Office Executive Office (OEO)  
 Agency : Office of the Presidential Adviser on the Peace Process (OPAPP)  
 Dividing Unit :  
 Organization Code (UACS) : 25 026 000000  
 Landing Source Code (as Clarified) : 101


PARTICULARS	UACS CODE	APPROPRIATIONS			ALLOTMENTS			CURRENT YEAR OBLIGATIONS					CURRENT YEAR DISBURSEMENTS					BALANCES																										
		AUTHORIZED APPROPRIATION	ADJUSTMENTS (TRANSFER TOPROM, MODIFICATION S/ AUGMENTATION S)	ADJUSTED APPROPRIATIONS	ALLOTMENTS RECEIVED	ADJUSTMENTS (REDUCTIONS, MODIFICATION SAUGMENTATIONS)	TRANSFER TO	TRANSFER FROM	ADJUSTED TOTAL ALLOTMENTS	1ST QTR ENDING MARCH 31	2ND QTR ENDING JUNE 30	3RD QTR ENDING SEPT 30	4TH QTR ENDING DEC 31	TOTAL	1ST QTR ENDING MARCH 31	2ND QTR ENDING JUNE 30	3RD QTR ENDING SEPT 30	4TH QTR ENDING DEC 31	TOTAL	UNRELEASED APPROPRIATIONS	UNOBLIGATED ALLOTMENT	UNPAID OBLIGATIONS (15-20) (23+24)	DUE AND DEMANDABLE	NOT YET DUE AND DEMANDABLE																				
1	2	3	4	5=3+4	6	7	8	9	10= [(6)-(7)-8+9]	11	12	13	14	15= [(11+12+13+14)]	15	17	18	19	20= [(15+17+18+19)]	21=(5-10)	22=(10-15)	23	24																					
REPUBLIC ACT NO. 11954 CONTINUING APPROPRIATION FY 2019																																												
General Administration and Support		24,511,799.65	28,371,098.99	52,882,898.64	24,511,799.65	28,371,098.99	-	-	52,882,898.64	2,895,940.82	21,007,544.33	-	28,959,145.40	52,372,530.61	2,895,940.82	21,007,544.33	-	25,805,378.93	49,769,564.14	-	10,250.03	3,162,769.47	-																					
PAP																																												
PS	50100000 00																																											
MOOE	50200000 00	24,511,799.65	27,871,098.99	52,382,898.64	24,511,799.65	27,871,098.99	-	-	52,382,898.64	2,895,940.82	20,679,353.33	-	28,793,671.00	52,373,370.71	2,895,940.82	20,679,353.33	-	25,508,378.99	49,382,178.64	-	9,097.93	2,991,692.07	-																					
CO	50600000 00		500,000.00	500,000.00	-	500,000.00	-	-	500,000.00	-	327,655.50	-	171,074.40	495,759.90	-	327,655.50	-	-	327,655.50	-	1,240.10	171,074.40	-																					
Operations		85,356,320.39	(28,371,098.99)	37,995,232.00	86,356,330.53	(28,371,098.99)	-	-	37,995,232.00	198,961.62	-	2,089,773.26	16,793,555.77	18,092,290.65	198,961.62	-	2,089,773.26	7,933,512.38	10,232,247.25	-	19,502,541.35	7,859,943.38	-																					
MFO 1 - Technical Advisory and Support Services on the Comprehensive Peace Process																																												
PAP																																												
PS	50100000 00	12,659,943.00	-	12,659,943.00	12,659,943.00	-	-	-	12,659,943.00	156,951.02	-	1,049,773.26	2,441,630.63	3,650,355.56	193,961.62	-	1,049,773.26	2,441,630.63	3,650,355.56	-	8,999,577.44	-	-																					
MOOE	50200000 00	53,676,387.99	(28,371,098.99)	25,305,289.00	53,676,387.99	(28,371,098.99)	-	-	25,305,289.00	-	-	-	1,050,600.00	13,351,926.03	-	-	1,050,600.00	5,481,651.70	5,541,931.70	-	10,903,363.91	7,859,943.39	-																					
CO	50600000 00																																											
Locally Funded Projects - RMAIALIZATION		25,768,229.52	-	25,768,229.52	25,768,229.52	-	-	-	25,768,229.52	709,500.00	24,455.00	-	21,873,406.05	22,637,401.05	709,500.00	24,455.00	-	15,530,635.51	19,231,530.91	-	3,160,628.47	6,342,870.14	-																					
PAP																																												
PS	50100000 00																																											
MOOE	50200000 00	25,768,229.52	-	25,768,229.52	25,768,229.52	-	-	-	25,768,229.52	709,500.00	24,455.00	-	21,873,406.05	22,637,401.05	709,500.00	24,455.00	-	15,530,635.51	19,231,530.91	-	3,160,628.47	6,342,870.14	-																					
CO	50600000 00																																											
B-TOTAL AGENCY SPECIFIC BUDGET																							116,846,360.16	-	116,846,360.16	116,846,360.16	-	-	-	116,846,360.16	3,804,402.44	21,032,659.33	2,099,773.26	66,655,107.28	93,672,322.31	3,804,402.44	21,032,659.33	2,099,773.26	49,270,527.28	75,205,742.31	-	23,074,097.85	17,985,580.00	-
PS	50100000 00	12,659,943.00	-	12,659,943.00	12,659,943.00	-	-	-	12,659,943.00	193,951.52	-	1,049,773.26	2,441,630.63	3,650,355.56	193,961.62	-	1,049,773.26	2,441,630.63	3,650,355.56	-	8,999,577.44	-	-																					
MOOE	50200000 00	103,856,417.16	(500,000.00)	103,456,417.16	103,556,417.16	(500,000.00)	-	-	103,456,417.16	3,625,440.82	20,704,353.83	1,050,000.00	84,023,402.29	83,333,195.85	3,625,440.82	20,704,353.83	1,050,000.00	46,328,869.60	72,168,691.25	-	14,073,220.31	17,194,506.00	-																					
Fin. Exp	50300000 00																																											
CO	50600000 00		500,000.00	500,000.00	-	500,000.00	-	-	500,000.00	-	327,655.50	-	171,074.40	495,759.90	-	327,655.50	-	-	327,655.50	-	1,240.10	171,074.40	-																					
Contingent Fund for MNLF		20,952,497.83	-	20,952,497.83	20,952,497.83	-	-	-	20,952,497.83	-	-	-	20,920,287.05	20,920,287.05	-	-	-	-	20,770,009.21	20,770,009.21	-	32,210.77	150,277.85	-																				
PS	50100000 00																																											
MOOE	50200000 00	20,952,497.83	-	20,952,497.83	20,952,497.83	-	-	-	20,952,497.83	-	-	-	20,920,287.05	20,920,287.05	-	-	-	-	20,770,009.21	20,770,009.21	-	32,210.77	150,277.85	-																				
TOTALS, Contingent Fund MNLF		20,952,497.83	-	20,952,497.83	20,952,497.83	-	-	-	20,952,497.83	-	-	-	20,920,287.05	20,920,287.05	-	-	-	-	20,770,009.21	20,770,009.21	-	32,210.77	150,277.85	-																				
Contingent Fund for INPANDF		38,633,887.80	-	38,633,887.80	38,633,887.80	-	-	-	38,633,887.80	-	-	5,300,000.00	30,217,700.00	35,517,700.00	-	-	5,300,000.00	30,000,000.00	35,300,000.00	-	3,116,187.80	217,700.00	-																					
PS	50100000 00																																											
MOOE	50200000 00	38,633,887.80	-	38,633,887.80	38,633,887.80	-	-	-	38,633,887.80	-	-	5,300,000.00	30,217,700.00	35,517,700.00	-	-	5,300,000.00	30,000,000.00	35,300,000.00	-	3,116,187.80	217,700.00	-																					
TOTALS, CONTINGENT D Contingent Fund for INPANDF - MOOE RA 11200		38,633,887.80	-	38,633,887.80	38,633,887.80	-	-	-	38,633,887.80	-	-	5,300,000.00	30,217,700.00	35,517,700.00	-	-	5,300,000.00	30,000,000.00	35,300,000.00	-	3,116,187.80	217,700.00	-																					
Contingent Fund for Normalization Program		676,200,471.94	-	676,200,471.94	676,200,471.94	-	-	-	676,200,471.94	-	4,296,900.00	5,400.00	671,646,520.73	675,948,820.73	-	-	4,302,300.00	181,827,626.42	186,129,926.42	-	251,651.21	489,818,894.31	-																					
PS	50100000 00																																											
MOOE	50200000 00	676,200,471.94	-	676,200,471.94	676,200,471.94	-	-	-	676,200,471.94	-	4,296,900.00	5,400.00	671,646,520.73	675,948,820.73	-	-	4,302,300.00	181,827,626.42	186,129,926.42	-	251,651.21	489,818,894.31	-																					
TOTALS, Contingent for Normalization Program		676,200,471.94	-	676,200,471.94	676,200,471.94	-	-	-	676,200,471.94	-	4,296,900.00	5,400.00	671,646,520.73	675,948,820.73	-	-	4,302,300.00	181,827,626.42	186,129,926.42	-	251,651.21	489,818,894.31	-																					
GRAND TOTAL																							852,433,217.73	-	852,433,217.73	852,433,217.73	-	-	-	852,433,217.73	3,804,402.44	26,320,399.33	7,405,173.26	785,420,615.07	825,350,130.10	3,804,402.44	21,032,659.33	11,702,073.26	281,586,162.91	318,406,677.54	-	29,476,087.63	607,552,452.16	-
PS	50100000 00	12,659,943.00	-	12,659,943.00	12,659,943.00	-	-	-	12,659,943.00	158,951.62	-	1,049,773.26	2,441,630.63	3,650,355.56	193,961.62	-	1,049,773.26	2,441,630.63	3,650,355.56	-	8,999,577.44	-	-																					
MOOE	50200000 00	839,743,274.73	(500,000.00)	839,243,274.73	839,743,274.73	(500,000.00)	-	-	839,243,274.73	3,625,440.82	25,091,253.83	5,355,400.00	786,807,569.63	821,770,004.64	3,625,440.82	20,704,353.83	10,659,300.00	279,428,532.23	314,388,626.68	-	17,475,270.09	507,351,377.78	-																					
CO	50600000 00		500,000.00	500,000.00	-	500,000.00	-	-	500,000.00	-	327,655.50	-	171,074.40	495,759.90	-	327,655.50	-	-	327,655.50	-	1,240.10	171,074.40	-																					



PARTICULARS	UACS CODE	APPROPRIATIONS			ALLOTMENTS			CURRENT YEAR OBLIGATIONS					CURRENT YEAR DISBURSEMENTS					BALANCES					
		AUTHORIZED APPROPRIATION	ADJUSTMENTS (TRANSFER TO/FROM, MODIFICATIONS / AUGMENTATIONS)	ADJUSTED APPROPRIATIONS	ALLOTMENTS RECEIVED	ADJUSTMENTS (REDUCTIONS, MODIFICATION / AUGMENTATIONS)	TRANSFER TO	TRANSFER FROM	ADJUSTED TOTAL ALLOTMENTS	1ST QTR ENDING MARCH 31	2ND QTR ENDING JUNE 30	3RD QTR ENDING SEPT 30	4TH QTR ENDING DEC 31	TOTAL	1ST QTR ENDING MARCH 31	2ND QTR ENDING JUNE 30	3RD QTR ENDING SEPT 30	4TH QTR ENDING DEC 31	TOTAL	UNRELEASED APPROPRIATIONS	UNOBLIGATED ALLOTMENT	UNPAID OBLIGATIONS (15-20) = (23+24)	
																						DUE AND DEMANDABLE	NOT YET DUE AND DEMANDABLE
RECAPITULATION BY MFO		852,433,217.73	-	852,433,217.73	852,433,217.73	-	-	852,433,217.73	3,804,402.44	25,328,939.33	7,405,173.26	789,420,815.07	826,959,130.10	3,804,402.44	21,032,039.33	11,702,073.26	281,698,152.91	318,408,677.94	-	26,474,087.63	507,552,452.16	-	-
FOT		852,433,217.73	-	852,433,217.73	852,433,217.73	-	-	852,433,217.73	3,804,402.44	25,328,939.33	7,405,173.26	789,420,815.07	826,959,130.10	3,804,402.44	21,032,039.33	11,702,073.26	281,698,152.91	318,408,677.94	-	26,474,087.63	507,552,452.16	-	-
IF WHICH																							
MAJOR PROGRAM/PROJECTS																							
RAND																							
Just and lasting Peace Planed																							

CERTIFIED CORRECT:  
  
 LIGAYA M. MORA  
 ACTING HEAD, BUDGET DIVISION

CERTIFIED CORRECT:  
  
 LEILANNIE T. DISOMANO, CPA  
 HEAD, ACCOUNTING DIVISION

NOTED BY:  
  
 DIR. MA. CORAZON B. ALMARO  
 DIRECTOR III, FINANCE DEPARTMENT

RECOMMENDING APPROVAL:  
  
 ARNULFO R. PAJARILLO  
 DPAPRU, FINANCE AND ADMINISTRATIVE SERVICES

APPROVED BY:  
  
 SEC. CARLITO G. GALVEZ JR.  
 PRESIDENTIAL ADVISER ON PEACE, RECONCILIATION AND UNITY



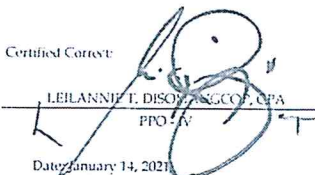


QUARTERLY REPORT OF REVENUE AND OTHER RECEIPTS  
 As of the Quarter Ending December 31, 2020

Department: Other Executive Offices  
 Entity Name: Office of the Presidential Adviser on the Peace Process  
 Operating Unit: N/A  
 Organization Code: LEAC(S)201260000000

CLASSIFICATION / SOURCES OF REVENUE AND OTHER RECEIPTS	UAC/SC Code	REVENUE TARGET (Annual)	ACTUAL REVENUE AND OTHER RECEIPTS/COLLECTIONS					CUMULATIVE REMITTANCE / DEPOSITS TO DATE			VARIANCE		Remarks
			1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	Remittance to BTr	Deposited with AGNB	Total	Amount	%	
1	2	3	4	5	6	7	8=(4+5+6+7)	9	10	11=(9+10)	12=(8-3)	13=(12/7)	14
<b>A. General Fund (formerly Fund 101)</b>													
- Tax													
Documentary Stamp Tax	40104010-00												
- Non-Tax													
Permit Fees/Import	40201010-01												
<b>B. Special Account in the General Fund (formerly Fund 103,183,401,154-159)</b>													
- Tax													
- Non-Tax													
- Income from Grants and Donations in Cash	40402010												
- Interest income	40202210		8,213.76	8,215.42	6,965.98	4,154.34	26,949.50		26,949.50	26,949.50	26,949.50		MPD/LGP Acct.
<b>C. On-Budget Accounts (formerly Fund 161 to 164, etc.)</b>													
<b>D. Custodial Funds (formerly Fund 101-184, 187)</b>													
TOTAL			8,213.76	8,215.42	6,965.98	4,154.34	26,949.50		26,949.50	26,949.50	26,949.50		


Certified Correct:



LEILANNI T. DISCOM, CPA  
 PPO


Date: January 14, 2021

Recommending Approval By:



UNDERSECRETARY ARN LFO R. PAJARILLO  
 Deputy of Presidential Adviser on Peace, Unity and Reconciliation

Approved By:



SEC. CARLITO G. GALVEZ JR.  
 Agency Head/Department Secretary/  
 Authorized Representative

Date: \_\_\_\_\_

**OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**PER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**( In Philippine Peso)**

NOTE	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
<b>Cash and Cash Equivalents</b>					
5	<u>2,137,901.38</u>	<u>50,472,710.69</u>	<u>-</u>	<u>60,568,331.68</u>	<u>113,178,943.75</u>
<b>Cash on Hand</b>	<u>2,137,901.38</u>	<u>4,450.00</u>	<u>-</u>	<u>-</u>	<u>2,142,351.38</u>
Cash-Collecting Officers	690,877.57	4,450.00			695,327.57
Petty Cash	1,447,023.81				
<b>Cash in Bank - Local Currency</b>	<u>-</u>	<u>50,468,260.69</u>	<u>-</u>	<u>60,568,331.68</u>	<u>111,036,592.37</u>
Cash in Bank - Local Currency, Current Account		50,468,260.69		60,568,331.68	111,036,592.37
<b>Receivables</b>					
6	<u>3,370,016,279.39</u>	<u>118,705,488.59</u>	<u>18,616,026.55</u>	<u>-</u>	<u>3,507,337,800.53</u>
<b>Inter-Agency Receivables</b>	<u>2,690,592,262.00</u>	<u>114,253,885.18</u>	<u>-</u>	<u>-</u>	<u>2,804,846,147.18</u>
Due from National Government Agencies	1,368,818,285.21				1,368,818,285.21
Due from Local Government Units	1,321,773,976.79	114,253,885.18			1,436,027,861.97
<b>Other Receivables</b>	<u>679,424,017.39</u>	<u>4,451,603.41</u>	<u>18,616,026.55</u>	<u>-</u>	<u>702,491,647.35</u>
Receivables-Disallowances/Charges	2,924,223.08				2,924,223.08
Due from Non-Government Organizations/People's Organizations	639,277,494.61	4,416,193.05	18,616,026.55		662,309,714.21
Other Receivables	37,222,299.70	35,410.36			37,257,710.06
<b>Inventories</b>					
7	<u>3,791,926.96</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,791,926.96</u>
<b>Inventory Held for Consumption</b>	<u>846,962.67</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>846,962.67</u>
Office Supplies Inventory	846,962.67				846,962.67
<b>Semi-Expendable Machinery and Equipment</b>	<u>1,307,176.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,307,176.47</u>
Semi-Expendable Office Equipment	619,140.25				619,140.25
Semi-Expendable Machinery and Equipment Expenses-Information and Communications Technology Equipment	571,401.22				571,401.22
Semi-Expendable Communications Equipment	116,635.00				116,635.00
<b>Semi-Expendable Furniture, Fixtures and Books</b>	<u>1,637,787.82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,637,787.82</u>
Semi-Expendable Furniture and Fixtures	1,590,537.82				1,590,537.82
Semi-Expendable Books	47,250.00				47,250.00
<b>Other Current Asset</b>					
8	<u>57,033,735.85</u>	<u>1,068,197.16</u>	<u>-</u>	<u>-</u>	<u>58,101,933.01</u>
<b>Advances</b>	<u>46,254,195.55</u>	<u>843,197.16</u>	<u>-</u>	<u>-</u>	<u>47,097,392.71</u>
Advances for Operating Expenses	12,818,582.23				12,818,582.23
Advances to Special Disbursing Officer	32,593,276.32	837,197.16			33,430,473.48
Advances to Officers and Employees	842,337.00	6,000.00			848,337.00
<b>Prepayments</b>	<u>7,804,133.65</u>	<u>135,000.00</u>	<u>-</u>	<u>-</u>	<u>7,939,133.65</u>
Prepaid Rent	7,136,855.34	135,000.00			7,271,855.34
Prepaid Insurance	112,536.89				112,536.89

	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
Other Prepayments	554,741.42				554,741.42
<b>Deposits</b>	2,975,406.65	90,000.00	-	-	3,065,406.65
Guaranty Deposits	2,825,406.65	90,000.00			2,915,406.65
Other Deposits	150,000.00				
<b>Total Current Assets</b>	<b>3,432,979,843.58</b>	<b>170,246,396.44</b>	<b>18,616,026.55</b>	<b>60,568,331.68</b>	<b>3,682,410,598.25</b>
<b>Property, Plant and Equipment</b>	<b>51,639,184.35</b>	<b>5,691.84</b>	<b>879,514.87</b>	<b>20,579.05</b>	<b>52,544,970.11</b>
<b>Infrastructure Assets</b>	3,688,090.00	-	-	-	3,688,090.00
Infrastructure Outlay-Communication Networks	3,688,090.00				3,688,090.00
Accumulated Depreciation - Communication Networks	-	-	-	-	-
<b>Net Value</b>	<b>3,688,090.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,688,090.00</b>
<b>Machinery and Equipment</b>	26,574,386.27	-	470,850.90	20,579.05	27,065,816.22
Other Structures	33,250.00				33,250.00
Accumulated Depreciation - Other Structures	(4,211.68)				(4,211.68)
<b>Net Value</b>	<b>29,038.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,038.32</b>
Machinery	286,000.00				286,000.00
Accumulated Depreciation - Machinery	(103,424.82)				(103,424.82)
<b>Net Value</b>	<b>182,575.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,575.18</b>
Office Equipment	27,337,930.95		910,210.71	85,580.01	28,333,721.67
Accumulated Depreciation-Office Equipment	(16,534,340.32)		(518,820.12)	(78,498.48)	(17,131,658.92)
<b>Net Value</b>	<b>10,803,590.63</b>	<b>-</b>	<b>391,390.59</b>	<b>7,081.53</b>	<b>11,202,062.75</b>
Information and Communication Technology Equipment	47,181,519.16		144,093.75	202,500.00	47,528,112.91
Accumulated Depreciation-Information and Communication Technology Equipment	(33,413,074.11)		(82,133.48)	(189,002.48)	(33,684,210.07)
<b>Net Value</b>	<b>13,768,445.05</b>	<b>-</b>	<b>61,960.27</b>	<b>13,497.52</b>	<b>(33,684,210.07)</b>
Communication Equipment	6,554,151.06		350,000.00		6,904,151.06
Accumulated Depreciation - Communication Equipment	(4,763,413.97)		(332,499.96)		(5,095,913.93)
<b>Net Value</b>	<b>1,790,737.09</b>	<b>-</b>	<b>17,500.04</b>	<b>-</b>	<b>1,808,237.13</b>
<b>Transportation Equipment</b>	17,803,750.58	-	-	-	17,803,750.58
Motor Vehicles	50,375,104.11				50,375,104.11
Accumulated Depreciation - Motor Vehicles	(32,571,353.53)				(32,571,353.53)
<b>Net Value</b>	<b>17,803,750.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,803,750.58</b>
<b>Furniture, Fixtures and Books</b>	2,954,375.31	5,691.84	215,163.97	-	3,175,231.12
Furniture and Fixtures	7,449,048.98	23,300.00	300,928.57		7,773,277.55
Accumulated Depreciation - Furniture and Fixtures	(4,494,673.67)	(17,608.16)	(85,764.60)		(4,598,046.43)
<b>Net Value</b>	<b>2,954,375.31</b>	<b>5,691.84</b>	<b>215,163.97</b>	<b>-</b>	<b>3,175,231.12</b>
<b>Leased Assets Improvements</b>	264,824.22	-	-	-	264,824.22
Leased Assets Improvements, Buildings	829,643.94				829,643.94
Accumulated Depreciation - Leased Assets Improvements, Buildings	(564,819.72)				(564,819.72)
<b>Net Value</b>	<b>264,824.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264,824.22</b>
<b>Other Property, Plant and Equipment</b>	353,757.97	-	193,500.00	-	547,257.97
Other Property, Plant and Equipment	872,550.00		450,000.00		1,322,550.00
Accumulated Depreciation - Other Property, Plant and Equipment	(518,792.03)		(256,500.00)		(775,292.03)
<b>Net Value</b>	<b>353,757.97</b>	<b>-</b>	<b>193,500.00</b>	<b>-</b>	<b>547,257.97</b>
<b>Intangible Assets</b>	<b>469,758.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>469,758.30</b>
<b>Intangible Assets</b>	469,758.30	-	-	-	469,758.30
Computer Software	2,563,350.00				2,563,350.00



	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS	
<i>Accumulated Amortization - Computer Software</i>	(2,093,591.70)				(2,093,591.70)	
<i>Net Value</i>	469,758.30	-	-	-	469,758.30	
<b>Total Non-Current Assets</b>	<b>52,108,942.65</b>	<b>5,691.84</b>	<b>879,514.87</b>	<b>20,579.05</b>	<b>53,014,728.41</b>	
	<b>3,485,088,786.23</b>	<b>170,252,088.28</b>	<b>19,495,541.42</b>	<b>60,588,910.73</b>	<b>3,735,425,326.66</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
<b>Financial Liabilities</b>	11	170,174,302.31	1,706,358.84	-	181,585.09	172,062,246.24
<b>Payables</b>		170,174,302.31	1,706,358.84	-	181,585.09	172,062,246.24
Accounts Payable		170,174,302.31	1,706,358.84	-	181,585.09	172,062,246.24
<b>Inter-Agency Payables</b>	12	9,151,863.82	162,880,605.95	-	(17,021.81)	172,015,447.96
<b>Inter-Agency Payables</b>		9,151,863.82	162,880,605.95	-	(17,021.81)	172,015,447.96
DUE TO BIR		7,188,997.47	14,010.55	-	(17,021.81)	7,185,986.21
DUE TO GSIS		1,463,499.40	-	-	-	1,463,499.40
DUE TO PAG-IBIG		253,760.53	-	-	-	253,760.53
DUE TO PHILHEALTH		245,606.42	-	-	-	245,606.42
DUE TO NGAs		-	162,866,595.40	-	-	162,866,595.40
<b>Trust Liabilities</b>	13	50,000.00	50,000.00	-	-	100,000.00
<b>Trust Liabilities</b>		50,000.00	50,000.00	-	-	100,000.00
Guaranty/ Security Deposits Payable		50,000.00	50,000.00	-	-	100,000.00
<b>Total Current Liabilities</b>		179,376,166.13	164,636,964.79	-	164,563.28	344,177,694.20
<b>Total Liabilities</b>		179,376,166.13	164,636,964.79	-	164,563.28	344,177,694.20
		<b>3,305,712,620.10</b>	<b>5,615,123.49</b>	<b>19,495,541.42</b>	<b>60,424,347.45</b>	<b>3,391,247,632.46</b>
<b>Equity</b>						
<b>Government Equity</b>		3,305,762,620.10	5,615,123.49	19,495,541.42	60,424,347.45	3,391,297,632.46
Accumulated Surplus/(Deficit)		3,305,762,620.10	5,615,123.49	19,495,541.42	60,424,347.45	3,391,297,632.46
		<b>3,305,762,620.10</b>	<b>5,615,123.49</b>	<b>19,495,541.42</b>	<b>60,424,347.45</b>	<b>3,391,297,632.46</b>

OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS  
 DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
 PER FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2020  
 ( In Philippine Peso)

	<u>NOTE</u>	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
<b>Revenue</b>						
<b>Service and Business Income</b>						
Interest Income	14				26,949.50	26,949.50
Total Service Income		-	-	-	26,949.50	26,949.50
<b>Shares, Grants and Donations</b>						
Income from Grants and Donations in Cash	15		300,000.00			300,000.00
Total Shares, Grants and Donations		-	300,000.00	-	-	300,000.00
<b>Less: Current Operating Expenses</b>						
<b>Personnel Services</b>						
<b>Salaries and Wages</b>						
Salaries and Wages-Casual/Contractual	16.1	103,224,458.81				103,224,458.81
Total Salaries and Wages		103,224,458.81	-	-	-	103,224,458.81
<b>Other Compensation</b>						
Personal Economic Relief Allowance (PERA)	16.2	4,085,855.91				4,085,855.91
Representation Allowance (RA)		2,962,750.00				2,962,750.00
Transportation Allowance (TA)		796,250.00				796,250.00
Clothing/Uniform Allowance		1,008,000.00				1,008,000.00
Honoraria		3,323,483.59				3,323,483.59
Hazardous Duty Pay		1,917,098.38				1,917,098.38
Overtime and Night Pay		3,108,882.35				3,108,882.35
Year End Bonus		16,861,825.15				16,861,825.15
Cash Gift		853,750.00				853,750.00
Other Bonuses and Allowances		2,539,500.00				2,539,500.00
Total Other Compensation		37,457,395.38	-	-	-	37,457,395.38
<b>Personnel Benefit Contributions</b>						
Retirement and Life Insurance Premiums	16.3	12,350,342.55				12,350,342.55
Pag-IBIG Contributions		391,593.84				391,593.84
PhilHealth Contributions		1,145,252.49				1,145,252.49
Employees Compensation Insurance Premiums		205,100.00				205,100.00
Total Personnel Benefit Contributions		14,092,288.88	-	-	-	14,092,288.88
<b>Other Personnel Benefits</b>						
Terminal Leave Benefits	16.4	1,187,773.52				1,187,773.52

	<u>NOTE</u>	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
Other Personnel Benefits		4,182,169.82				4,182,169.82
<b>Total Other Personnel Benefits</b>		<b>5,369,943.34</b>	-	-	-	<b>5,369,943.34</b>
<b>Total Personnel Services</b>		<b>160,144,086.41</b>	-	-	-	<b>160,144,086.41</b>
<b>Maintenance and Other Operating Expenses</b>	17					
<b>Traveling Expenses</b>	17.1					
Traveling Expenses-Local		17,640,189.85				17,640,189.85
Traveling Expenses-Foreign		791,804.95				791,804.95
<b>Total Traveling Expenses</b>		<b>18,431,994.80</b>	-	-	-	<b>18,431,994.80</b>
<b>Training and Scholarship Expenses</b>	17.2					
Training Expenses		4,820,590.21				4,820,590.21
<b>Total Training and Scholarship Expenses</b>		<b>4,820,590.21</b>	-	-	-	<b>4,820,590.21</b>
<b>Supplies and Materials Expenses</b>	17.3					
Office Supplies Expenses		6,681,647.23			1,800.00	6,683,447.23
Drugs and Medicines Expenses		22,703.00				22,703.00
Medical, Dental and Laboratory Supplies Expenses		1,086,962.14				1,086,962.14
Fuel, Oil and Lubricants Expenses		5,239,544.55				5,239,544.55
Other Supplies and Materials Expenses		702,312.47				702,312.47
Semi-Expendable Machinery and Equipment Expenses		148,403.75		144,330.04		292,733.79
Semi-Expendable Furniture, Fixtures and Books Expenses		22,352.30				22,352.30
<b>Total Supplies and Materials Expenses</b>		<b>13,903,925.44</b>	-	<b>144,330.04</b>	<b>1,800.00</b>	<b>14,050,055.48</b>
<b>Utility Expenses</b>	17.4					
Water Expenses		1,654,063.15				1,654,063.15
Electricity Expenses		11,940,604.60				11,940,604.60
Other Utility Expenses		47,059.50				47,059.50
<b>Total Utility Expenses</b>		<b>13,641,727.25</b>	-	-	-	<b>13,641,727.25</b>
<b>Communication Expenses</b>	17.5					
Postage and Courier Services		944,358.34				944,358.34
Telephone Expenses		6,117,215.62				6,117,215.62
Internet Subscription Expenses		2,180,480.86				2,180,480.86
Cable, Satellite, Telegraph and Radio Expenses		120,343.24				120,343.24
<b>Total Communication Expenses</b>		<b>9,362,398.06</b>	-	-	-	<b>9,362,398.06</b>
<b>Confidential, Intelligence and Extraordinary Expenses</b>	17.6					
Confidential Expenses		55,000,000.00				55,000,000.00
Extraordinary and Miscellaneous Expenses		2,827,300.00				2,827,300.00
<b>Total Confidential, Intelligence and Extraordinary Expenses</b>		<b>57,827,300.00</b>	-	-	-	<b>57,827,300.00</b>
<b>Professional Services</b>	17.7					
Consultancy Services		15,905,659.94				15,905,659.94
Other Professional Services		152,680,003.90			1,159,689.77	153,839,693.67
<b>Total Professional Services</b>		<b>168,585,663.84</b>	-	-	<b>1,159,689.77</b>	<b>169,745,353.61</b>



	<u>NOTE</u>	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
<b>General Services</b>	17.8					
Security Services		7,522,641.32				7,522,641.32
<b>Total General Services</b>		<u>7,522,641.32</u>	-	-	-	<u>7,522,641.32</u>
<b>Repairs and Maintenance</b>	17.9					
Repairs and Maintenance - Building and Other Structures		160.00				160.00
Repairs and Maintenance-Machinery and Equipment		574,372.05				574,372.05
Repairs and Maintenance-Transportation Equipment		1,878,821.15				1,878,821.15
Repairs and Maintenance - Furniture and Fixtures		10,339.00				10,339.00
Repairs and Maintenance-Leased Assets		297,189.91				297,189.91
<b>Total Repairs and Maintenance</b>		<u>2,760,882.11</u>	-	-	-	<u>2,760,882.11</u>
<b>Taxes, Insurance Premiums and Other Fees</b>	17.10					
Taxes, Duties and Licenses		25,593.79				25,593.79
Fidelity Bond Premiums		908,344.39				908,344.39
Insurance Expenses		120,867.60				120,867.60
<b>Total Taxes, Insurance Premiums and Other Fees</b>		<u>1,054,805.78</u>	-	-	-	<u>1,054,805.78</u>
<b>Other Maintenance and Operating Expenses</b>	17.11					
Advertising Expenses		539,999.99				539,999.99
Printing and Publication Expenses		776,652.97				776,652.97
Representation Expenses		29,321,119.71			10,500.00	29,331,619.71
Transportation and Delivery Expenses		190.00				190.00
Rent/Lease Expenses		46,705,907.24				46,705,907.24
Subscription Expenses		3,318,189.74				3,318,189.74
Donations		-				-
Other Maintenance and Operating Expenses		318,620.17			1,400.00	320,020.17
<b>Total Other Maintenance and Other Operating Expenses</b>		<u>80,980,679.82</u>	-	-	<u>11,900.00</u>	<u>80,992,579.82</u>
<b>Total Maintenance and Other Operating Expenses</b>		<u>378,892,608.63</u>	-	<u>144,330.04</u>	<u>1,173,389.77</u>	<u>380,210,328.44</u>
<b>Financial Expenses</b>	18					
Financial Expenses						
Bank Charges		2,360.00			5,389.90	7,749.90
<b>Total Financial Expenses</b>		<u>2,360.00</u>	-	-	<u>5,389.90</u>	<u>7,749.90</u>
<b>Non-Cash Expenses</b>	19					
<b>Depreciation</b>						
Depreciation-Other Structures		4,211.68				4,211.68
Depreciation - Machinery And Equipment		7,617,827.98		320,101.30	1,029.16	7,938,958.44
Depreciation-Transportation Equipment		3,401,459.67				3,401,459.67
Depreciation-Furniture, Fixtures and Books		411,760.79	2,213.52	28,588.20		442,562.51
Depreciation-Leased Assets Improvements		78,786.24				78,786.24
Depreciation-Other Property, Plant and Equipment		167,038.56		85,500.00		252,538.56

	<u>NOTE</u>	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
Total Depreciation		11,681,084.92	2,213.52	434,189.50	1,029.16	12,118,517.10
<b>Amortization</b>						
Amortization-Intangible Assets		409,272.64				409,272.64
<b>Total Non-Cash Expenses</b>		<b>12,090,357.56</b>	<b>2,213.52</b>	<b>434,189.50</b>	<b>1,029.16</b>	<b>12,527,789.74</b>
<b>Current Operating Expenses</b>		<b>551,129,412.60</b>	<b>2,213.52</b>	<b>578,519.54</b>	<b>1,179,808.83</b>	<b>552,889,954.49</b>
<b>Surplus (Deficit) from Current Operations</b>		<b>(551,129,412.60)</b>	<b>297,786.48</b>	<b>(578,519.54)</b>	<b>(1,152,859.33)</b>	<b>(552,563,004.99)</b>
<b>Financial Assistance/Subsidy from NGAs, LGUs, GOCCs</b>						
Subsidy from National Government		1,686,670,198.94				1,686,670,198.94
<b>Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs</b>		<b>1,686,670,198.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,686,670,198.94</b>
<b>Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/POs</b>						
Financial Assistance to Local Government Units		1,208,017,235.61				1,208,017,235.61
Financial Assistance to NGAs		133,319,735.51				133,319,735.51
Subsidies-Others		29,835,774.56				29,835,774.56
<b>Total Financial Assistance/Subsidy to NGAs, LGUs, GOCCs</b>		<b>1,371,172,745.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,371,172,745.68</b>
<b>Net Financial Assistance/Subsidy</b>	20	<b>315,497,453.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,497,453.26</b>
<b>Other Non-Operating Income</b>	21					
<b>Miscellaneous Income</b>	21.2					
Miscellaneous Income		-	-	-	-	-
<b>Total Other Non-Operating Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sale of Assets</b>	21.1					
Sale of Unserviceable Property		4,100.00				4,100.00
<b>Total Sale of Assets</b>		<b>4,100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,100.00</b>
<b>Surplus (Deficit) for the period</b>		<b>(235,627,859.34)</b>	<b>297,786.48</b>	<b>(578,519.54)</b>	<b>(1,152,859.33)</b>	<b>(237,061,451.73)</b>

**OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**PER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
(In Philippine Peso)

<u>NOTE</u>	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
Restated Balance at January 1	4,998,387,271.79	108,072,005.81	19,991,793.76	61,577,206.78	5,188,028,278.14
Prior Year Errors/Adjustments	(1,450,445,373.72)	(102,754,668.80)	82,267.20	-	(1,553,117,775.32)
<b>Restated balance</b>	<b>3,547,941,898.07</b>	<b>5,317,337.01</b>	<b>20,074,060.96</b>	<b>61,577,206.78</b>	<b>3,634,910,502.82</b>
<b>Add/(Deduct):</b>					
<b>Changes in Net Assets/Equity for the Calendar Year</b>					
Surplus/(Deficit) for the period	(235,627,859.34)	297,786.48	(578,519.54)	(1,152,859.33)	(237,061,451.73)
Adjustment of net revenue recognized directly in net assets/equity <sup>1</sup>	(6,551,418.63)	-	-	-	(6,551,418.63)
<b>Total recognized revenue and expense for the period</b>	<b>(242,179,277.97)</b>	<b>297,786.48</b>	<b>(578,519.54)</b>	<b>(1,152,859.33)</b>	<b>(243,612,870.36)</b>
<b>Closing Accumulated Surplus/(Deficit)</b>	<b>3,305,762,620.10</b>	<b>5,615,123.49</b>	<b>19,495,541.42</b>	<b>60,424,347.45</b>	<b>3,391,297,632.46</b>



OFFICE OF THE PRESIDENTIAL ADVISER ON THE PEACE PROCESS  
STATEMENT OF CASH FLOWS  
PER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2020  
( In Philippine Peso)

NOTE	RA Fund	Special Accounts - Locally Funded/Domestic Grants Fund	Trust Receipts Fund	Special Accounts - Foreign Assisted/Foreign Grants Fund	ALL FUNDS
<b>Cash Flows From Operating Activities</b>					
<b>Cash Inflows</b>					
Receipt of Notice of Cash Allocation	23 2,053,063,965.00				2,053,063,965.00
Collection of Income/Revenues		300,000.00		26,949.50	326,949.50
Collection of Receivables	25 499,510.00				499,510.00
Other Receipts	26 6,699,074.14	38,719.00			6,737,793.14
Adjustments	27 49,346,770.68	4,216,248.64		37,026.52	53,600,045.84
<b>Total Cash Inflows</b>	<b>2,109,609,319.82</b>	<b>4,554,967.64</b>	-	<b>63,976.02</b>	<b>2,114,228,263.48</b>
<b>Cash Outflows</b>					
Remittance to National Treasury	28 6,551,418.63				6,551,418.63
Payment of Expenses	29 383,069,361.26	365,184.31		1,112,219.48	384,546,765.05
Purchase of Inventories	30 7,827,072.23				7,827,072.23
Grant of Cash Advances	31 108,831,587.76	429,850.00			109,261,437.76
Prepayments	32 157,169.60				157,169.60
Payment of Accounts Payable	33 439,899,882.11	2,700,000.00		31,026.52	442,630,908.63
Remittance of Personnel Benefit Contributions and Mandatory Deductions	34 22,872,665.20			52,743.65	22,925,408.85
Grant of Financial Assistance/Subsidy	35 57,924,992.21				57,924,992.21
Release of Inter-Agency Fund Transfers	36 685,176,767.41	66,780,000.00			751,956,767.41
Other Disbursements	37 545,282.91				545,282.91
Reversal of Unutilized NCA	20 395,904,321.67				395,904,321.67
Adjustments	38 335,224.17	2,708,500.00			3,043,724.17
<b>Total Cash Outflows</b>	<b>2,109,095,745.16</b>	<b>72,983,534.31</b>	-	<b>1,195,989.65</b>	<b>2,183,275,269.12</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>513,574.66</b>	<b>(68,428,566.67)</b>	-	<b>(1,132,013.63)</b>	<b>(69,047,005.64)</b>
<b>Cash Flows from Investing Activities</b>					
<b>Cash Outflows</b>					
Purchase of Construction/ Property, Plant and Equipment	39 1,124,358.40				1,124,358.40
<b>Total Cash Outflows</b>	<b>1,124,358.40</b>	-	-	-	<b>1,124,358.40</b>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<b>(1,124,358.40)</b>	-	-	-	<b>(1,124,358.40)</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(610,783.74)</b>	<b>(68,428,566.67)</b>	-	<b>(1,132,013.63)</b>	<b>(70,171,364.04)</b>
<b>Total Cash Provided by (Used in) Operating, Investing and Financing Activities</b>	<b>(610,783.74)</b>	<b>(68,428,566.67)</b>	-	<b>(1,132,013.63)</b>	<b>(70,171,364.04)</b>
<b>Cash and Cash Equivalents, January 1, 2020</b>	<b>2,748,685.12</b>	<b>118,901,277.36</b>	-	<b>61,700,345.31</b>	<b>183,350,307.79</b>
<b>Cash and Cash Equivalents, December 31, 2020</b>	<b>2,137,901.38</b>	<b>50,472,710.69</b>	-	<b>60,568,331.68</b>	<b>113,178,943.75</b>