

AUDITED PROJECT FINANCIAL STATEMENTS

Project Nº : 1100001548

Loan No. 2000001258

Period covered: 1st January 2018 – 31st December 2018

Fisheries, Coastal Resources And Livelihood Project (FishCORAL)

Prepared by: Commission on Audit – Republic of the Philippines

Received on 21st May, 2019

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Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

COMMO. EDUARDO B. GONGONA PCG (RET)

Director

Bureau of Fisheries and Aquatic Resources

PCA Complex, Commonwealth Avenue

Quezon City

Unqualified Opinion

We have audited the financial statements of the **Fisheries, Coastal Resources and Livelihood (FishCORAL) Project** implemented by the **Department of Agriculture-Bureau of Fisheries and Aquatic Resources (BFAR)**, which comprise the Statement of Financial Position as at December 31, 2018, and the Statement of Financial Performance, Statement of Cash Flows, Statement of Changes in Net Assets/Equity and Statement of Comparison of Budget and Actual Amount for the year then ended, and notes to 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 **BFAR FishCORAL Project** as at December 31, 2018, and its financial performance, cash flows, changes in net assets/equity and comparison of budget and actual amount for the year then ended, and notes to the financial statements in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to

enable the preparation of financial statements that are free from material misstatements, 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 error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency's preparation and fair presentation of the financial statements 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. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

COMMISSION ON AUDIT

By:


CECILIA G. RAÑESES
Supervising Auditor

April 25, 2019



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

COMMO. EDUARDO B. GONGONA PCG (RET)

Director

Bureau of Fisheries and Aquatic Resources

PCA Complex, Commonwealth Avenue

Quezon City

Unqualified Opinion

We have audited the financial statement of **Fisheries, Coastal Resources and Livelihood (FishCORAL) Project** implemented by the **Department of Agriculture through the Bureau of Fisheries and Aquatic Resources (BFAR)**, which comprise the Statement of Sources and Application of Funds (SSAF) as at December 31, 2018.

In our opinion, the accompanying SSAF of the **BFAR FishCORAL Project** as at December 31, 2018 are prepared, in all material respects, in accordance with the financial reporting provisions of Article IX, General Conditions of the Financing Agreement Loan No. 2000001258 and Grant No. 2000001275 dated October 26, 2015 and May 17, 2016, respectively, between **the International Fund for Agricultural Development (IFAD)** and the Republic of the Philippines and in conformity with the FishCORAL Project Implementation Manual.

Basis for Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statement in accordance with the financial reporting provisions of the Financing Agreement and the Project Implementation Manual and for such internal control as management determines is necessary to enable the

preparation of financial statement that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement 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 error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency's preparation and fair presentation of the financial statement 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. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

COMMISSION ON AUDIT

By:


CECILIA G. RAÑESES
Supervising Auditor

April 25, 2019

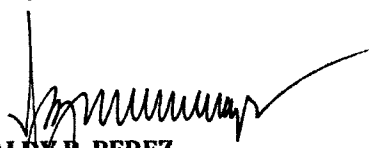


Republic of the Philippines
Department of Agriculture
Bureau of Fisheries and Aquatic Resources
PCA Building Elliptical Road, Diliman Quezon City
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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **BUREAU OF FISHERIES AND AQUATIC RESOURCES - Fisheries Coastal Resources and Livelihood (FishCORAL) Project** is responsible for all information and representations contained in the accompanying Statement of Financial Position as at December 31, 2018 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


ZALDY P. PEREZ

OIC, Finance and Management Division


Date Signed


EDUARDO B. CONGONA

Undersecretary for Fisheries/ Director, BFAR


4 | 22 | 2019
Date Signed



Bureau of Fisheries and Aquatic Resources
 PCA Compound Elliptical Road, Diliman, Quezon City, 1101
Consolidated Condensed Statement of Financial Position
 As of December 31, 2018
FOREIGN ASSISTED (FishCORAL Project)
Fund Clusters 02 and 04

	<u>Note</u>	<u>2018</u>	<u>2017 Restated</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	5 ₱	87,485,992.19 ₱	68,828,139.57
Receivables	6	115,070,626.95	56,994,291.36
Inventories	7	12,891,275.69	10,269,364.67
Other Current Assets	8	1,111,112.51	1,362,547.21
Total Current Assets		<u>216,559,007.34</u>	<u>137,454,342.81</u>
Non - Current Assets			
Property, Plant and Equipment	9	105,485,726.36	23,626,622.34
Total Non - Current Assets		<u>105,485,726.36</u>	<u>23,626,622.34</u>
Total Assets	₱	<u>322,044,733.70</u> ₱	<u>161,080,965.15</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	10 ₱	40,651,565.82 ₱	15,335,727.52
Inter-Agency Payables	11	5,532,618.86	2,816,460.70
Intra-Agency Payables	12	10,000.00	10,000.00
Trust Liabilities	13	3,252,836.34	1,097,616.60
Other Payables	14	441,570.10	270,138.65
Total Current Liabilities		<u>49,888,591.12</u>	<u>19,529,943.47</u>
Non - Current Liabilities			
Total Liabilities	₱	<u>49,888,591.12</u> ₱	<u>19,529,943.47</u>
Total Assets less Total Liabilities	₱	<u><u>272,156,142.58</u></u> ₱	<u><u>141,551,021.68</u></u> 141,551,021.68
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)	21	272,156,142.58	141,551,021.68
Total Net Assets/Equity	₱	<u><u>272,156,142.58</u></u> ₱	<u><u>141,551,021.68</u></u>

See accompanying Notes to Financial Statements



Bureau of Fisheries and Aquatic Resources
PCA Compound Elliptical Road, Diliman, Quezon City, 1101
Consolidated Condensed Statement of Financial Performance
 For the year ended December 31, 2018
FOREIGN ASSISTED (FishCORAL Project)
Fund Clusters 02 and 04

	Note	2018	2017 Restated
Revenue			
Service and Business Income	15	₱ 540,096.13	₱ 38,948.00
Total Revenue		₱ 540,096.13	₱ 38,948.00
Less: Current Operating Expenses			
Personnel Services		-	-
Maintenance and Other Operating Expenses	16	208,721,905.72	108,705,932.56
Financial Expenses	17	408.33	1,800.00
Non-Cash Expenses	18	11,788,878.44	2,497,469.00
Total Current Operating Expenses		₱ 220,511,192.49	₱ 111,205,201.56
Surplus/(Deficit) from Current Operations		₱ (219,971,096.36)	₱ (111,166,253.56)
Net Financial Assistance/Subsidy	20	350,578,631.76	81,296,156.80
Surplus(Deficit) for the period	21	₱ 130,607,535.40	₱ (29,870,096.76)

See accompanying Notes to Financial Statements



Bureau of Fisheries and Aquatic Resources
PCA Compound Elliptical Road, Diliman, Quezon City, 1101
Consolidated Statement of Changes in Net Assets/Equity
For the year ended December 31, 2018
FOREIGN ASSISTED (FishCORAL Project)
Fund Clusters 02 and 04

	<u>Note</u>	<u>2018</u>	<u>2017 Restated</u>
Balance at January 1	21	₱ 141,551,021.68	₱ 216,246,009.68
Add/(Deduct):			
Changes in accounting policy			-
Prior period errors			(21,546,956.24)
Other adjustments			9,265.00
Restated balance		<u>₱ 141,551,021.68</u>	<u>₱ 194,708,318.44</u>
Add/(Deduct):			
Changes in Net Assets/Equity for the Calendar Year			
Surplus/(Deficit) for the period	21	130,607,535.40	(29,870,096.76)
Adjustment of net revenue recognized directly in net assets/equity		-	-
Others-Remittance to National Treasury	21	<u>(2,414.50)</u>	<u>(23,287,200.00)</u>
Total Recognized Revenue and Expense for the Period		<u>130,605,120.90</u>	<u>(53,157,296.76)</u>
Balance at December 31	21	<u><u>₱ 272,156,142.58</u></u>	<u><u>₱ 141,551,021.68</u></u>

See accompanying Notes to Financial Statements



Bureau of Fisheries and Aquatic Resources
PCA Compound Elliptical Road, Diliman, Quezon City, 1101
Consolidated Condensed Statement of Cash Flows
For the year ended December 31, 2018
FOREIGN ASSISTED (FishCORAL Project)
Fund Clusters 02 and 04

	<u>Notes</u>	<u>2018</u>	<u>2017 Restated</u>
Cash Flows From Operating Activities			
Cash Inflows			
Receipt of Notice of Cash Allocation	20.1	371,612,902.20	150,399,310.20
Collection of Income/Revenues	15.1	3,900.94	11,432.49
Collections of Receivables		2,530.00	-
Receipt of Inter-Agency Fund Transfers		-	-
Trust Receipts		-	-
Other Receipts		3,214.50	22,119.56
Adjustments	20.5	3,540,105.82	1,254,419.43
Total Cash Inflows		628,262,653.85	240,807,282.00
Cash Outflows			
Remittance to National Treasury	21	2,414.50	-
Payment of Expenses		104,729,341.18	73,804,166.72
Purchase of Inventories		11,907,921.04	7,193,458.72
Grant of Cash Advances		1,439,610.00	1,226,045.00
Prepayments		-	486,533.31
Payments of Accounts Payable		32,674,242.27	2,530,407.07
Remittance of Personnel Benefit Contributions and		7,239,545.46	2,777,576.88
Release of Inter-Agency Fund Transfers		97,664,933.63	27,302,722.86
Release of Intra-Agency Fund Transfers	20.2	253,100,000.00	108,074,000.71
Payment of Trust Liabilities/Fund Transfer		608.50	-
Other Disbursement	20.5	12,308.33	1,800.00
Adjustments	20.5	20,866,748.50	65,105,325.35
Total Cash Outflows		529,637,673.41	288,502,036.62
Net Cash Provided by (Used in) Operating Activities		98,624,980.44	(47,694,754.62)
Cash Flows from Investing Activities			
Cash Outflows			
Purchase/Constructions of Property, Plant & Equipment		79,936,481.62	40,175,390.02
Total Cash Outflows		79,936,481.62	40,175,390.02
Net Cash Provided by (Used in) Investing Activities		(79,936,481.62)	(40,175,390.02)
Net Cash Provided by (Used in) Financing Activities		-	-
Increase (Decrease) in Cash and Cash Equivalents		18,688,498.82	(87,870,144.64)
Cash and Cash Equivalents, January 1	5	68,797,493.37	156,698,284.21
Cash and Cash Equivalents, December 31	5	87,485,992.19	68,828,139.57

See accompanying Notes to Financial Statements



Department of Agriculture
Bureau of Fisheries and Aquatic Resources
Statement of Comparison of Budget and Actual Amount
For the year ended December 31, 2018
FOREIGN ASSISTED (FishCORAL Project)
Fund Clusters 02 and 04

Annex H

Particulars	Note	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
RECEIPTS					
Tax Revenue		P -	P -	P -	P -
Service and Business Income		-	-	-	-
Assistance and Subsidy		-	-	-	-
Shares, Grants and Donations		-	-	-	-
Gains		-	-	-	-
Others	15	-	-	540,096.13	(540,096.13)
Non-Operating Income/Revenues					-
Loan Proceeds (Domestic and Foreign Loans), BTr					
NG only				12,329.38	(12,329.38)
Miscellaneous Income				527,766.75	(527,766.75)
Total Receipts		-	-	540,096.13	(540,096.13)
PAYMENTS					
Personnel Services		-	-	-	-
Maintenance and Other Operating Expenses		263,736,234.00	449,710,755.67	230,844,553.87	218,866,201.80
Capital Outlays		105,908,000.00	334,113,067.93	106,157,779.96	227,955,287.97
Financial Expenses		-	-	-	-
Debt Service (Principal Amortization)		-	-	-	-
Total Payments	23.1	369,644,234.00	783,823,823.60	337,002,333.83	446,821,489.77
NET RECEIPTS/PAYMENTS		P (369,644,234.00)	P (783,823,823.60)	P (336,462,237.70)	P (447,361,585.90)

See accompanying Notes to Financial Statements



**Department of Agriculture
BUREAU OF FISHERIES AND AQUATIC RESOURCES**

Fisheries, Coastal Resources and Livelihood (FishCORAL) Project

**Notes to Consolidated Financial Statements
For the Year Ended December 31, 2018**

1. General Information and Agency Profile

The consolidated financial statements of Bureau of Fisheries and Aquatic Resources (BFAR) for the Fisheries, Coastal Resources and Livelihood Project were authorized for issue on April 22, 2019 as shown in the Statement of Management Responsibility for consolidated Financial Statements signed by the bureau director Commodore Eduardo B. Gongona.

The Financing Agreement of Loan Number: 2000001258 for Twenty-Seven Million Three Hundred Ten Thousand Euro (EUR 27,310,000) for the Fisheries, Coastal Resources and Livelihood was signed on October 14, 2015 in Rome Italy, and countersigned on October 26, 2015 in Manila, Philippines.

The Financing Agreement of Grant Number: 2000001275 for Six Hundred Ninety Thousand US Dollars (USD 690,000.00) for the Fisheries, Coastal Resources and Livelihood was signed on April 29, 2016 in Rome Italy, and countersigned on May 17, 2016 in Manila, Philippines.

For the purposes of the administration of the above-mentioned Financing Agreement, the relevant dates are as follows: (i) The Entry into Force Date is October 26, 2015; (ii) The Project Completion Date shall be December 31, 2020; and (iii) The Financing Closing Date shall be June 30, 2021

The **Fisheries, Coastal Resources and Livelihood Project (FishCORAL)** is a joint endeavour of the Government of the Philippines and the International Fund for Agricultural Development (IFAD). The Department of Agriculture is the executing agency with the Bureau of Fisheries and Aquatic Resources as the lead implementing agency.

The overall goal of the Project is to contribute to the reduction of poverty incidence in the coastal communities of the 11 target bays. The project will raise household incomes of target coastal communities through the sustainable management of the coastal and fisheries resources and implementation of community-based enterprises.

The Project targets 11 bays/gulfs in Region V in Luzon; VIII in Eastern Visayas; Region XIII and the Autonomous Region in Muslim Mindanao. The target bays are located in 14 provinces with 103 municipalities or cities bordering the bays/gulfs, with 1,098 coastal barangays. Implementation period will be for five (5) years from 2016 to 2020.

The Project has the following three components: (i) Coastal Resource Management; (ii) Livelihood Development; and (iii) Project Management and Coordination. For effective and efficient implementation of these components, the Project Implementation Manual (PIM) was prepared to serve as the guide for project implementers and oversight agencies.

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

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

The consolidated 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

3.1 Basis of Accounting

The consolidated financial statements were prepared on an accrual basis in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

3.2 Consolidation

a. Consolidated Entities/Controlled Entities

Consolidated Entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity and all controlled entities.

Included in the consolidated financial statements are the transactions of the three (3) Regional Field Offices (RFOs) and the Autonomous Region in Muslim Mindanao (ARMM).

a. Three (3) Regional Field Offices (RFOs)

RFO V	–	San Agustin, Pili, Camarines Sur
RFO VIII	–	CRM Center, Diit, Tacloban
RFO XIII	–	Butuan City

The Central Office, grants cash advances to BFAR – Autonomous Region in Muslim Mindanao (ARMM).

Controlled Entities

The controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies. The controlled entities are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases.

Inter-group transactions, balances, and unrealized gains and losses on transactions between members of the group are eliminated in full.

The accounting policies of the controlled entities are consistent with the policies adopted by the controlling entity.

3.3 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, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The Bureau determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Bureau commits to purchase or sell the asset.

The Bureau's financial assets include cash and short-term deposits and loans and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Derecognition

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

- The rights to receive cash flows from the asset have expired or is waived
- The Bureau 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 Bureau has transferred substantially all the risks and rewards of the asset; or (b) the Bureau 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 Bureau 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 assets 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 debtor will enter bankruptcy or other financial reorganization
- Observable data indicates a measureable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

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 entity 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 Bureau's financial liabilities include trade and other payables, bank overdrafts and financial guarantee contracts.

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.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in bank. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.5 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Bureau.

3.6 Property, Plant and Equipment

Recognition

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- tangible items;
- are held for
- or use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost or fair value of the item can be measured reliably.

Measurement at Recognition

An item recognized as property, plant, and equipment is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction its cost is its fair value as at recognition date.

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and
- Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement after Recognition

After recognition, all property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Bureau recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

Depreciation

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

Initial Recognition of Depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

Depreciation Method

The straight-line method of depreciation is adopted unless another method is more appropriate for agency operation.

Estimated Useful Life

The Bureau uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA.

The Bureau uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable service amount.

Transfers

The Bureau recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions.

3.7 Budget information

The annual budget is prepared on a cash basis and is published in the government website.

As a result of the adoption of the cash basis for budgeting purposes, a separate Statement of Comparison of Budget and Actual Amounts is presented showing the basis, timing or entity differences. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or under-spending on line items.

3.8 Related parties

The Bureau of Fisheries and Aquatic Resources regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Bureau, or vice versa.

3.9 Employee benefits

The employees of the Bureau are member of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The Bureau recognizes the undiscounted amount of short term employee benefit, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

The Bureau recognizes expenses for accumulating compensated absences when these are paid (commuted or paid as terminal leave benefits). Unused entitlements that have accumulated at the reporting date are not recognized as expense. Non-accumulated compensated absences, like special leave privileges, are not recognized.

4. Changes in Accounting Policies and estimates

On January 1, 2014, the Bureau of Fisheries and Aquatic Resources converted its accounts from the Philippine Government Chart of Accounts under the New Government Accounting System per Commission on Audit (COA) Circular No. 2004-008 dated September 20, 2004 as amended, to the Revised Chart of Accounts for National Government Agencies as required in paragraph 2.0 of COA Circular No. 2013-002 dated January 30, 2013. This accounting change had no significant impact on the agency's financial statement. The Bureau also adopted the PPSAS No. 1-32, which replaced the existing standard.

5. Cash and Cash Equivalents

Account Name	2018	2017 Restated
Cash in Bank - Local Currency, Current Account	₱86,287,170.82	₱ 64,972,280.44
Cash in Bank - Foreign Currency, Savings Account	1,198,821.37	3,855,859.13
Total	₱87,485,992.19	₱68,828,139.57

5.1 Cash in Bank – Local Currency, Current Account

Office	2018	2017 Restated
Central Office	₱ 37,033,853.34	₱ 44,867,759.85
Region V	22,697,727.41	7,034,637.29
Region VIII	14,600,165.77	7,684,525.33
Region XIII	11,955,424.30	5,385,357.97
Total	₱86,287,170.82	₱ 64,972,280.44

This account represents cash balances released by International Fund for Agricultural Development (IFAD) to the BFAR imprest account amounting to ₱86,287,170.82 under loan proceeds and balances of the amount transferred from the dollar savings account to the peso current account amounting to ₱1,198,821.37 under grant proceeds.

5.2 Cash in Bank - Foreign Currency, Savings Account

Office	2018	2017 Restated
Central Office	₱1,198,821.37	₱ 3,855,859.13

The amount of ₱1,198,821.37 represents the peso equivalent of the of the dollar savings account in the amount of \$22,799.00 of the PSCO.

6. Receivables

Particulars	2018	2017 Restated
Inter-Agency Receivables	₱115,070,569.97	₱56,991,175.36
Other Receivables	56.98	3,116.00
Total	₱115,070,626.95	₱56,994,291.36

6.1 Inter-Agency Receivables

Account Name	2018	2017 Restated
Due from National Government Agencies	₱ 77,292,073.65	₱ 45,751,988.55
Due from Local Government Units	37,778,496.32	11,239,186.81
Total	₱115,070,569.97	₱56,991,175.36

6.1.1 Due from National Government Agencies

Office	2018	2017 Restated
Central Office	₱ 77,292,073.65	₱ 45,751,988.55
Total	₱77,292,073.65	₱45,751,988.55

This account consists of outstanding fund transfers made by the PSCO to the Autonomous Region in Muslim Mindanao (ARMM) in the total amount of ₱77,239,133.45 for the implementation of various activities as reflected in their approved Annual Work Plan and Budget (AWPB) in FY 2016 to 2018 while the ₱52,940.20 represents advance payment for the purchase of office supplies to the Procurement Service (PS).

6.1.2 Due from Local Government Units (LGU)

Office	2018	2017 Restated
Region V	₱ 30,923,976.32	₱ 9,349,186.81
Region VIII	3,964,520.00	-
Region XIII	2,890,000.00	1,890,000.00
Total	₱ 37,778,496.32	₱ 11,239,186.81

This account consists of outstanding fund transfer made to the Local Government Units (LGUs) of the regional offices for the implementation of various projects as indicated in their respective AWPB. In Region V, projects funded were the construction of the bay-wide management multi-purpose building, watch towers, seaweed solar dryer, fish sanctuary marker and training center. Projects funded

under region 8 were the construction of watch tower, solar dryer, bay management, and multi-purpose building. Construction of jetty port, seaweeds solar dryer, and municipal watch tower are the projects being implemented in Region XIII.

Local Government Unit	Balances
Region V	
Bacacay	₱ 1,615,787.00
Balud	1,961,062.00
Bula	1,339,857.99
Del Gallego	1,349,400.00
Legazpi City	5,505,046.32
Lupi	1,215,058.00
Manito	3,290,632.00
Minalabac	291,000.00
Pasacao	1,045,993.54
Placer, Masbate	1,896,140.00
Ragay, Camarines Sur	287,000.00
San Fernando Camarines Sur	867,800.00
San Pascual, Masbate	2,801,728.66
Sorsogon City	3,999,645.00
Cawayan, Masbate	2,470,000.00
Sipocot	987,825.81
Region VIII	
Daram	433,000.00
Hinundayan Southern Leyte	287,000.00
San Juan Southern Leyte	2,957,520.00
Calbiga	287,000.00
Region XIII	
Cagwait Surigao del Sur	1,890,000.00
Hinatuan Surigao del Sur	1,000,000.00
TOTAL	₱ 37,778,496.32

6.2 Other Receivables

Account Name	2018	2017 Restated
Receivable - Disallowance/charges		₱2,350.00
Other receivables	₱ 56.98	766.00
Total	₱56.98	₱3,116.00

Other receivable balances amounting to ₱56.98 represents over payments of salaries of the community facilitator and office rental made by Region VIII amounting to ₱53.98 and ₱3.00 respectively, subject for refund.

7. Inventories

Account Name	2018	2017 Restated
Inventory Held for	₱ 7,415,993.01	₱ 8,680,900.00

Account Name	2018	2017 Restated
Distribution		
Inventory Held for Consumption	997,254.44	1,106,145.96
Semi-Expendable Machinery and Equipment	4,288,098.24	300,588.71
Semi-Expendable Furniture, Fixtures and Books	189,930.00	181,730.00
Total	₱12,891,275.69	₱10,269,364.67

7.1. Inventory Held for Distribution

Account Title	2018	2017 Restated
Agricultural and Marine Supplies for Distribution	₱ 1,960,844.01	
Property and Equipment for Distribution	5,410,149.00	₱ 8,680,900.00
Other Supplies and Materials for Distribution	45,000.00	
TOTAL	₱ 7,415,993.01	₱8,680,900.00

This account represents balance of Region VIII for distribution to local government units includes Desktop Business Grade Computer System, Digital Photo Copier-Monochrome, Flatbed Scanner with ADF and Multimedia Projector with Document Camera.

7.1.1 Agricultural and Marine Supplies for Distribution

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	-	₱ 2,881,244.00	₱ (920,400.00)	₱ 1,960,844.00
Region VIII	-	12,201,607.07	(12,201,607.06)	
Total	-	₱ 15,082,851.07	₱(13,122,007.06)	₱1,960,844.01

Balances of this account represents the additional purchased of the mangroves propagules as livelihood materials while the disposal represents the distribution of the mangrove propagules to the respective beneficiaries of the livelihood projects in Bicol region.

7.1.2 Property and Equipment for Distribution

Office	2018				
	Beg Balance	Additions	Disposal	Adjustment	End Balance
R-V	₱ 357,400.00	₱ 10,672,500.75	₱ (8,109,511.75)		₱ 2,920,389.00
R-VIII	8,323,500.00	17,852,876.19	(21,154,576.00)	(2,532,040.19)	2,489,760.00
Total	₱8,680,900.00	₱28,525,376.94	₱(29,264,087.75)	₱(2,532,040.19)	₱ 5,410,149.00

Adjustment made by region 8 represents, the reclassification of the accounts only.

7.1.3 Other Supplies and Materials for Distribution

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region VIII	-	₱ 421,621.68	₱ (376,621.68)	₱ 45,000.00
Total	-	₱ 421,621.68	₱ (376,621.68)	₱ 45,000.00

7.2 Inventory Held for Consumption

Account Title	2018	2017 Restated
Office Supplies Inventory	₱ 595,965.96	₱ 595,965.96
Accountable Forms, Plates and Stickers Inventory	3,720.00	3,720.00
Fuel, Oil, and Lubricant Inventory	289,928.48	454,920.00
Agricultural and Marine Supplies Inventory	56,100.00	--
Other Supplies and Materials Inventory	51,540.00	51,540.00
Total	₱ 997,254.44	₱ 1,106,145.96

7.2.1 Office Supplies Inventory

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Central Office	₱ 23,360.00	₱ 53,120.00	₱ (62,880.00)	₱ 13,600.00
Region V	571,411.46			571,411.46
Region VIII	10,954.50			10,954.50
Total	₱ 605,725.96	₱ 53,120.00	₱ (62,880.00)	₱ 595,965.96

This account represents supplies for the official use such as external drives, ink cartridge, bond papers, calculators, folders, and correction tapes.

7.2.2 Accountable Forms, Plates and Stickers Inventory

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Central Office	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00
Region V	1,800.00	0.00	0.00	1,800.00
Region VIII	1,920.00	0.00	0.00	1,920.00
Total	₱ 3,720.00	₱ 0.00	₱ 0.00	₱ 3,720.00

This account represents purchased of check booklets.

7.2.3 Fuel, Oil, and Lubricant Inventory

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region XIII	₱454,920.00	₱ 0.00	₱ 164,991.52	₱ 289,928.48
Total	₱454,920.00	₱ 0.00	₱ 164,991.52	₱ 289,928.48

The balance of Fuel, Oil and Lubricant Inventory account represents prepayment made to the Uni-V Gasoline Station subject for replenishment based on the actual consumption/withdrawal of the regional office. This account shall be reclassified to Other Prepayments Account.

7.2.4 Agricultural and Marine Supplies for Inventory

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	₱ 0.00	₱ 786,650.00	₱ 730,550.00	₱ 56,100.00
Total	₱ 0.00	₱ 786,650.00	₱ 730,550.00	₱ 56,100.00

7.2.5 Other Supplies and Materials for Inventory

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region VIII	₱ 51,540.00	₱ 0.00	₱ 0.00	₱ 51,540.00
Total	₱ 51,540.00	₱ 0.00	₱ 0.00	₱ 51,540.00

Balances of these accounts represents purchased long sleeves shirts with DA BFAR logo for FishCORAL staff uniform, picture frames, and tissue papers.

7.3 Semi-Expendable Machinery and Equipment

Account Title	2018	2017 Restated
Semi-Expendable Office Equipment	₱ 104,687.00	₱ 92,188.00
Semi-Expendable Information and Communications Technology Equipment	239,372.74	208,400.71
Semi-Expendable Other Machinery and Equipment	3,944,038.50	0.00
Total	₱ 4,288,098.24	₱ 300,588.71

7.3.1 Semi-Expendable Office Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	₱ 36,698.00	₱ 138,140.00	₱ 138,140.00	₱ 36,698.00
Region VIII	22,890.00	12,499.00	0.00	35,389.00
Region XIII	32,600.00	0.00	0.00	32,600.00
Total	₱ 92,188.00	₱ 150,639.00	₱ 138,140.00	₱ 104,687.00

Purchases for the year composed of digital voice recorder, fax machine, paper cutter, punchers, laminating machine and binders costing less than ₱15,000.00 per item.

7.3.2 Semi-Expendable Information and Communications Technology Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	₱ 9,900.00	₱ 0.00	₱ 0.00	₱ 9,900.00
Region VIII	43,200.71	30,972.03	0.00	74,172.74
Region XIII	155,300.00			155,300.00
Total	₱ 208,400.71	₱ 30,972.03	₱ 0.00	₱ 239,372.74

Region VIII purchased flatbed scanner, mouse, pocket wifi, and fax machine for the official use of the project implementation.

7.3.3 Semi-Expendable Other Machinery and Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	₱ 0.00	₱ 3,934,038.50	₱ 0.00	₱ 3,934,038.50
Region XIII	0.00	10,000.00		10,000.00
Total	₱ 0.00	₱ 3,944,038.50	₱ 0.00	₱ 3,944,038.50

Regions V and VIII purchased sets of patrol boat equipment accessories such as lead weights, flashlights, gauge, mask, reel accessories, regulator, slate, snorkel, and tank valve in FY 2018.

7.4 Semi-Expendable Furniture, Fixtures and Books

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region VIII	₱ 54,130.00	₱ 8,200.00	₱ 0.00	₱ 62,330.00
Region XIII	127,600.00	0.00		127,600.00
Total	₱ 181,730.00	₱ 8,200.00	₱ 0.00	₱ 189,930.00

Additional purchased made by Region VIII were conference table, mono bloc chair, mono bloc table, steel cabinet, and office table for the official use in the RPMO.

8. Other Current Assets

Account Name	2018	2017 Restated
Advances	₱ 1,099,400.00	₱ 479,620.00
Prepayments	11,712.51	882,927.21
Total Other Current Assets	₱ 1,111,112.51	₱ 1,362,547.21

8.1 Advances

Account Title	2018	2017 Restated
Advances for Payroll	₱ 1,027,000.00	₱ 220,00.00
Advances to Officers and Employees	72,400.00	259,620.00
Total Advances	₱ 1,099,400.00	₱ 479,620.00

8.1.1 Advances for Payroll

The balance of ₱1,027,000.00 in this account represents advances for the payment of honorarium to Officers and Employees in Region V and to the members of the Regional Coordination and Support Committee (RCSC) who were directly involved in the implementation of the project.

8.2 Prepayments

Account Title	2018	2017 Restated
Advances to Contractors	₱ 0.00	₱ 852,972.30
Prepaid Insurance	11,712.51	29,954.91
Total Other Current Assets	₱ 11,712.51	₱ 882,927.21

8.2.1 Prepaid Insurance

This account represents balance of insurance paid for vehicles in Region V.

Office	2018	2017 Restated
Central Office	₱ 0.00	₱ 18,242.40
Region V	11,712.51	11,712.51
Total Advances	₱ 11,712.51	₱ 29,954.91

9. Property, Plant and Equipment

Account Name	2018	2017 Restated
Land Improvements	₱ 514,613.75	₱ 0.00
Building and Other Structures	24,365,555.44	0.00
Machinery and Equipment	57,563,932.52	12,184,757.11
Transportation Equipment	8,092,040.68	9,350,101.48
Furniture, Fixtures and Books	9,300.00	12,150.00
Construction in Progress	14,940,283.97	2,079,613.75
Total Property, Plant and Equipment	₱ 105,485,726.36	₱ 23,626,622.34

9.1 Land Improvements

Account Name	2018	2017 Restated
Land Improvements	₱ 594,620.99	-
<i>Accumulated Depreciation – Machinery</i>	80,007.24	-
<i>Accumulated Impairment Losses – Machinery</i>	-	-
Net Value	₱ 514,613.75	-

9.1.1 Land Improvements

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region XIII	-	594,620.99	-	₱ 594,620.99
Total	-	594,620.99	-	₱ 594,620.99

This account represents partial billing for labor and materials for the rehabilitation project in Multi-species in Cortes, Surigao del Sur.

9.2 Buildings and Other Structure

Account Name	2018	2017 Restated
Buildings and Other Structure	₱ 24,365,555.44	-
Buildings	7,567,879.80	-
<i>Accumulated Depreciation – Machinery</i>	540,277.28	-
<i>Accumulated Impairment Losses – Machinery</i>	-	-
Net Value	7,027,602.52	-
Other Structures	17,950,358.88	-
<i>Accumulated Depreciation – Machinery</i>	612,405.96	-
<i>Accumulated Impairment Losses – Machinery</i>	-	-
Net Value	17,337,952.92	-

9.2.1 Buildings

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region VIII		₱ 5,441,080.33		₱ 5,441,080.33
Region XIII		2,126,799.47		₱ 2,126,799.47
Total		₱7,567,879.80		₱7,567,879.80

This account represents newly constructed Municipal Watchtower and Bay-wide Management Council and Multi-purpose Buildings in Regions VIII and XIII respectively.

9.2.2 Other Structures

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V		₱ 405,331.74		₱ 405,331.74
Region VIII		784,345.62		784,345.62
Region XIII		16,760,681.52		16,760,681.52
Total		₱17,950,358.88		₱17,950,358.88

Other Structure account represents the newly constructed Solar Dryer Facility in Regions V, VIII and XIII.

9.3 Machinery and Equipment

Account Name	2018	2017 Restated
Machinery and Equipment	₱ 57,563,932.52	₱ 12,184,757.11
Machinery	5,713,700.00	₱ 0.00
<i>Accumulated Depreciation – Machinery</i>	45,481.25	-
<i>Accumulated Impairment Losses – Machinery</i>	-	-
Net Value	5,668,218.75	-
Office Equipment	3,868,930.00	3,448,180.00
<i>Accumulated Depreciation - Office Equipment</i>	1,550,100.95	311,690.91
<i>Accumulated Impairment Losses - Office Equipment</i>	-	-
Net Value	2,318,829.05	3,136,489.09
Information and Communication Equipment	7,887,535.51	5,854,281.54
<i>Accumulated Depreciation - Office Equipment</i>	1,729,047.97	435,083.08
<i>Accumulated Impairment Losses - Office Equipment</i>	-	-
Net Value	6,158,487.54	5,419,198.46
Marine and Fisheries Equipment	12,788,046.00	167,000.00
<i>Accumulated Depreciation - Office Equipment</i>	1,670,260.16	5,288.34
<i>Accumulated Impairment Losses - Office Equipment</i>	-	-
Net Value	11,117,785.84	161,711.66
Communication Equipment	1,911,848.64	1,911,848.64
<i>Accumulated Depreciation - Office Equipment</i>	470,361.35	107,110.09
<i>Accumulated Impairment Losses - Office Equipment</i>	-	-
Net Value	1,441,487.29	1,804,738.55
Printing Equipment	440,000.00	440,000.00
<i>Accumulated Depreciation - Office Equipment</i>	156,750.00	73,150.00
<i>Accumulated Impairment Losses - Office Equipment</i>	-	-
Net Value	283,250.00	366,850.00
Technical and Scientific Equipment	14,788,643.50	1,336,100.00
<i>Accumulated Depreciation - Office Equipment</i>	1,861,618.88	40,330.65
<i>Accumulated Impairment Losses - Office Equipment</i>	-	-

Account Name	2018	2017 Restated
Net Value	12,927,024.62	1,295,769.35
Other Machinery and Equipment	20,433,159.10	-
Accumulated Depreciation - Office Equipment	2,784,309.67	-
Accumulated Impairment Losses - Office Equipment	-	-
Net Value	17,648,849.43	-

9.3.1 Machinery

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region XIII	-	₱ 5,713,700.00		₱ 5,713,700.00
Total	₱	₱5,713,700.00		₱5,713,700.00

Additional purchased of generator set and submerged cages for the LGUs were made by BFAR Region XIII.

9.3.2 Office Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Central Office	645,200.00	21,000.00		₱ 666,200.00
Region VIII	180,000.00	399,750.00		579,750.00
Region XIII	2,622,980.00	-		2,622,980.00
Total	₱ 3,448,180.00	₱ 420,750.00		₱ 3,868,930.00

Additional purchased of equipment such as air condition unit, desktop computer in Region VIII and electric typewriter for the PSCO office.

9.3.3 Information and Communication Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Central Office	₱ 1,363,380.00	₱ 626,819.00		₱ 1,990,199.00
Region V	1,948,902.25	250,600.00		2,199,502.25
Region VIII	1,474,719.29	1,155,834.97		2,630,554.26
Region XIII	1,067,280.00	-		1,067,280.00
Total	₱ 5,854,281.54	₱ 2,033,253.97	₱	₱ 7,887,535.51

Additional purchased represents laptops, computer servers with accessories for the official use by the PSCO and RPMO officers and staff.

9.3.4 Marine and Fisheries Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	₱ 167,000.00	₱ 869,486.00	-	₱ 1,036,486.00
Region VIII	-	11,751,560.00		11,751,560.00
Total	₱ 167,000.00	₱ 12,621,046.00	₱	₱ 12,788,046.00

This account represents purchased of diving gears and DSLR camera with heavy duty casing used by LGUs, PFO and RPMO in Region V. Subsequently, purchases made by the BFAR RPMO No. VIII were fish cages with handrail and accessories and 4,000 liters tanks oval makers for distribution to various LGU's covered by the Project.

9.3.5 Communication Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Central Office	₱ 304,881.64	₱	-	₱ 304,881.64
Region V	1,580,067.00		-	1,580,067.00
Region VIII	26,900.00		-	26,900.00
Total	₱1,911,848.64	₱		₱ 1,911,848.64

Communication Equipment balances represent camera, drone and television subject for re-classification to its appropriate account.

9.3.6 Printing Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region VIII	₱ 440,000.00	₱	-	₱ 440,000.00

This account represents items purchased such as digital photocopier-colored and digital photocopier with complete accessories.

9.3.7 Technical and Scientific Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	₱ 550,600.00	₱ 1,840,000.00	-	₱ 2,390,600.00
Region VIII	785,500.00	11,612,543.50	-	12,398,043.50
Total	₱ 1,336,100.00	₱ 13,452,543.50	-	₱ 14,788,643.50

Additional purchases under this account were global positioning system, fish finder, diving gear, cadmium lamp, valeport, ecotheerm, enchosounder, fumehood, refractometer, water quality multi-parameter in Regions VIII and V.

9.3.8 Other Machinery and Equipment

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region V	₱ -	₱ 2,575,111.00	-	₱ 2,575,111.00
Region VIII	-	798,670.00	-	798,670.00
Region XIII		17,059,378.10		17,059,378.10
Total	₱ -	₱ 20,433,159.10	-	₱ 20,433,159.10

This account represents the purchased of bouys with solar light, chest freezers, blast freezer, Marine engines, mobile pan rack, stainless steel fish cooling cabinet, stainless steel smokehouse and stainless-steel working table in regions Region V, VIII and XIII.

9.4 Transportation Equipment

Account Name	2018	2017 Restated
Motor Vehicle	₱ 10,511,140.00	₱10,511,140.00
<i>Accumulated Depreciation - Office Equipment</i>	2,784,309.67	1,161,038.52
<i>Accumulated Impairment Losses - Office Equipment</i>		-
Net Value	₱ 7,726,830.33	₱ 9,350,101.48

9.4.1 Motor Vehicle

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Central Office	₱ 4,230,000.00	₱	₱	₱ 4,230,000.00
Region V	2,471,200.00			2,471,200.00
Region VIII	2,399,940.00			2,399,940.00
Region XIII	1,410,000.00			1,410,000.00
Total	₱ 10,511,140.00	₱	₱	₱ 10,511,140.00

This account represents the Toyota Fortuner purchased for the implementation of the Project in all covered areas.

9.5 Furniture, Fixtures and Books

Account Name	2018	2017 Restated
Furniture and Fixtures	₱15,000.00	₱15,000.00
<i>Accumulated Depreciation - Furniture and Fixtures</i>	5,700.00	2,850.00
<i>Accumulated Impairment Losses - Furniture and Fixtures</i>	-	-
Net Value	₱ 9,300.00	₱ 12,150.00

9.5.1 Furniture and Fixtures

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
Region VIII	15,000.00			15,000.00

This account represents purchased steel filling cabinet with drawers.

9.6 Construction in Progress

Account Name	2018	2017 Restated
Construction in Progress - Buildings and Other Structures	₱ 14,940,283.97	₱ 2,079,613.75

9.6.1 Construction in Progress - Buildings and Other Structures

Office	2018			
	Beg Balance	Additions	Disposal	End Balance
RFO-V	₱ 0.00	₱ 854,201.87	₱	₱ 854,201.87
RFO - VIII		12,006,468.35		12,006,468.35
Region XIII	2,079,613.75			2,079,613.75
Total	₱ 2,079,613.75	₱ 12,860,670.22	₱	₱ 14,940,283.97

The account represents the on-going constructions of the Bay Management Multi-Purpose Building in the identified project covered area in Region V and Region XIII. While in Region VIII, the accounts represents the construction of Seaweeds Solar Dryer and Watch Tower in the identified Project area in regions.

10. Financial Liabilities

Account Title	2018	2017 Restated
Accounts Payables	₱ 40,648,968.07	₱ 15,332,637.52
Due to Officers and Employees	2,597.75	3,090.00
Total Financial Liabilities	₱ 40,651,565.82	₱15,335,727.52

10.1 Accounts Payables

Office	2018	2017 Restated
Central Office	₱ 28,821.23	₱ 407,351.52
Region V	246,553.00	3,235,300.33
Region VIII	24,180,515.29	6,144,047.32
Region XIII	16,193.078.55	5,545,938.35
Total Financial Liabilities	₱ 40,648,968.07	₱15,332,637.52

This account represents due and demandable obligations to external creditors.

10.2 Due to Officers and Employees

The balance of ₱1,797.75 represents accounts payable to Mercedita C. Tan of the Central Office for the payment made to various expenses made for the project and ₱800.00 represents accounts payable to Lina F. Zulueta for the stale check.

11. Inter-Agency Payable

11.1 Due to BIR

Office	2018	2017 Restated
Central Office	₱ 181,625.11	₱ 144,157.76
Region V	144,199.51	959,479.86
Region VIII	1,928,809.39	835,645.96
Region XIII	3,277,984.85	876,817.12
Total Financial Liabilities	₱ 5,532,618.86	₱ 2,816,460.70

This account represents taxes withheld which are yet to be remitted.

12. Intra-Agency Payable

12.1 Due to Other Funds

The balance of Due to Other Funds in Region XIII represents initial deposit made to the peso-current account under grant proceeds withdrawn from the government peso counterpart fund amounting to ₱10,000.

13. Trust Liabilities

Account Title	2018	2017 Restated
Guaranty Deposit Payables	₱ 3,252,836.34	₱1,097,616.60

13.1 Guaranty Deposit Payables

Office	2018	2017 Restated
Central Office	₱ 7,691.39	₱ 608.50
Region V	1,787,924.40	1,097,008.10
Region VIII	1,457,220.55	-
Total Financial Liabilities	₱ 3,252,836.34	₱ 1,097,616.60

This account represents cash received to guarantee performance which are refundable to the depositor upon completion of the purpose for which it was given or may be received to cover possible future damage to property.

14. Other Payables

Office	2018	2017 Restated
Central Office	₱ 48,956.00	₱ 267,929.09
Region V	-	2,209.56

Office	2018	2017 Restated
Region XIII	392,614.10	
Total Other Payables	₱ 441,570.10	₱ 270,138.65

The account balance of Other Payables amounting to ₱48,956 represents travelling expense of the PSCO staff for the month of December 2018 and ₱392,614.10 represents payment to the RPMO staffs of Region XIII.

15. Service and Business Income

Account Title	2018	2017 Restated
Interest Income	₱ 12,329.38	₱ 27,933.05
Miscellaneous income	527,766.75	9,896.60
Total	₱ 540,096.13	₱ 38,948.00

15.1 Interest Income

Office	2018	2017 Restated
Central Office	₱ 3,900.94	₱ 11,432.49
Region XIII	8,428.44	16,500.56
Total Interest Income	₱ 12,329.38	₱ 27,933.05

The account represents interest income (net of tax) generated under grant proceeds dollar savings account of the central office and loan proceeds, pesos current account of the Region XIII.

15.2 Miscellaneous Income

Office	2018	2017 Restated
Central Office	₱ 8,382.66	-
Region V	41,574.39	₱ 9,896.60
Region VIII	477,809.70	-
Total	₱ 527,766.75	₱ 9,896.60

This account represents receipt of miscellaneous income from liquidated damages due to late deliveries in BFAR PSCO, Region V and Region V. For Region V, ₱ 2,355.00 represents refund from the traveling expense of RPMO staff.

16. Maintenance and Other Operating Expenses

Account Name	2018	2017 Restated
Traveling Expenses	₱ 15,143,935.16	₱ 11,863,648.38
Training and Scholarship Expenses	25,243,197.47	24,202,644.15
Supplies and Materials Expenses	47,219,032.28	2,967,077.12
Utility Expenses	287,264.94	69,330.24
Communication Expenses	559,377.22	187,302.59
Confidential, Intelligence and Extraordinary Expenses	-	36,845.00

Account Name	2018	2017 Restated
Professional Services	21,685,904.88	5,722,615.18
General Services	450.00	-
Repairs and Maintenance	5,054,417.72	471,066.82
Taxes, Insurance Premiums and Other Fees	27,541.82	49,055.74
Labor and Wages	54,732,487.56	36,271,093.39
Other Maintenance and Operating Expenses	5,048,234.27	3,856,144.41
Donations	33,720,062.40	23,009,109.54
Total Maintenance and Other Operating Expenses	₱208,721,905.72	₱108,705,932.56

16.1 Travelling Expenses

Account Title	2018	2017 Restated
Traveling Expenses – Local	₱ 15,143,935.16	₱ 11,862,148.38
Traveling Expenses – Foreign	-	1,500.00
Total Traveling Expenses	₱ 15,143,935.16	₱11,863,648.38

The account travelling expenses –local represents travelling expenses incurred by the BFAR officers and employees including project staff and consultants hired under the project of the BFAR central and regional offices. Several activities were conducted in the project covered areas like trainings, workshop, IFAD midterm review and others. Moreover, monitoring and evaluation, technical assistance had been provided by the central office staff to the regional office and local government unit staff and direct beneficiaries of the project.

16.2 Training Expenses and Scholarship Expenses

Account Title	2018	2017 Restated
Training Expenses	₱ 25,243,197.47	₱ 24,202,644.15

This expense account represents foods, accommodations and other related expenses to the conduct of various training/workshop/meetings in the implementation of CRM and livelihood activities in the central and regional offices such as project proposal write-shop, capacity building of staff of the RPMO, LGU/PO beneficiary, GAD trainings, procurement trainings, livelihood trainings, quarterly meeting of bay-wide management council, monthly community facilitators meeting, project steering committee meetings, planning and budgeting workshops, closing of books of account workshops, aqua-business school trainings, IFAD led Mid-Term implementation and supervision mission, Streamlining Workshop and Matching Grant Training, mid-year and year-end performance evaluation workshops and payment for the resource speakers and others.

16.3 Supplies and Materials Expenses

Account Title	2018	2017 Restated
Office Supplies Expense	₱ 5,915,831.84	₱ 448,175.52

Account Title	2018	2017 Restated
Accountable Forms	11,300.00	11,850.00
Medical, Dental and Laboratory Supplies Expense	30,520.00	-
Fuel, Oil and Lubricants Expenses	653,640.85	132,280.63
Agricultural and Marine Supplies Expenses	36,844,703.17	1,949,325.20
Other Supplies and Materials Expenses	3,259,956.42	425,445.77
Total Supplies and Materials Expenses	₱ 47,219,032.28	₱ 2,967,077.12

These expense accounts represent procurement of various supplies and materials for the livelihood component (seaweed farming, fish cage, aquasilvi culture, fish processing and others) and CRM components (mangrove planting materials and other resource rehabilitation) of the projects to be provided to the project beneficiaries. Also, procurement of supplies and materials for operation of PSCO and RPMO such as office supplies, accountable forms, fuel and others.

16.4 Utilities Expenses

Account Title	2018	2017 Restated
Water Expenses	₱ 14,140.39	₱ 10,311.40
Electricity Expenses	273,124.55	59,018.84
Total Utilities Expenses	₱ 287,264.94	₱ 69,330.24

Expenses incurred for the payments of water and electrical bills of the regional project management office in region 8.

16.5 Communication Expenses

Account Title	2018	2017 Restated
Postage and Courier Expenses	₱ 12,733.92	₱ 16,237.00
Telephone Expenses	480,050.00	150,459.43
Internet Subscription Expenses	66,593.30	20,606.16
Total Communication Expenses	₱ 559,377.22	₱ 187,302.59

The accounts represent payments of internet subscription, courier expense for documents submitted to IFAD office in Italy, and prepaid cards provided to community facilitators assigned to all municipalities covered by the project.

16.6 Confidential, Intelligence and Extraordinary Expenses

Account Title	2018	2017 Restated
Extraordinary and Miscellaneous Expenses	₱ 0.00	₱ 36,845.00

The accounts represent payment of meals serve during the conduct of management meeting in preparation to the Mid-term Review conducted by IFAD.

16.7 Professional Services

Account Title	2018	2017 Restated
Legal Services	₱ 3,800.00	₱ 36,000.00
Consultancy Services	19,293,504.88	2,530,497.68
Other Professional Services	2,388,600.00	3,156,117.50
Total Professional Expenses	₱ 21,685,904.88	₱ 5,722,615.18

Legal services expenses incurred in Region XIII represents payment of notarial services for the contract of services and others.

Consultancy services represent payments of salaries of the project coordinator, procurement specialist, livelihood specialist, institution and gender specialist and rural infrastructure specialist hired at the central office. This also include the payment for the services rendered by the contractor on the conduct of Participatory Resource and Socio-Economic Assessment (PRSA) in Region VIII.

Other Professional Services includes payment for the services rendered by the contractor on the conduct of Participatory Resource and Socio-Economic Assessment (PRSA) in Region XIII.

16.8 General Services

Account Title	2018	2017 Restated
Other General Services	₱ 450.00	₱ -

16.9 Repairs and Maintenance

Account Title	2018	2017 Restated
Repairs and Maintenance – Transportation Equipment	₱ 382,707.71	₱ 471,066.82
Repairs and Maintenance – Buildings and Other Structures	4,602,010.01	-
Repairs and Maintenance – Machinery and Equipment	500.00	-
Repairs and Maintenance – Furniture and Fixture	49,400.00	-
Repairs and Maintenance – Semi-Expendable Machinery	19,800.00	-
Total Repairs and Maintenance	₱ 5,054,417.72	₱ 471,066.82

Expenses made for the repair and maintenance of the procured and assigned transport vehicles including labor and materials for the repair.

16.10 Taxes, Insurance Premiums and Other Fees

Account Title	2018	2017 Restated
Taxes, Duties, and Licenses	₱ 2,569.06	₱ 2,488.00
Fidelity Bond and Premiums	3,375.00	-

Account Title	2018	2017 Restated
Insurance Expense	21,597.76	46,567.74
Total Taxes, Insurance Premiums	₱ 27,541.82	₱ 49,055.74

Expenses made for the payment of documentary stamps and renewal of insurance premiums of the project vehicles.

16.11 Labor and Wages

Account Title	2018	2017 Restated
Labor and Wages	₱ 54,732,487.56	₱ 36,271,093.39

This account represents payments of labor and wages of the central and regional project officers, staff and community facilitators.

16.12 Other Maintenance and Operating Expenses

Account Title	2018	2017 Restated
Advertising Expenses	₱ 10,272.64	₱ 151,272.80
Printing and Publication Expense	1,278.00	768.00
Transportation and Delivery Expenses	207,300.00	854.00
Rent/Lease Expenses	413,610.00	363,860.00
Other Maintenance and Operating Expenses	4,415,773.63	3,339,389.61
Total Other Maintenance and Operating Expenses	₱ 5,048,234.27	₱ 3,856,144.41

The accounts represent payments for the advertisement of job vacancies in broadsheets, payment for office rentals, payment for rental of transport vehicles for the delivery of livelihood materials to the beneficiaries and transport training participants to the workshop venues and site visits to project areas. This also includes payment of incentives of BFAR organic personnel involve in the implementation of the project.

16.13 Donations

Account Title	2018	2017 Restated
Donations	₱ 33,720,062.40	₱ 23,009,109.54

Procured/purchased motorcycles, fish sanctuary markers and chest freezers made by Region VIII were subsequently donated to covered local government units with a total acquisition cost of ₱12,142,356.16. While in Region XIII, purchased Office Equipment, Furniture, Fixture, IT Equipment and Library Books and others were also donated to the covered municipalities amounting to ₱2,530,009.44.

17. Financial Expense

Account Title	2018	2017 Restated
Bank Charges	₱ 408.33	₱ 1,800.00

18. Non-Cash Expenses

18.1 Depreciation

Account Title	2018	2017 Restated
Depreciation – Land Improvements	₱ 80,007.24	-
Depreciation – Building and Other Structure	1,152,683.24	
Depreciation - Machinery and Equipment	9,295,277.16	₱ 1,664,296.00
Depreciation - Transportation Equipment	1,258,060.80	830,323.00
Depreciation - Furniture, Fixtures and Books	2,850.00	2,850.00
Total Depreciation	₱ 11,788,878.46	₱ 2,497,469.00

19. Statement of Expenditures (SOE)

Fund Source	2018
Loan Proceeds	₱ 263,967,826.45
Grant Proceeds	4,918,650.81
Total	₱ 268,886,477.26

19.1 Comparison of SOE and SSAF

The Discrepancies in the SOE against the SSAF are the exclusion of non-eligible expenses incurred during the year to the Statement of Expenditures (SOE) such as fund transfer to ARMM, LGUs and cash Advances to officers and employees and the taxes erroneously charge to Loan Proceeds, details to wit:

PARTICULARS	LOAN	GRANT	TOTAL
SOE	₱ 263,967,826.45	₱ 4,918,650.81	₱268,886,477.26
SSAF	299,637,166.30	5,060,675.66	304,697,841.96
Difference	₱(35,669,339.85)	₱(142,024.85)	₱(35,811,365.70)

Breakdown:	LOAN	GRANT	TOTAL
Fund Transfer to LGU	₱27,967,822.97		₱27,967,822.97
Advances to Officers & Employees	351,120.00		351,120.00
Taxes	1,312,264.62	₱142,024.85	1,454,289.47
Other Adjustment	6,038,132.26		6,038,132.26
TOTAL	₱ 35,669,339.85	₱ 142,024.85	₱ 35,811,364.70

19.2 Comparison of SSAF and FAR 4

PARTICULARS	LOAN	GRANT
SSAF	₱ 299,637,166.30	₱ 5,060,675.66
FAR 4	284,721,605.89	4,783,945.35
Difference	₱14,915,560.41	₱276,730.31

PARTICULARS	LOAN	GRANT
Breakdown:	LOAN	GRANT
Fund Transfer to ARMM	₱50,000,000.00	
ARMM Disbursement	(64,915,315.42)	
Understated in FAR 4 of BFAR XIII		₱276,730.31
Bank Charges in PSCO Account	300.00	
Understated in FAR 4 in BFAR V	(544.99)	
TOTAL	₱ (14,915,560.41)	₱ (276,730.31)

20. Net Financial Assistance/Subsidy

20.1 Subsidy from National Government – Net

Particulars	2018
Receipt of NCA	
Government of the Philippines Counterpart	₱60,022,000.00
Loan Proceeds	304,360,480.64
Grant Proceeds	-
Total Receipt of NCA	364,382,480.64
Constructive Receipt of NCA for TRA	7,230,421.56
Total Subsidy Income from NG	371,612,902.20
Less/add:	
Gain from Foreign Currency Adjustments	187,437.00
Adjustments for cancelled checks and others	(526,345.14)
Reversal of Unutilized NCA (per bank quarterly reversal)	(20,780,760.10)
Net Subsidy Income from NG	₱350,493,233.96

Other adjustment made to the Subsidy Income from the National Government represents gain from foreign currency adjustments and cancelled checks.

20.2 Net Financial Assistance/Subsidy from NGAs

Subsidy from National Government- Net

Particulars	2018
Net Subsidy Income from NG	₱350,493,233.96
Subsidy from Other Funds	7,264,892.15
Subsidy from Central Office	253,100,000.39
Less:	
Financial Assistance to NGAs	
Financial Assistance to LGUs	
Financial Assistance to NGOs/Pos	
Subsidy to NGAs	

Particulars	2018
Subsidy to Regional Offices/Staff Bureaus	(253,100,000.00)
Subsidy to Other Funds	(7,179,494.74)
Net Financial Assistance/Subsidy	₱350,578,631.76

20.3 Reconciliation of Surplus/Deficit to Net Cash Flows from Operating Activities

Surplus/(Deficit) for the Year	₱133,679,823.64
Add/Less:	
Depreciation	11,788,878.44
Increase in Receivables	(58,076,335.59)
Increase in Inventories	(2,621,911.02)
Decrease in Other Current Assets	251,434.70
Increase in current Liabilities	31,994,319.44
Other Non-Cash Adjustments	(13,683,269.14)
Net Cash Flows from Operating Activities	₱103,332,940.47

20.4 Other Non-Cash Adjustments

Particulars	Amount
Net Recognition/Payment of payable pertaining to Non-Current Assets	₱9,120,141.00
Liquidation of fund transfer pertaining to PPE	4,563,128.14
Total	₱13,683,269.14

20.5 Cash Inflows and Outflows Adjustments in Operating Activities

Particulars	Amount
Cash Inflows -	
Adjustments	₱3,540,105.82
Cash Outflows	
Other Adjustments	12,308.33
Adjustments	20,866,748.50
Total	₱24,419,162.65

20.5.1 Cash Inflows adjustments from operating activities are broken-down as follows:

Regions	Amount	Remarks
PSCO	₱187,437.00	Translation of year-end Foreign Currency Monetary item
Region VIII	3,025,601.99	Overstated expenses
Region XIII	96,516.83	Restoration of stale checks, refund from grant accounts and interest from the bank
Total	₱3,540,105.82	

20.5.2 Cash Outflows adjustments from operating activities are broken-down as follows:

Regions	Amount	Remarks
Other Adjustments		
PSCO	₱408.33	Represents bank charges
Region VIII	3,500.00	
Region XIII	8,400.00	
Total	₱12,308.33	
Adjustments		
PSCO	₱15,614,598.38	Reversal of lapsed Notice of Cash Allocations (NCA) for FY 2018
Region V	2,116,936.70	
Region VIII	477,767.80	
Region XIII	2,571,457.80	
Region VIII	85,988.40	Double entry by the Bank
Total	₱20,866,748.50	

21. Statement of Changes in Net Assets/Equity

Particulars	2018	2017 Restated
Beginning Balance	₱ 141,551,021.68	₱ 216,246,009.68
Prior Period Error		(21,546,956.24)
Other Adjustments		9,265.00
Restated Balance		194,708,318.44
Surplus for the period	130,607,535.40	(29,870,096.76)
Others-Remittance to National Treasury	(2,414.50)	23,287,200.00-
Balance, Dec. 31, 2018	₱272,156,142.58	₱141,551,021.68

21.1 Balance at January 1, 2018

The beginning balance of net/assets/equity of ₱141,551,021.68 is the restated ending balance at December 31, 2017.

21.2 Surplus for the Period

Particulars	2018	2017 Re-stated
Surplus/(Deficit) from Current Operations	₱(219,971,096.36)	₱(111,166,253.56)
Net Financial assistance/Subsidy	350,578,631.76	81,296,156.80
Gains/Losses		
Surplus for the Period	₱130,607,535.40	₱ (29,870,096.76)

22. Summaries of Restatements Made

The restatements made in compliance with Section 44, Chapter 19 of the Government Accounting Manual (GAM) Volume I are summarized as follows:

Account	Addition (Deduction)
Cash in Bank – Local Currency, Current Account	₱ (6,832,355.10)
Due from National Government Agencies	(133,929,77.43)
Due from Local Government Units	(227,232.19)
Receivables – Disallowance/Charges	(4,600.00)
Other Receivables	(766.00)
Property & Equipment for Distribution	(7,966,100.00)
Office Supplies Inventory	(581,171.46)
Accountable Forms, Plates and Stickers Inventory	(1,920.00)
Other Supplies and Materials Inventory	(51,540.00)
Semi-Expendable Office Equipment	(22,890.00)
Semi-Expendable Information and Communication Technology Equipment	(43,200.71)
Semi-Expendable Furniture and Fixture	(54,130.00)
Office Equipment	(180,000.00)
Accumulated Depreciation – Office Equipment	(34,200.00)
Information and Communication Technology Equipment	(7,036,631.04)
Accumulated Depreciation - Information and Communication Technology Equipment	(469,172.10)
Communication Equipment	(26,900.00)
Accumulated Depreciation - Communication Equipment	(5,111.00)
Printing Equipment	(440,000.00)
Accumulated Depreciation - Printing Equipment	(73,150.00)
Technical and Scientific Equipment	(785,500.00)
Accumulated Depreciation - Technical and Scientific Equipment	(22,024.16)
Other Machinery and Equipment	(1,161,600.00)
Motor Vehicles	(4,143,340.00)
Accumulated Depreciation – Motor Vehicles	(201,063.52)
Furniture and Fixture	(15,000.00)
Accumulated Depreciation – Furniture and Fixture	(2,850.00)
Advances for Payroll	(729,800.00)
Prepaid Insurance	1,658.40
Accounts Payable	(767,020.04)
Due to BIR	(1,321,624.27)
Accumulated Surplus/(Deficit)	(22,483,734.05)
Fines and Penalties – Service Income	1,118.35
Interest Income	5,296.20
Subsidy from National Government	(6,587,679.84)
Subsidy from Other Funds	(210,639.62)
Subsidy from Central office	(36,999,999.68)
Miscellaneous Income	(918.35)
Travelling Expenses – Local	(2,124,341.02)
Training Expenses	(657,620.23)
Office Supplies Expenses	23,362.00
Accountable Forms Expenses	6,150.00
Fuel, Oil, and Lubricants Expenses	(130,780.63)
Agricultural and Marine Supplies Expenses	(255,454.80)

Account	Addition (Deduction)
Other Supplies and Materials Expenses	(391,440.77)
Water Expenses	(10,311.40)
Electricity Expenses	(59,018.84)
Telephone Expenses	97,208.43
Internet Subscription Expenses	(19,720.16)
Legal Services	(36,000.00)
Repairs and Maintenance – Transportation Expenses	(169,701.58)
Subsidy to Other Funds	(210,639.62)
Insurance Expenses	(1,658.40)
Labor and Wages	(16,330,822.82)
Advertising Expenses	(65,699.20)
Rent/Lease Expenses	(363,860.00)
Donations	(3,805,612.22)
Other Maintenance and Operating Expenses	419,109.00
Bank Charges	1,800.00
Depreciation - Machinery and Equipment	(1,194,813.79)
Depreciation - Transportation Equipment	(194,060.50)
Depreciation - Furniture, Fixtures and Books	(2,850.00)

23. Allotments and Obligations

Expense Class	Allotments	Obligations	Balances
Loan Proceeds			
MOOE	₱215,735,000.00	₱194,557,649.71	₱21,177,350.26
Capital Outlay	92,500,000.00	71,047,010.85	21,452,989.15
Gov't of the Phils.			
MOOE	43,885,000.00	36,610,213.68	7,274,786.32
Capital Outlay	13,408,000.00	8,333,883.10	5,074,116.90
Grant Proceeds			
MOOE	4,116,234.00	2,767,981.95	1,348,252.05
Capital Outlay	-	-	-
TOTAL	₱369,644,234.00	₱313,316,739.29	₱56,327,494.71

23.1 Comparison of FAR1A and SCBAA

The difference between the total allotment reflected in the Financial Accountability Report No. 1 (FAR1A) against the final budgeted amount stated in the Statement of Comparison and Actual Amount (SCBAA) amounting to P414,179,589.60 represents the unpaid obligations in prior-years.

Particulars	SCBAA	FAR1A	Difference
MOOE	₱449,710,755.67	₱263,736,234.00	₱185,974,621.67
Capital Outlay	334,113,067.93	105,908,000.00	228,205,067.93
Total	₱783,823,823.60	₱369,644,234.00	₱414,179,589.60

24. Key Management Personnel

The key management personnel of the BFAR Central Office involved in the project are the bureau director, the assistant director, five (5) division chiefs.

The key management of the Regional Field Offices involved in the project implementation are regional directors, assistant regional director, four (4) division chiefs.

The key personnel of the Project Support and Coordination Office (PSCO) are the Project Coordinator, Planning Officer, M&E Officer, Finance Officer, MIS Officer and Knowledge Management Officer.

The key personnel of the Regional Project Management Office (RPMO) are the Project Coordinator, Planning Officer, M&E Officer, Finance Officer, MIS Officer and Institution, Gender Development Officer.

FISHERIES, COASTAL RESOURCES AND LIVELIHOOD PROJECT

Loan Proceeds
Statement of Sources and Application of Funds
Project Support and Coordination Office (PSCO)
As of December 31, 2018

		Annex E		Annex E		Annex E		Annex E		Annex E		Annex E	
		SUMMARY		PSCO		REGION V		REGION VIII		REGION XIII		ARMM	
		USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP
Beginning Balance, January 01, 2018		\$2,171,364.44	₱95,413,249.92	\$1,084,321.91	₱44,472,063.37	\$115,862.97	₱5,621,091.97	\$146,945.28	₱6,857,201.62	\$ 101,090.02	₱ 4,717,365.93	\$723,144.26	₱33,745,527.03
Add: Receipt of Funds													
Date	JEV No.	Particulars											
1 19-Jan-18		Receipt of Working Fund	\$838,624.23	₱41,866,637.43	\$838,624.23	₱41,866,637.43							
2 21-Feb-18		To cover release of working Fund to Region XIII	(\$0.00)	₱0.00	(\$98,431.01)	(5,000,000.00)				\$98,431.01	₱5,000,000.00		
3 21-Feb-18		To cover release of Working Fund Release to Region V	(\$0.00)	₱0.00	(\$196,862.02)	(10,000,000.00)	\$196,862.02	₱10,000,000.00					
4 21-Feb-18		To cover release of Working Fund to Region VIII	(\$0.00)	₱0.00	(\$196,862.02)	(10,000,000.00)			\$196,862.02	₱10,000,000.00			
5 6-Apr-18		To cover release of working Fund to Region VIII	\$0.00	₱0.00	(\$295,293.03)	(15,000,000.00)			\$295,293.03	₱15,000,000.00			
6 6-Apr-18		To cover release of working Fund to Region XIII	\$0.00	₱0.00	(\$198,570.29)	(10,000,000.00)				\$198,570.29	₱10,000,000.00		
7 26-Apr-18		To cover release of working Fund to Region V	\$0.00	₱0.00	(\$200,308.48)	(10,000,000.00)	\$200,308.48	₱10,000,000.00					
8 26-Apr-18		To cover release of working Fund to Region VIII	\$0.00	₱0.00	(\$200,308.475)	(10,000,000.00)			\$200,308.48	₱10,000,000.00			
9 13-Jun-18		To cover release of Working Fund to Region VIII	\$0.00	₱0.00	(\$160,246.78)	(8,000,000.00)			\$160,246.78	₱8,000,000.00			
10 26-Jun-18		Receipt of Working Fund for Loan	\$1,186,549.28	₱62,127,720.30	\$1,186,549.28	₱62,127,720.30							
11 27-Jul-18		Receipt of Working Fund	\$2,999,990.00	₱160,409,465.30	\$2,999,990.00	₱160,409,465.30							
12 10-Jul-18		To cover release of Working Fund to Region XIII	\$9,112.33	₱0.00	(\$381,970.97)	(20,000,000.00)				\$381,983.30	₱20,000,000.00		
13 10-Jul-18		To cover release of Working Fund to Region V	\$0.00	₱0.00	(\$190,985.49)	(10,000,000.00)	\$190,985.49	₱10,000,000.00					
14 23-Jul-18		To cover release of Working Fund to Region VIII	\$0.00	₱0.00	(\$381,970.97)	(20,000,000.00)			\$381,970.97	₱20,000,000.00			
15 30-Aug-18		To cover release of Working Fund to Region XIII	(\$4,042.02)	₱0.00	(\$381,970.97)	(20,000,000.00)				\$377,928.95	₱20,000,000.00		
16 30-Aug-18		To cover release of Working Fund to Region V	\$0.00	₱0.00	(\$374,041.52)	(20,000,000.00)	\$374,041.52	₱20,000,000.00					
17 30-Aug-18		To cover release of Working Fund to Region ARMM	\$0.00	₱0.00	(\$935,103.80)	(50,000,000.00)						\$935,103.80	50,000,000.00
18 12-Sep-18		To cover release of Working Fund to Region VIII	\$0.00	₱0.00	(\$374,041.52)	(20,000,000.00)			\$374,041.52	₱20,000,000.00			
19 29-Oct-18		Receipt of Working Fund	\$736,772.71	₱39,956,657.61	\$736,772.71	₱39,956,657.61							
20 27-Nov-18		To cover release of Working Fund to Region V	\$0.00	₱0.00	(\$561,062.28)	(30,000,000.00)	\$561,062.28	₱30,000,000.00					
21 3-Dec-18		To cover release of Working Fund to Region VIII	\$0.00	₱0.00	(\$467,551.90)	(25,000,000.00)			\$467,551.90	₱25,000,000.00			
22 28-Dec-18		To cover addtl release of Working Fund to Region VIII	(\$1,319.74)	₱0.00	(\$187,020.76)	(10,000,000.00)			\$185,701.02	₱10,000,000.00			
Total Funds Available		\$7,937,051.24	₱399,773,730.56	\$1,063,655.86	₱45,832,544.01	\$1,639,122.75	₱85,621,091.97	\$2,408,920.99	₱124,857,201.62	\$1,167,103.58	₱59,717,365.93	\$1,658,248.06	₱83,745,527.03

FISHERIES, COASTAL RESOURCES AND LIVELIHOOD PROJECT

Loan Proceeds
Statement of Sources and Application of Funds
Project Support and Coordination Office (PSCO)
As of December 31, 2018

				Annex E		Annex E		Annex E		Annex E		Annex E		Annex E	
				SUMMARY		PSCO		REGION V		REGION VIII		REGION XIII		ARMM	
				USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP
Less Disbursements	Date	JEV No.	Particulars												
1			Disbursement for the month of January	\$78,315.86	₱3,654,609.89	\$4,818.21	₱224,842.00	\$0.00	₱0.00	\$3,682.68	₱171,852.11	\$36,826.97	₱1,811,953.75	\$30,966.07	₱1,445,962.02
2			Disbursement for the month of February	\$380,136.65	₱17,955,933.60	\$12,563.76	₱585,821.30	\$85,761.83	4,258,932.51	\$118,288.77	₱5,519,945.96	\$87,049.03	₱4,062,142.76	\$76,483.27	₱3,569,091.67
3			Disbursement for the month of March	\$317,715.14	₱15,854,634.53	\$5,641.48	₱266,570.37	\$109,060.43	5,415,940.98	\$138,898.70	₱7,056,637.27	\$25,310.12	₱1,285,678.26	\$38,804.41	₱1,810,807.65
4			Disbursement for the month of April	\$569,959.81	₱28,770,462.35	\$29,990.58	₱1,497,219.64	\$84,259.00	4,280,104.41	\$361,068.94	₱18,341,218.79	\$56,950.15	₱2,894,928.44	\$37,651.15	₱1,756,591.07
5			Disbursement for the month of May	\$469,943.57	₱23,307,367.69	\$14,398.03	₱718,793.05	\$169,359.66	8,602,962.63	\$65,617.80	₱3,275,837.51	\$112,845.76	₱5,682,912.51	\$107,722.30	₱5,026,661.99
6			Disbursement for the month of June	\$335,351.20	₱16,696,695.13	\$11,095.69	₱553,930.21	\$53,187.02	2,701,741.29	\$158,050.57	₱7,890,356.71	\$74,880.89	₱3,770,591.52	\$38,137.20	₱1,779,673.40
7			Disbursement for the month of July	\$542,816.15	₱27,556,305.10	\$11,990.16	₱627,804.68	\$45,232.51	2,258,142.79	\$167,681.95	₱8,779,627.08	\$244,511.80	₱12,504,333.42	\$73,999.75	₱3,425,198.19
8			Disbursement for the month of August	\$540,694.52	₱27,656,491.07	\$15,601.02	₱816,869.16	\$110,898.06	5,536,363.90	\$281,463.27	₱14,737,416.82	\$83,775.30	₱4,264,268.84	\$48,956.87	₱2,284,572.35
9			Disbursement for the month of September	\$442,860.05	₱22,653,532.99	\$18,503.22	₱989,367.00	\$112,843.76	5,633,499.28	\$197,520.98	₱10,561,446.89	\$33,492.56	₱1,712,809.47	\$80,499.53	₱3,756,510.35
10			Disbursement for the month of October	\$345,819.08	₱17,469,853.89	\$17,840.55	₱953,934.37	\$58,648.73	3,135,947.33	\$53,459.84	₱2,858,497.52	\$71,639.08	₱3,789,552.25	\$144,261.40	₱7,731,962.42
11			Disbursement for the month of November	\$543,793.17	₱28,200,563.45	\$8,368.04	₱447,438.86	\$51,955.46	2,778,592.93	\$206,575.78	₱11,050,953.36	\$44,107.36	₱2,334,161.27	\$232,676.55	₱11,649,416.70
12			Disbursement for the month of December	\$1,304,622.63	₱69,718,575.55	\$27,635.48	₱1,477,669.12	\$349,619.14	18,654,135.23	\$450,675.28	₱24,097,606.98	\$71,256.55	₱3,770,896.51	\$405,436.19	₱21,678,267.51
Total Disbursements				\$2,637,095.53	₱299,637,166.30	\$72,347.29	₱9,180,259.78	\$573,077.08	₱63,296,363.28	\$908,331.87	₱114,340,598.73	\$220,465.54	₱47,904,829.11	\$1,315,014.72	₱64,915,315.42
Balance				\$5,299,955.71	₱100,136,564.26	\$991,308.58	₱36,652,284.25	\$1,066,045.68	₱22,324,728.69	\$1,500,589.12	₱10,516,602.89	\$948,638.04	₱11,812,736.82	\$343,233.34	₱18,830,211.61
Add/(Deduct): Adjustments															
1			Overstated in the Cash Account (Bank Charges)	(\$6.43)	₱300.00	(\$6.43)	₱300.00								
2			Cofaction of Disallowances	\$50.96	₱2,350.00	\$50.96	₱2,350.00								
3			Adjustment for overstated Disbursement - Region VIII	\$8,049.97	₱464,120.80					\$8,049.97	₱464,120.80				
4			Erroneous recording of transactions	\$62,524.02	₱2,917,683.30					\$62,524.02	₱2,917,683.30				
5			Cash Deposit	\$2.06	₱100.00			\$2.06	₱100.00						
6			Understated amount	\$8.32	₱444.96			\$8.32	₱444.96						
7			Initial Deposit												
Total Adjustment				\$70,528.30	₱3,364,399.09	\$43.93	₱2,050.00	\$10.38	₱544.96	\$70,573.98	₱3,381,804.10	\$	₱0.00	(\$214.29)	₱10,000.00
Ending Balance, December 31, 2018				\$5,370,584.00	₱103,520,963.35	\$991,352.51	₱36,654,334.25	\$1,066,056.05	₱22,325,273.68	\$1,571,163.11	₱13,898,408.99	\$948,638.04	₱11,812,736.82	\$343,019.05	₱18,830,211.61

Prepared by:

MERCEDITA A. TAN
OIC, Project Management Office

Certified Correct:

LINA F. ZOLUEBA
Chief Accountant, BFAR

FISHERIES, COASTAL RESOURCES AND LIVELIHOOD PROJECT

Annex J-2

GPH FUNDS
Statement of Sources and Application of Funds
Project Support and Coordination Office (PSCO)
As of December 31, 2018

Annex E		Annex E		Annex E		Annex E		Annex E		Annex E	
SUMMARY		PSCO		REGION V		REGION VIII		REGION XIII		ARMM	
USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP
378,054.32	1,764,138.54	-	-	-	-	-	-	-	-	\$ 378,054.32	1,764,138.54

Beginning Balance, January 01, 2018

Add: Receipt of Funds

Date	JEV No.	Particulars	USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP
1	10-Jan-18	Receipt of NCA for the month of January	\$28,060.00	1,403,000.00	\$28,060.00	1,403,000.00						
2	10-Jan-18	Receipt of NCA for the month of February - March	\$51,200.00	2,560,000.00	\$51,200.00	2,560,000.00						
3	25-Jan-18	To cover funding requirement to Region V	\$0.00	-	(\$20,000.00)	(1,000,000.00)	\$20,000.00	1,000,000.00				
4	25-Jan-18	To cover funding requirement to Region VIII	\$0.00	-	(\$20,000.00)	(1,000,000.00)		\$20,000.00	1,000,000.00			
5	25-Jan-18	To cover funding requirement to Region XIII	\$0.00	-	(\$20,000.00)	(1,000,000.00)			\$20,000.00	1,000,000.00		
6	27-Mar-18	To cover Funding Requirements to Region V	\$0.00	-	(\$4,520,000.00)	(226,000.00)	\$4,520.00	226,000.00				
7	2-Apr-18	Receipt of NCA for the 2nd Quarter of 2018	\$278,080.00	13,904,000.00	\$278,080.00	13,904,000.00						
8	4-Apr-18	To cover funding requirements to Region V	\$0.00	-	(\$45,000.00)	(2,250,000.00)	\$45,000.00	2,250,000.00				
9	4-Apr-18	To cover funding requirements to Region VIII	\$0.00	-	(\$61,920.00)	(3,096,000.00)		\$61,920.00	3,096,000.00			
10	4-Apr-18	To cover funding requirements to Region XIII	\$0.00	-	(\$35,600.00)	(1,780,000.00)			\$35,600.00	1,780,000.00		
11	21-May-18	To cover funding requirements to Region VIII	\$0.00	-	(\$40,000.00)	(2,000,000.00)		\$40,000.00	2,000,000.00			
12	25-Jun-18	To cover funding requirements to Region V	\$0.00	-	(\$40,000.00)	(2,000,000.00)	\$40,000.00	2,000,000.00				
13	25-Jun-18	To cover funding requirements to Region XIII	\$0.00	-	(\$40,000.00)	(2,000,000.00)			\$40,000.00	2,000,000.00		
14	2-Jul-18	Receipt of NCA for the 3rd Qtr	\$199,500.00	9,975,000.00	\$199,500.00	9,975,000.00						
15	5-Jul-18	To cover funding requirements to Region VIII	\$0.00	-	(\$40,000.00)	(2,000,000.00)		\$40,000.00	2,000,000.00			
16	3-Sep-18	To cover funding requirements to Region XIII	\$0.00	-	(\$100,000.00)	(5,000,000.00)			\$100,000.00	5,000,000.00		
17	3-Sep-18	To cover funding requirements to Region V	\$0.00	-	(\$40,000.00)	(2,000,000.00)	\$40,000.00	2,000,000.00				
18	1-Oct-18	Receipt of NCA for the 4TH Qtr (FishCORAL)	\$147,200.00	7,360,000.00	\$147,200.00	7,360,000.00						
19	1-Oct-18	Receipt of NCA for the 4th Qtr (PHILO)	\$496,400.00	24,820,000.00	\$496,400.00	24,820,000.00						
20	15-Oct-18	To cover funding requirements to Region VIII	\$0.00	-	(\$20,000.00)	(1,000,000.00)		\$20,000.00	1,000,000.00			
21	26-Nov-18	To cover funding requirements to Region V	\$0.00	-	(\$60,000.00)	(3,000,000.00)	\$60,000.00	3,000,000.00				
22	26-Nov-18	To cover funding requirements to Region VIII	\$0.00	-	(\$30,000.00)	(1,500,000.00)		\$30,000.00	1,500,000.00			
			\$196,700.00	9,835,000.00							\$196,700.00	9,835,000.00
Total Funds Available			1,775,194.32	71,621,138.54	\$583,400.00	29,170,000.00	\$209,520.00	10,476,000.00	\$211,920.00	10,596,000.00	\$195,600.00	9,780,000.00
											\$574,754.32	11,569,138.54

FISHERIES, COASTAL RESOURCES AND LIVELIHOOD PROJECT

GPH FUNDS

Statement of Sources and Application of Funds
Project Support and Coordination Office (PSCO)
As of December 31, 2018

				Annex E		Annex E		Annex E		Annex E		Annex E		Annex E	
				SUMMARY		PSCO		REGION V		REGION VIII		REGION XIII		ARMM	
				USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP
Less: Disbursements															
	Date	JEV No.	Particulars												
1			Disbursement for the month of January	\$9,341.19	462,059.25	\$4,052.56	202,648.18	\$0.00	₱0.00	\$210.37	₱10,518.50	\$3,507.59	₱175,379.57	\$1,270.260	₱63,513.00
2			Disbursement for the month of February	\$40,331.95	2,016,597.87	\$5,677.71	283,885.46	\$8,820.79	441,039.65	\$12,436.87	₱621,993.38	\$3,723.63	₱186,181.50	\$9,669.958	483,497.88
3			Disbursement for the month of March	\$28,620.71	1,431,035.52	\$4,996.06	249,803.08	\$7,186.05	359,302.62	\$7,229.82	₱361,490.80	\$5,556.11	₱277,805.40	\$3,652.672	182,633.62
4			Disbursement for the month of April	\$90,568.93	4,528,446.58	\$3,357.36	167,867.76	\$11,608.56	580,427.92	\$42,975.76	₱2,149,786.08	\$3,346.51	₱167,325.44	\$29,280.748	1,464,037.38
5			Disbursement for the month of May	\$60,971.89	3,048,594.50	\$4,637.74	201,887.01	\$17,720.75	886,037.67	\$10,348.27	₱517,413.32	\$17,175.86	₱858,793.11	\$11,683.258	584,463.39
6			Disbursement for the month of June	\$65,935.45	3,296,772.37	\$7,678.93	383,946.66	\$5,902.93	295,146.59	\$34,444.56	₱1,722,228.24	\$9,891.20	₱494,559.51	\$8,017.819	400,850.97
7			Disbursement for the month of July	\$32,560.01	1,628,030.56	\$21,690.57	1,084,528.58	\$4,239.68	211,983.93	\$10,376.74	₱518,836.89	\$35,609.43	₱1,780,471.74	\$20,643.590	1,032,179.52
8			Disbursement for the month of August	\$40,801.12	2,045,056.13	\$4,546.21	227,310.33	\$7,866.12	393,305.91	\$15,834.31	₱791,715.25	\$6,914.03	₱340,701.45	\$5,740.464	287,023.19
9			Disbursement for the month of September	\$58,547.07	2,927,353.28	\$3,619.64	180,982.01	\$25,168.14	1,258,407.05	\$17,510.02	₱875,500.79	\$10,979.65	₱548,982.35	\$1,269.622	63,481.08
10			Disbursement for the month of October	\$244,850.55	12,242,527.90	\$195,522.84	₱9,596,101.86	\$8,996.56	449,828.12	\$4,641.13	₱232,056.31	\$20,615.64	1,030,781.85	\$10,675.155	₱533,759.79
11			Disbursement for the month of November	\$28,472.73	1,423,634.87	\$2,663.99	₱133,199.25	\$5,146.38	257,319.08	\$13,007.85	₱650,392.43	\$6,809.48	₱340,474.11	\$845.000	₱42,250.00
12			Disbursement for the month of December	\$164,943.37	8,247,168.62	\$6,880.83	₱344,041.44	\$64,508.87	3,228,443.36	\$33,717.40	₱1,685,870.07	\$21,447.82	₱1,072,381.21	\$36,328.451	₱1,816,422.54
Total Disbursements				\$925,744.95	46,287,247.55	\$271,124.03	13,556,201.62	\$167,224.84	8,361,241.80	\$202,736.08	10,136,804.06	\$145,576.95	7,278,847.84	\$139,083.05	6,954,152.33
Balance				\$849,449.37	25,333,890.99	\$312,275.97	15,613,798.38	\$42,295.16	2,114,758.10	\$8,183.82	459,195.94	\$50,023.05	2,501,152.36	\$435,671.27	4,644,986.21
Add/(Deduct) Adjustments															
1			State check	\$59.68	2,984.00	\$16.00	800.00	\$43.68	2,184.00	\$0.00					
2			Reversion of NCA	(\$415,615.20)	(20,760,760.10)	(\$312,291.97)	(15,614,598.38)	(\$42,338.73)	(2,116,936.70)	(\$9,555.34)	(477,767.22)	(\$51,429.16)	₱2,571,457.80		
3			Adjustment for erroneous transactions - Region VIII	\$156.75	7,837.51					\$156.75	7,837.51				
4			Adjustment for overstated Disbursement - Region VIII	\$4.50	225.20					\$4.50	225.20				
5			Adjustment for cancelled state check - Region VIII	\$1,616.28	80,814.01					\$210.17	10,508.57	\$1,406.11	₱70,335.44		
6			Adjustment of understated Disbursement	(\$0.11)	(5.40)			(\$0.11)	(5.40)						
7			Initial Deposits	(\$200.00)	(10,000.00)									(\$200.000)	(10,000.00)
Total Adjustment				\$ (413,978.10)	(20,658,904.78)	\$ (312,275.97)	(15,613,798.38)	\$ (42,295.16)	(2,114,758.10)	\$ (9,183.92)	(459,195.94)	\$ (50,023.05)	(2,501,152.36)	\$ (200.00)	(10,000.00)
Ending Balance, December 31, 2018				\$ 435,471.27	4,634,986.21	\$ (0.00)	-	\$ 0.00	(0.00)	\$ 0.00	0.00	\$ 0.00	0.00	\$ 435,471.27	4,634,986.21

Prepared by

MERCEDITA A. TAN
OIC, Project Management Office

Certified Correct

LINA F. ZULUSTA
Chief Accountant, BFAR

Annex F

ARMN

As of December 31, 2018

As of December 31, 2018			USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP
Beginning Balance, January 01, 2018			\$103,373.02	₱5,042,809.74	\$7,913.45	₱395,696.48	\$29,248.59	₱1,418,995.32	\$24,678.01	₱1,197,253.71	\$12,813.63	₱637,345.84	\$28,719.33	₱1,393,318.39
Add: Receipt of Funds														
Date	JEV No.	Particulars												
16-Mar-18		Transfer of Funds Dollar - Peso	\$3,256.60	₱168,480.20	\$3,256.60	₱168,480.20								
21-Mar-18		Transfer of Funds Dollar - Peso	\$476.45	₱24,649.14	\$476.45	₱24,649.14								
31-Mar-18		Transfer of Funds Dollar - Peso	\$4,342.13	₱224,640.10	\$4,342.13	₱224,640.10								
417-Apr-18		Transfer of Funds Dollar - Peso	\$211.38	₱10,946.31	\$211.38	₱10,946.31								
517-Apr-18		Transfer of Funds Dollar - Peso	\$3,253.46	₱168,480.43	\$3,253.46	₱168,480.43								
617-May-18		Transfer of Funds Dollar - Peso	\$3,237.83	₱168,480.46	\$3,237.83	₱168,480.46								
717-May-18		Transfer of Funds Dollar - Peso	\$1,921.79	₱100,000.34	\$1,921.79	₱100,000.34								
823-May-18		Transfer of Funds Dollar - Peso	\$1,060.32	₱56,160.44	\$1,060.32	₱56,160.44								
918-Jun-18		Transfer of Funds Dollar - Peso	\$1,060.95	₱56,160.33	\$1,060.95	₱56,160.33								
1017-May-18		To cover Funding requirement to Region XIII	\$0.00	₱0.00	(\$1,921.97)	₱100,000.00					\$1,921.97	₱100,000.00		
1111-Jul-18		Transfer of Funds Dollar - Peso	\$3,170.86	₱168,480.47	\$3,170.86	₱168,480.47								
1224-Jul-18		Transfer of Funds Dollar - Peso	\$1,311.03	₱69,662.27	\$1,311.03	₱69,662.27								
137-Aug-18		Transfer of Funds Dollar - Peso	\$484.04	₱25,476.96	\$484.04	₱25,476.96								
147-Aug-18		Transfer of Funds Dollar - Peso	\$3,200.98	₱168,480.38	\$3,200.98	₱168,480.38								
1522-Aug-18		Transfer of Funds Dollar - Peso	\$206.83	₱10,979.36	\$206.83	₱10,979.36								
1622-Aug-18		Transfer of Funds Dollar - Peso	\$253.85	₱13,457.37	\$253.85	₱13,457.37								
174-Sep-18		Transfer of Funds Dollar - Peso	\$325.85	₱17,329.98	\$325.85	₱17,329.98								
184-Sep-18		Transfer of Funds Dollar - Peso	\$277.74	₱14,771.06	\$277.74	₱14,771.06								
1917-Sep-18		Transfer of Funds Dollar - Peso	\$1,047.12	₱56,160.19	\$1,047.12	₱56,160.19								
2019-Sep-18		Transfer of Funds Dollar - Peso	\$549.04	₱29,446.66	\$549.04	₱29,446.66								
211-Oct-18		Transfer of Funds Dollar - Peso	\$2,088.00	₱112,334.40	\$2,088.00	₱112,334.40								
228-Oct-18		Transfer of Funds Dollar - Peso	\$427.00	₱23,058.00	\$427.00	₱23,058.00								
2310-Oct-18		Transfer of Funds Dollar - Peso	\$1,044.00	₱56,201.65	\$1,044.00	₱56,201.65								
2417-Oct-18		Transfer of Funds Dollar - Peso	\$871.00	₱46,801.45	\$871.00	₱46,801.45								
2517-Oct-18		Transfer of Funds Dollar - Peso	\$11.17	₱600.20	\$11.17	₱600.20								
2617-Oct-18		Transfer of Funds Dollar - Peso	\$485.45	₱26,084.69	\$485.45	₱26,084.69								
277-Nov-18		Transfer of Funds Dollar - Peso	\$666.39	₱36,828.90	\$666.39	₱36,828.90								
287-Nov-18		Transfer of Funds Dollar - Peso	\$2,129.94	₱112,320.26	\$2,129.94	₱112,320.26								
2914-Nov-18		Transfer of Funds Dollar - Peso	\$2,834.54	₱149,760.09	\$2,834.54	₱149,760.09								
3019-Nov-18		Transfer of Funds Dollar - Peso	\$539.21	₱28,219.56	\$539.21	₱28,219.56								
314-Dec-18		Transfer of Funds Dollar - Peso	\$1,079.28	₱56,160.33	\$1,079.28	₱56,160.33								
325-Dec-18		Transfer of Funds Dollar - Peso	\$1,640.13	₱85,672.19	\$1,640.13	₱85,672.19								
3319-Dec-18		Transfer of Funds Dollar - Peso	\$554.38	₱29,262.39	\$554.38	₱29,262.39								
3419-Dec-18		Transfer of Funds Dollar - Peso	\$6,029.10	₱318,240.01	\$6,029.10	₱318,240.01								
3519-Dec-18		Transfer of Funds Dollar - Peso	\$4,063.07	₱214,465.09	\$4,063.07	₱214,465.09								
Total Funds Available			\$157,535.93	₱7,890,859.09	\$60,154.40	₱3,143,845.83	\$29,248.59	₱1,418,995.32	\$24,678.01	₱1,197,253.71	\$14,735.60	₱737,345.84	\$28,719.33	₱1,393,318.39

FISHERIES, COASTAL RESOURCES AND LIVELIHOOD PROJECT (FishCORAL)

Project Support and Coordination Office (PSCO) Central Office

GRANT PROCEEDS

PESO CURRENT ACCOUNT

Statement of Sources and Application of Funds

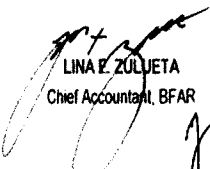
As of December 31, 2018

				Annex E		Annex E		Annex E		Annex E		Annex E			
Project Support and Coordination Office (PSCO) Central Office															
GRANT PROCEEDS															
PESO CURRENT ACCOUNT				SUMMARY		CENTRAL OFFICE		REGION V		REGION VIII		REGION XIII		ARMM	
Statement of Sources and Application of Funds															
As of December 31, 2018															
				USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP	USD	PhP
Less: Disbursements															
	Date	JEV No.	Particulars												
1			Disbursement for the month of January	\$5,287.62	₱263,048.21	\$3,733.27	₱185,498.21			\$477.74	₱24,000.00	\$1,076.62	₱53,560.00	\$0.00	-
2			Disbursement for the month of February	\$26,015.76	₱1,289,004.78	\$941.88	₱46,800.00	\$7,116.03	₱345,234.40	\$7,560.54	₱379,818.75	\$10,397.31	₱517,151.63	\$0.00	-
3			Disbursement for the month of March	\$5,692.17	₱292,658.44	\$4,789.26	₱247,746.44					\$932.91	₱44,910.00	\$0.00	-
4			Disbursement for the month of April	\$6,935.40	₱347,801.01	\$3,464.83	₱173,426.00	\$3,470.58	₱168,375.01			\$0.00	₱0.00	\$0.00	-
5			Disbursement for the month of May	\$13,178.37	₱660,886.87	\$4,318.62	₱224,640.00	\$7,033.91	₱341,250.00			\$1,825.84	₱94,966.87	\$0.00	-
6			Disbursement for the month of June	\$4,385.14	₱221,978.13	\$4,244.10	₱224,640.00					\$141.04	₱7,336.13	\$0.00	-
7			Disbursement for the month of July	\$3,836.65	₱206,523.36	\$3,424.93	₱181,980.00					\$471.72	₱24,543.36	\$0.00	-
8			Disbursement for the month of August	\$5,194.80	₱274,571.04	\$5,194.80	₱274,571.04					\$0.00	₱0.00	\$0.00	-
9			Disbursement for the month of September	\$2,203.94	₱117,706.78	\$2,203.94	₱117,706.78					\$0.00	₱0.00	\$0.00	-
10			Disbursement for the month of October	\$6,451.35	₱335,857.39	\$4,924.65	₱254,972.39	\$1,029.06	₱49,925.00	\$497.64	₱25,000.00	\$0.00	₱0.00	\$0.00	-
11			Disbursement for the month of November	\$7,442.24	₱388,446.66	\$6,212.16	₱327,127.69	\$510.78	₱24,780.68	\$494.34	₱24,834.28	\$224.96	₱11,704.00	\$0.00	-
12			Disbursement for the month of December	\$12,560.39	₱648,153.00	\$9,316.36	₱489,334.21	\$2,411.14	₱116,976.50	\$832.90	₱41,842.79	\$0.00	₱0.00	\$0.00	-
Total Disbursements				\$89,243.83	₱5,060,675.68	\$52,768.77	₱2,764,444.78	\$21,571.51	₱1,046,541.59	\$9,863.16	₱495,495.32	\$15,040.40	₱754,193.99	\$0.00	-
Balance				\$58,292.10	₱2,830,183.43	\$7,385.63	₱379,501.07	\$7,677.08	₱372,453.73	\$14,814.86	₱701,758.39	(\$304.80)	₱16,848.15	\$28,719.33	1,393,318.39
Add/(Deduct): Adjustments															
1	Initial deposit			(\$206.12)	₱10,000.00									(\$206.12)	(10,000.00)
2	Unrecorded Fund Transfer (2017)			\$0.01	₱0.39					\$0.01	₱0.39				
3	Overstated of Cash Balances - June 2018 - RXIII											\$3,418.74	₱169,535.63		
Ending Balance, December 31, 2018				\$58,085.99	₱2,820,183.82	\$7,385.63	₱379,501.07	\$7,677.08	₱372,453.73	\$14,814.86	₱701,758.78	\$3,113.94	₱142,687.48	\$28,513.21	₱1,383,318.39

Prepared by:

Certified Correct:


MERCEDITA A. TAN
 OIC, Project Management Office


LINA E. ZULUETA
 Chief Accountant, BFAR

BFAR Fisheries, Coastal Resources and Livelihood Project (FishCORAL)
Validation of the Implementation of Prior Year's Audit Recommendations
As of December 31, 2018

Out of the 24 prior years' audit recommendations, 11 were fully implemented, five were partially implemented and eight were not implemented. Five observations were reiterated in the consolidated Management Letter for Calendar Year 2018. The details on the actions taken on the audit recommendations are presented below:

OBSERVATIONS AND RECOMMENDATIONS	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION (FI, PI, NI)	RESULTS OF VALIDATION
<p>1. <i>Cash allocation of ₱8.277 million or 14.71 percent of the Notice of Cash allocations (NCA) of ₱56.257 million received as of December 31, 2017 was not utilized by management due to various constraints resulting in the reversion thereof and delay in the implementation of various activities.</i></p> <p>We recommended that Management:</p> <p>a) ensure that programs, projects and activities are ready for implementation upon the release of the allocated funds; and</p> <p>b) install budget performance tracking system to monitor the utilization of allotments in order to prevent the lapsing of cash allocations.</p>	<p>Conso ML 2017 Obs. No. 1</p> <p>2016 PAR p. 27</p>		<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Reiterated with modification in Part III of this report. (Par. No. 25)</p> <p>Unutilized NCA for PSCO increased from 14% to 26% in CY 2018.</p> <p>The Project Management Office created the BFAR FishCORAL Financial Monitoring Team per Fisheries Office Order No. 76 composed of PSCO Finance Unit and assigned focal persons from BFAR Financial and Management Division to effectively monitor the financial status (obligation and disbursement) and to timely identify and resolve emerging implementation issues of the Project from PSCO down to the RPMOs and LGUs.</p>
<p>2. <i>Accomplishment rate of only 28.95% was posted as of December 31, 2017 for the two year period of implementation of the FishCORAL project due to delays in the procurement and various activities to the prejudice who could have benefited from the project</i></p>	<p>Conso ML 2017 Obs. No. 2</p>			<p>Reiterated with modification in Part III of this report. (Par. No. 23)</p>

OBSERVATIONS AND RECOMMENDATIONS	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION (FI, PL, NI)	RESULTS OF VALIDATION
We recommended and management agreed to fast track the implementation of the various components of the Project in order to achieve its purpose to reduce poverty in target coastal communities of the 11 target bays/gulf.			Not Implemented	Accomplishment rate in CY 2018 decreased to 28%, with a reporting variance of 44%.
<p>3. <i>Erroneous application of withholding tax rates on payment of various goods and services amounting to P1.54 million in RPMO XIII, deprived the government of additional revenues of P0.013 million for other relevant purposes</i></p> <p>We recommended and Management agreed to direct the Accountant to judiciously review the computation of the taxes withheld in all transactions to avoid under/over deduction of withholding tax and come up with an action plan to rectify the under/over deduction of withholding taxes.</p>	Conso ML 2017 Obs. No. 3	To correct and to clear up the misperception of withholding taxes, the Management will invite officers from the BIR to refresh and orient accounting personnel regarding tax matters	Partially Implemented	<p>Reiterated with modification in Part III of this report. (Par. No. 28)</p> <p>Errors/omissions in the withholding and remittance of taxes were still noted in CY 2018.</p>
<p>4. <i>The rate of honoraria paid to resource speakers and facilitators in RPMO XIII were not in accordance with applicable rules and regulations resulting in excess payment of P0.050 million.</i></p> <p>We recommended and Management agreed to instruct the Accounting Section to comply strictly with DBM Budget Circular No. 2007-001 and judiciously review supporting documents of disbursement vouchers in computing the honorarium to resource speaker to ensure that the correct amount of honoraria are paid</p>	Conso ML 2017 Obs. No. 4	The Management will assure that similar transactions will be scrutinized and be checked as to its correctness and propriety in the current and succeeding years to ensure that the best interest of the government will be protected.	Not Implemented	<p>Reiterated with modification in Part III of this report. (Par. No. 28)</p> <p>In CY 2018, RPMO XIII erroneously withheld 2% tax from payments of honoraria of resource speakers during various trainings instead of the 10% tax rate for professional fees, thus the under withholding of tax</p>
5. <i>The existence, accuracy and reliability of Inventory, Semi-Expandable PPE and Property, Plant and Equipment (PPE) accounts amounting to P1.15 million; P0.482 million; and P32.150 million, respectively, as of December 31, 2017 in RPMO XIII could not be ascertained due to: a) non-conduct of physical count of Inventory, Semi-Expandable property and PPE by the Inventory Committee</i>	Conso ML 2017 Obs. No. 5			

OBSERVATIONS AND RECOMMENDATIONS	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION (FI, PL, NI)	RESULTS OF VALIDATION
<p><i>resulting in the non-preparation/submission of RPCI, RPCSE and RPCPPE and non-reconciliation of records between the Accounting and the General Services Section; b) non-maintenance of Stock Cards and Property Cards.</i></p> <p>We recommended and Management agreed to:</p> <p>a) conduct physical count of inventory, semi expendable equipment and prepare the corresponding RPCI, RPCSE and RPCPPE for submission to the audit team and for record purposes;</p> <p>b) require the General Services Section/Unit to maintain Stock and Property Cards in compliance with Section 17, Chapter 8, GAM Volume I; and</p> <p>c) reconcile the Property Ledger Cards with the Accounting unit in compliance with Section 42, Chapter 10 of GAM Vol. I.</p>		<p>The Management will instruct the General Services Section, together with the Accounting Section, and the FishCORAL personnel to coordinate with each other on the physical count, maintenance of reports and the reconciliation thereof, and gives assurance that the same lapses will not occur in the future.</p>	<p>Not implemented</p> <p>Not implemented</p> <p>Not implemented</p>	<p>No RPCPPE was submitted and no Physical count of Inventory and PPE were conducted</p>
<p>6. <i>Delayed/non-submission of disbursement vouchers, and financial statements to the Office of the Auditor ranging from 28 to 215 days in BFAR PSCO, RPMOs V, XIII and BFAR ARMM, thereby, preventing the timely audit and evaluation of transactions and accounts of the Bureau.</i></p> <p>We recommended Management to direct the Accountants to submit the required documents and reports within the prescribed period and adapt strategy/measures to meet the deadlines for the submission of the financial reports.</p>	<p>Conso ML 2017 Obs. No. 6</p> <p>2016 PAR p 33</p>	<p>The Accounting and FishCORAL Finance personnel are exerting extra time and effort to cope up with the submission of disbursement vouchers.</p>	<p>Partially Implemented</p>	<p>Reiterated with modification in Part III of this report. (Par. No. 30)</p> <p>RPCI and RPCPPE of PSCO and RPMO VII were submitted within the prescribed period.</p>
<p>7. <i>Payments amounting to ₱0.292 million in RPMO XIII for catering & billeting services, agricultural & marine supplies and furniture and fixture were not supported with Official Receipts (ORs).</i></p> <p>We recommended Management to make a final demand from the</p>	<p>Conso ML 2017 Obs. No. 7</p>	<p>The management committed to adhere to</p>	<p>Partially Implemented</p>	<p>There are still unsubmitted ORs from CY 2017, while</p>

OBSERVATIONS AND RECOMMENDATIONS	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION (FI, PL, NI)	RESULTS OF VALIDATION
aforementioned suppliers to provide official receipts and submit to COA for attachment to the respective disbursement vouchers.		the recommendation and make a final demand to suppliers to provide official receipts and also instruct the Cashiering Section to maintain records on DVs forwarded to Accounting Section for sorting without ORs.		in CY 2018, 15 DVs were not supported with ORs from suppliers totaling to ₱3,171,456.20.
<p>8. <i>Approved Travel Orders (TO) in BFAR PSCO included names of personnel written manually which may have been included after the approval by the authorized approving officer, hence, cast doubts on the reliability of the travel expenses.</i></p> <p>We recommended Management to ensure that all personnel allowed to travel are supported with duly approved Travel Order to establish that claims for travel expenses are valid</p>	Conso ML 2017 Obs. No. 8		Not Implemented	No action taken by the Management
<p>9. <i>The integrity and transparency of BFAR FishCORAL procurement process on various supplies and materials amounting to ₱3.29 million in BFAR PSCO could not be determined due to: a) Pre-bid conference conducted without a quorum; b) evaluation of bids conducted by the end user instead of the BAC/TWG; c) no observers during the procurement process; d) No advertisement and posting of the invitation to bid in PhilGEPS and in conspicuous places and e) Quotations from three suppliers were not obtained for the alternative mode of procurement.</i></p> <p>We recommended Management to require the BAC to:</p> <p>a) conduct pre-bid conference with the presence of a quorum in compliance with the IRR of RA 9184;</p> <p>b) conduct all the bid evaluation of bid documents in conformity with Section 121 of the Revised IRR of RA 9184;</p>	Conso ML 2017 Obs. No. 9	To eliminate this error, the IFAD launched the No Objection Tracking Utility System (NOTUS) last December 3-5, 2018 with three (3) of the Project Support and Coordination Office (PSCO) officers and specialist were trained	<p>Fully Implemented</p> <p>Fully Implemented</p>	

OBSERVATIONS AND RECOMMENDATIONS	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION (FI, PI, NI)	RESULTS OF VALIDATION
<p>c) invite observers from civil society groups aside from the representative of the Commission on Audit to promote transparency, in compliance with Section 13 of the Revised IRR of RA 9184;</p> <p>d) advertise the procurement of various goods and services in the PhilGEPs and in the conspicuous places to provide wider dissemination pursuant to Section 21 of the Revised IRR of RA 9184; and</p> <p>e) strictly comply with the provisions of Section 52 of the Revised IRR of RA 9184 to obtain at least three quotations from refutable suppliers in the procurement of goods and services thru Shopping method.</p>		<p>to use the system for Prior Review. The system is designed to that enumerate the documents that are subject for Prior Review, including project procurement in the national and regional level. This NOTUS will be implemented effectively on December 28, 2018 onward. Other projects funded by IFAD with DTI and DAR will also be using the same system.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>	
<p>10. <i>The reported balances of the total Assets and Accumulated Surplus amounting to ₱183.53 million, and ₱138.46 million, respectively, in the Financial Statements were not fairly presented due to various accounting errors amounting to ₱394,661.64.</i></p> <p>We recommended Management to ensure that expenditures incurred are recorded/classified to the proper account for fair presentation in the financial statement reports.</p>	Conso ML 2017 Obs. No. 10		Fully Implemented	Accounting error/omission in the books were duly adjusted by the Accounting as discussed in Part III of this Report. (Par. No. 35)
<p>11. <i>Property, Plant and Equipment amounting to ₱5.617 million in BFAR PSCO was not assessed with potential impairment loss.</i></p> <p>We recommended and Management agreed to direct the inventory Committee to provide the potential impairment loss to the PPEs, if any.</p>	Conso ML 2017 Obs. No. 11		Fully Implemented	Accounting error/omission in the books were duly adjusted by the Accounting as discussed in Part III of this Report. (Par. No. 35)
<p>12. <i>The accuracy and reliability of the Statement of Comparison of the Budgeted and Actual amounts (SCBAA) of the FishCORAL Project as of December 31, 2017 cannot be ascertained due to erroneous reporting of data.</i></p> <p>We recommended Management to require the Chief Accountant to conduct extensive analysis on the SCABA; and ensure correctness on</p>	Conso ML 2017 Obs. No. 12		Fully Implemented	Reviewed the submitted CY 2018 SCBAA and found in order. Discrepancies noted were

OBSERVATIONS AND RECOMMENDATIONS	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION (FI, PI, NI)	RESULTS OF VALIDATION
the reported balances based on the duly approved and submitted Financial Accountability Reports (FAR).				duly disclosed in the Notes to FS.
<p>13. <i>The programmed activities and the establishment/construction of facilities per municipality were short of its targets in CY 2016, depriving the intended beneficiaries of the benefits thereof.</i></p> <p>We recommended that Management require the Regional Project Monitoring Offices to ensure that the programmed activities were attained so as not to deprive the beneficiaries the benefits of the project; and coordinate closely with the LGUs for the successful implementation of the project.</p>	2016 PAR p 25	Projects and activities are already at the pipeline for implementation.	Fully Implemented	
<p>14. <i>Incurrence of additional costs of ₱18,711.00 for the rebooking/rerouting without supporting the same with justifiable reasons is deemed unnecessary and wastage of government funds.</i></p> <p>We recommended Management to:</p> <p>a) stop the practice of paying rebooked/rerouted trips and plane tickets without any valid or justifying reasons; and</p> <p>b) Require the concerned personnel to refund the amount equivalent to the charges for the rebooked/rerouted trips.</p>	2016 PAR p 29		<p>Not Implemented</p> <p>Not Implemented</p>	No action taken by Management
<p>15. <i>Expenditures amounting to ₱0.620 million reported in the Financial Statements for the FishCORAL Project were erroneous due to misclassification and inconsistent use of proper accounts.</i></p> <p>We recommended that Management require the Accountant to:</p> <p>a) make the necessary adjustments to reflect the correct balance of the affected accounts as prescribed by the GAM for NGAs; and</p> <p>b) review thoroughly the recording made by assigned accounting personnel before approval of the Journal Entry Vouchers.</p>	2016 PAR p 31	Expenses were no longer adjusted as it was already closed to the Revenue and Expense Summary account	<p>Fully Implemented</p> <p>Fully Implemented</p>	Accounting error/omission in the books were duly adjusted by the Accounting as discussed in Part III of this Report. (Par. No. 35)

OBSERVATIONS AND RECOMMENDATIONS	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION (FI, PL, NI)	RESULTS OF VALIDATION
<p><i>16. The procurement of eight units Crossover Utility Vehicles amounting to ₱8.460 million was made without the necessary Authority to Purchase from the Department of Budget and Management (DBM), contrary to Section 18 of the FY 2016 GAA General Provisions.</i></p> <p>We recommended that management submit the duly approved Authority to Purchase vehicles from the DBM and comply strictly with the provisions of Section 18 of the General Provisions of the FY 2016 General Appropriations Act.</p>	2016 PAR p 34	The non-requisition of the DBM authority was unintended and without any malice and intent, and merely a by-product of an honest mistake in the interpretation of the DBM Budget Circular. The PSC believed that the active participation of the DBM representative is a sufficient indication that the DBM itself was already notified on the said project and accordingly approved the purchase of vehicles.	Fully Implemented	The non-requisition of the DBM authority was due to the honest mistake by the Project Steering Committee (PSC) in the interpretation of the DBM Budget Circular. The PSC believed that the active participation of the DBM representative is a sufficient indication that the DBM itself was already notified on the said project and accordingly approved the purchase of vehicles.

BFAR FishCORAL
Consolidated Management Letter
 PCA Annex Building, Diliman, Quezon City

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION (AAPSI)
Audit Observations and Recommendations
For the Calendar Year 2018 and Prior Years
 As of _____

Ref. ML	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implement- ation	Reason for Partial/Delay/Non- Implementation, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/Officer Responsible	Target Implementation Date				
					From	To			
2018 Conso ML Par. No.									

Agency Sign. Off:

COMMO EDUARDO B. GONGONA PCG (Ret)
 BFAR Director

 Date

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