

**TOURISM BOARD'S AUDIT COMMITTEE
COMMITTEE REPORT**

13 March 2023, 10:30 AM

Via Zoom Platform

I. ATTENDEES

- | | |
|------------------------------------|---|
| a. Director Eduardo F. Pelaez | Chairperson, Tourism Board Audit Committee |
| b. ACOO Jetro Nicolas F. Lozada | Vice-Chairperson, Tourism Board Audit Committee |
| c. Jerson C. Tomoling | Internal Auditor IV, Internal Audit Officer Chief, Personnel and Human Resources Development Division |
| d. Evelyn D. Soriano | Information Technology Officer III, Management Information Systems Department |
| e. Nollie Jay A. Rafer | Acting Corporate Board Secretary, Office of the Corporate Board Secretary |
| f. Atty. Jemimah Nissi M. Tiambeng | Agenda / Minutes Officer, Office of the Corporate Board Secretary |
| g. Edshi-Lee A. Cordero | |

II. CALL TO ORDER

Director Eduardo F. Pelaez (Dir. Pelaez), the Chairman of the Board Audit Committee, called the meeting to order at 10:35 A.M.

III. INVOCATION

The invocation was led by ACOO Jetro Nicolas F. Lozada (ACOO Lozada).

IV. MEETING PROPER

Dir. Pelaez asked the Acting Corporate Board Secretary, Atty. Jemimah Nissi M. Tiambeng (Atty. Tiambeng), to confirm if there is a quorum of the members of the Audit Committee present. Atty. Tiambeng certified the existence of a quorum to transact business, as two members of the committee were present namely, Chairperson Eduardo F. Pelaez and Vice-Chairperson Jetro Nicolas F. Lozada.

Atty. Tiambeng likewise certified that the meeting materials were sent to the committee members prior to the scheduled meeting. She requested the

members of the committee to type in the chat box their names, location, and gadget used while conducting the business of meeting.

V. APPROVAL OF AGENDA

As presented, the Audit Committee approved the proposed agenda which comprised of the following items:

- 1) Matters Arising:
 - 1.1. Workforce of the Internal Audit Office
 - 1.2. Procurement Training for the Bids and Awards Committee (BAC), Secretariat and End Users
 - 1.3. Updates on the Committee's Inquiry re: Issuance of Notice of Cessation to DBP Data Center Inc.
- 2) For the Committee's Information:
 - 2.1 Results of the Field Audit: Prior-Year Unliquidated Inter-Agency Fund Transfers
- 3) Other Matters
- 4) Schedule of Next Meeting

VI. HIGHLIGHTS OF THE MEETING

AGENDA ITEM	HIGHLIGHTS
1. Matters Arising	
1.1. Workforce of Internal Audit Office	<ol style="list-style-type: none">a. With consent from Director Eduardo Pelaez (Dir. Pelaez), Chairman of the Audit Committee, Mr. Jerson Tomoling (Mr. Tomoling), the Acting Head of the Internal Audit Office (IAO), apprised the committee on the status of the filling up of the vacant positions in the IAO. Out of the five applicants, there was only one applicant who passed the minimum qualification standards and the PHRDD is just waiting for the results of the online assessment before the conduct of the interview by the Personnel Selection Board (PSB).b. Dir. Pelaez asked if the PSB interview is to be conducted virtually or physically. Mr. Tomoling replied that it will be done face-to-face. <p>There were no other comments from the committee.</p>

AGENDA ITEM	HIGHLIGHTS
<p>1.2. Procurement Training for the Bids and Awards Committee (BAC), Secretariat and End Users</p>	<p>a. Mr. Tomoling informed that committee the IAO issued a memorandum to the Office of the Chief Operating Officer on 3 January 2023 relative to the Committee's recommendation that the management should sustain and continue the provision of procurement training and seminars to the BAC and concerned TPB Personnel.</p> <p>b. ACOO Lozada inquired about the status of the plantilla items for the Bids and Awards Committee (BAC) as the TPB has approved it already. Ms. Evelyn Soriano (Ms. Soriano), the Chief of the Personnel and Human Resources Development Division (PHRDD) replied that relative to the recommendation of the committee, the PHRDD is already preparing the documentation for training as the BAC is composed of new members thus there is a need for them to attend trainings for them to be apprised of the new procurement policies and the RA 9184.</p> <p>c. Dir. Pelaez asked how many are the current and new members of the BAC. Ms. Soriano replied that at the moment she doesn't have the exact figure but eighty percent (80%) of the BAC Members are new that's why they must attend procurement training. Atty Venancio C. Manuel III was replaced by Sir Arnold Gonzales as the new BAC Chairperson; however, the PGSD remains as the secretariat.</p> <p>d. ACOO Lozada asked if the BAC is acting as an ad hoc committee. Ms. Soriano replied yes, which prompted ACOO Lozada to ask about the status of the request to the GCG to increase the plantilla positions of the PGSD. Ms. Soriano replied that since the request was already approved by the TPB Board, the PHRDD is preparing the necessary standard documents for submission to the GCG and ensuring the completeness of the information about the position, functions, and budgetary requirements.</p>
<p>1.3. Updates on the Committee's Inquiry re: Issuance of Notice of Cessation to DBP Data Center Inc.</p>	<p>a. After securing consent from the Committee Chair, Mr. Tomoling started the presentation with a brief background as regards the issuance of a Notice of Cessation to the supplier DBP Data Center Inc. (DCI) for the supply, delivery, and installation of a web-based Human Resource Information System.</p>

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	<p>b. Mr. Tomoling discussed with the committee that the IAO has requested a legal opinion from the Legal Department for a possible legal remedy that the management can be taken as the supplier was not able to deliver in full the services as stipulated in the contract. However, the Legal Department cannot issue an opinion without verifying first the usability and functionality of the partially delivered services. The Legal Department, PHRDD, and MISD met on 19 December 2022 and it was determined that the delivered milestone of the HRIS can be used for the personnel record's maintenance.</p> <p>On 02 February 2023, TPB submitted the signed and notarized Affidavit of Undertaking to the DCI as a requirement for them to provide the source code and database. On 06 March 2023, DCI replied that they will coordinate with the assigned employee who will be given access codes.</p> <p>c. Dir. Pelaez commented that based on the presentation, the status of the matter is still not clear on whether the TPB has the legal remedy in imposing damages to the supplier. Mr. Tomoling replied that from an auditor's perspective, the TPB may no longer be eligible in claiming or imposing penalty or liquidated damages to the DCI as:</p> <ol style="list-style-type: none"> 1) TPB has already issued a Notice of Cessation notifying the supplier to stop the implementation as the extended implementation period has expired. Thus, the formula in computing the liquidated damages which is the uncompleted milestone multiplied by 1/10% may no longer be applied as the TPB is no longer expecting full delivery of the remaining milestone. 2) The TPB requested the source code from the DCI and executed an Affidavit/Oath of Undertaking for its plan to use the partially delivered portion of the system. <p>d. To discuss the usability and functionality of the delivered portion of the system, Mr. Tomoling requested the Committee Chairperson that Ms. Soriano be recognized.</p> <p>Ms. Soriano explained to the body that if the source code will be given to the TPB, the system will form part of the database and record maintenance. As stated in the Affidavit of Undertaking, the TPB can no longer develop the application</p>

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	<p>but when the source code is given, the administration for the technical side will be transferred to the TPB, particularly the MISD, and the end user is PHRDD. As discussed with the MISD, this will be functional to the PHRDD as the full database can be used for the application for assessment of PRIME- HRM with the Civil Service Commission (CSC). The system/application itself will be the record of the employee's database as part of the innovation.</p> <p>e. Dir. Pelaez asked if the PHRDD has a fallback or status and what are they doing as of this time. Ms. Soriano replied that the data from the TPB is already migrated to that application/system that's why TPB has already paid DCI for the two milestones. Consequently, TPB requested the source code to make use of that database. As of now, the MISD as the TPB system administrator, will coordinate with the DCI to transfer the source code of the HRIS.</p> <p>f. Atty. Tiambeng asked for a directive if the committee would still require the Legal Department to prepare a legal opinion regarding the matter since as discussed, the system is usable for TPB. Dir. Pelaez replied and asked Atty. Tiambeng for her opinion. Atty. Tiambeng said that considering that TPB has issued a Notice of Cessation and executed an Affidavit of Undertaking, there is no need for a legal opinion. However, in order to protect the committee, the Legal Department should still prepare for a legal opinion. ACOO Lozada concurred that a legal opinion would still be required.</p> <p>g. ACOO Lozada asked if the product of the DCI is standalone and if the MISD can expand or make some innovations relative to what has been submitted for the HRIS. Atty. Tiambeng clarified that as per the contract, the TPB cannot modify the source code thus, there will be no innovation, but the TPB can use the system as is.</p> <p>h. Dir. Pelaez asked the committee if a resolution is needed to request a legal opinion. Atty. Tiambeng replied that there is no need for a resolution since it will be included in the Matters Arising. Dir. Pelaez asked if the opinion of the MISD can be also included. Atty. Tiambeng confirmed that it will be included in the facts.</p>

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	There were no further comments from the members of the Audit Committee.																				
2. For the Committee’s Information																					
2.1. Results of the Field Audit: Unliquidated Inter-Agency Fund Transfers of DOT Regional Office and LGU	a. With permission from Committee Chairman, Mr. Tomoling discussed the Background, Objectives, Scope, and Coverage of the Field Audit, including, the Actual Utilization of the Budget. He further discussed the common causes of the unliquidated inter-agency funds, the reconciliation of both records, and the Audit Recommendations for the implementing agencies, namely, the DOT Regional Office 4-A, Municipality of Agoncillo Batangas, and the City Government of Iloilo.																				
	The following were the updated balance of the unliquidated funds as a result of the field audit:																				
	<table><tr><th>Auditee</th><th>Per TPB</th><th>Amount Liquidated</th><th>Balance</th><th>% Reduced</th></tr><tr><td>DOT-RO IV-A</td><td>P 5,223,741.49</td><td>4,109,149.15</td><td>P1,114,592.34</td><td>79%</td></tr><tr><td>Agoncillo</td><td>5,090,500.00</td><td>1,899,400.00</td><td>3,191,100.00</td><td>37%</td></tr><tr><td>Iloilo City</td><td>P9,985,000.00</td><td>-</td><td>P9,985,000.00</td><td>0%</td></tr></table>	Auditee	Per TPB	Amount Liquidated	Balance	% Reduced	DOT-RO IV-A	P 5,223,741.49	4,109,149.15	P1,114,592.34	79%	Agoncillo	5,090,500.00	1,899,400.00	3,191,100.00	37%	Iloilo City	P9,985,000.00	-	P9,985,000.00	0%
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Lastly, Mr. Tomoling presented to the committee the audit recommendation to the TPB Management.																					
b. ACOO Lozada asked if there is an existing guideline to avoid the recurrence of the deficiencies presented relative to the unliquidated advances. Mr. Tomoling replied that as per discussion with Atty. Manuel, Acting Deputy Chief Operating Officer for Corporate Affairs, he has already given directives to the Finance Department to coordinate with the Domestic Department. They are crafting a policy to avoid the recurrence of these deficiencies to identify who is the responsible department/officer who monitors the project implementation and submission of liquidation reports.																					
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<p>3. Other Matters</p>	<p>Atty. Tiambeng asked if there are other matters that the committee would like to raise.</p> <p>ACOO Jetro inquired when was the last posting for the position of Internal Auditor V. Ms. Soriano replied that the CSC requires ten (10) days posting and the applicants were already evaluated with one shortlisted internal applicant. An interview with the PSB will be conducted probably on Thursday and if found to be qualified, a recommendation together with the documentary requirements will be submitted to the COO for processing of appointment.</p> <p>Atty. Tiambeng commented that the question of ACOO Lozada pertains to the position of Internal Auditor V and not Internal Auditor IV. Ms. Soriano replied that when she joined the TPB, the Internal Audit V position was not yet posted as Mr. Tomoling is still completing his training and experience requirements as per CSC Qualification Standards. As soon as Mr. Tomoling meets the QS, the position will be posted.</p> <p>ACOO Lozada asked what qualification was needed for Mr. Tomoling. Ms. Soriano replied that the needed qualification is five (5) years of experience which is why they issued an Office Order in the year 2021 to Mr. Tomoling as the Acting Head of the IAO. Mr. Tomoling commented that his plantilla position of Internal Auditor IV has already a supervisory function as stated in the Philippine Government Internal Audit Manual (PGIAM) and requested confirmation as to the need for an office order as the Acting Head of the IAO. Ms. Soriano replied that they are now reviewing to address this concern since the job description (JD) of the TPB positions submitted to the CSC with salary grade 22 does not specify any supervisory functions. The PHRDD is now aligning the JD to the competency framework wherein the SG 18 and above should have a supervisory function just like other agencies.</p> <p>Dir. Pelaez asked for insights from ACOO Lozada on how to resolve the matter. ACOO Lozada said that based on his experience working in a GOCC, the immediate supervisory could just certify relative to the years of service that the Internal Auditor IV has performed or even if the title position of Mr. Tomoling is Internal Auditor IV, he has been rendering services with supervisory experience for the past so many years. Ms. Soriano replied that there was no documentation that Mr. Tomoling was functioning in that role, which is why the PHRDD issued an Office Order as a remedy even though it is delayed. ACOO Lozada said that perhaps some of the TPB Senior Officers can certify that Mr. Tomoling is functioning as Internal Auditor V Already. Ms. Soriano added the CSC is evidence-based and reviews the appointment based on the qualification standards and the submitted documents such as the Office Order and Work Experience Sheet.</p>

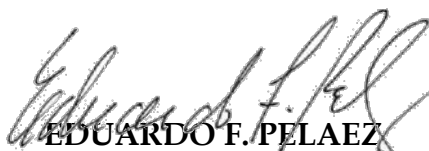
AGENDA ITEM	HIGHLIGHTS
	<p>ACOO Lozada said that they have several cases wherein a supervising officer of a particular person issued a certification and the records will support such as the various internal audit plans signed by Mr. Tomoling which is evidence that he is already functioning as such. Ms. Soriano replied that they will explore with comments of the ACOO Lozada and ask the CSC if those documents are acceptable to them, given that they are aware that SG 22 is already a supervisory function. She added that the CSC-approved TPB Job Description functions for positions with SG 18 and above are not aligned with the actual performance as the supervisory function is not reflected therein. However, the PHRDD is now reviewing this matter to align with the Competency Framework.</p> <p>Dir. Pelaez asked the Acting Corporate Secretary to present other matters. Atty. Tiambeng presented the next Audit Committee Meeting for CY 2023 which is scheduled on 09 June 2023 (Friday) 1030am- 11:30am, so that if there are matters that the committee wants to raise maybe included in the regular board meeting. The members of the audit committee agreed to convene on the aforementioned schedule.</p>

VII. ADJOURNMENT

There being no other matters to be discussed, the meeting was adjourned at around 11:43 AM.

Resolved and adopted on 13 March 2023.

TOURISM BOARD AUDIT COMMITTEE



EDUARDO F. PELAEZ

*Chairperson, Tourism Board Audit Committee and
Appointive Director (Other Accredited Tourism Enterprise)*



JETRO NICOLAS LOZADA

*Vice- Chairperson, Tourism Board Audit Committee and
Alternate Member, Tourism Infrastructure & Enterprise Zone Authority*

ROBERTO C.O. LIM

*Member, Tourism Board Audit Committee and
Alternate Member, Department of Transportation*

**TOURISM BOARD'S AUDIT COMMITTEE
MINUTES OF THE MEETING
09 June 2023, 10:30 AM -Via Zoom Platform**

I. ATTENDEES

- | | |
|------------------------------------|--|
| 1. Director Eduardo F. Pelaez | Chairperson, Tourism Board Audit Committee |
| 2. ACOO Jetro Nicolas F. Lozada | Vice-Chairperson, Tourism Board Audit Committee |
| 3. Atty. Jemimah Nissi M. Tiambeng | Acting Corporate Board Secretary,
Office of the Corporate Board Secretary |
| 4. Jerson C. Tomoling | Internal Auditor IV |
| 5. Marvin David M. Velayo | Legal Department / OCBS staff |
| 6. Karen Padolina | Acting Head, Personnel and Human Resource
Development Division |
| 7. Emmanuel Zarate | MISD Representative |

II. CALL TO ORDER

Director Eduardo F. Pelaez (Dir. Pelaez), the Chairman of the Board Audit Committee, called the meeting to order at 10:35 A.M.

III. INVOCATION

The invocation was led by ACOO Jetro Nicolas F. Lozada (ACOO Lozada).

IV. MEETING PROPER

Dir. Pelaez asked the Acting Corporate Board Secretary, Atty. Jemimah Nissi M. Tiambeng (Atty. Tiambeng), to confirm if there is a quorum. Atty. Tiambeng certified the existence of a quorum to transact business, as two members of the committee were present namely, Chairperson Eduardo F. Pelaez and Vice-Chairperson Jetro Nicolas F. Lozada.

Atty. Tiambeng likewise certified that the meeting materials were sent to the committee members prior to the scheduled meeting. She requested the members of the committee to type in the chat box their names, location, and gadget used while conducting the business of meeting.

V. APPROVAL OF AGENDA

As presented, the Audit Committee approved the proposed agenda which comprised of the following items:

- 1) Matters Arising:
(1.1.) TPB's request to the GCG to increase the plantilla positions of the PGSD

(1.2.) Notice of Cessation re: Integrated Human Resource Information System (HRIS) of DBP Data Center, Inc.

(1.3.) Status of the Internal Audit Office Workforce

2) For the Committee's Information:

(2.1.) Results of the Operations Audit: International Promotions Department

(2.2.) Results of the Operations Audit: Marketing Communications Department

3) Other Matters

4) Schedule of Next Meeting

VI. HIGHLIGHTS OF THE MEETING

AGENDA ITEM	HIGHLIGHTS
1. Matters Arising	
1.1. TPB's request to the GCG to increase the plantilla positions of the Procurement and General Services Division (PGSD)	<p>a. Atty. Tiambeng requested Dir. Pelaez that Ms. Karen Padolina (Ms. Padolina), Acting Head of the Personnel Human Resources Development Division (PHRDD,) be recognized to apprise the committee on the matters arising from the previous meeting.</p> <p>b. Ms. Padolina informed the committee that the TPB submitted the necessary documents relative to the request to create a Procurement Management Division to the Governance Commission of for GOCC (GCG) on 02 May 2023.</p> <p>c. ACOO Jetro Lozada (ACOO Lozada) noted that the TIEZA's similar request to the GCG has recently been approved, so the TPB's request may be also approved sooner. Dir. Pelaez asked how long the TIEZA's request had been approved. ACOO Lozada replied that it was approved within three months.</p>
1.2. Notice of Cessation re: Integrated Human Resource Information System (HRIS) of DBP Data Center, Inc.	<p>a. Ms. Padolina informed the committee that the TPB received the source code from the supplier on 14 April 2023 and the MISD will conduct testing in running the system using the tools provided by the supplier.</p> <p>b. Atty. Tiambeng also commented that as of 05 June 2023, the Legal Department doesn't have the necessary details from the MISD and PHRDD relative to the system's usability and functionality that could warrant the issuance of a legal opinion on the matter. She manifested that the Legal Department</p>

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AGENDA ITEM	HIGHLIGHTS
	<p>received a joint memorandum from the PHRDD and MISD containing the summary details on the timeline of the events that have occurred, and the confirmation that the source code was successfully downloaded but should be installed and activated for the system to undergo a test run. Mr. Emmanuel Zarate (Mr. Zarate) confirmed the statement, and said that MISD is going to install and run the system during the weekend to avoid any problem that could hamper the TPB's local server.</p> <p>ACOO Lozada inquired about the status of the legal opinion as regards the remedy that the TPB could impose damages on the supplier. Atty. Tiambeng replied that the Legal Department is still checking with the MISD if the system is functional and could be used by the TPB. The Legal Department will determine the legal remedies once it acquires the details from MISD.</p> <p>c. Dir. Pelaez asked Atty. Tiambeng if the presence of the Audit Committee members is needed during the test run. Atty. Tiambeng replied that there is no need for the committee to observe the test run of the HRIS System since the MISD will submit a report to the PHRDD and Legal Department which will be presented during the next audit committee meeting as part of the matters arising.</p>
1.3. Status of the Internal Audit Office Workforce	<p>a. Ms. Padolina said that the position of Internal Auditor II was reposted on 15 May 2023 in which two candidates were shortlisted based on their paper qualifications and are scheduled for an online competency-based assessment this coming week. The shortlisted candidate will be subjected to the panel interview of the TPB-HRMPSB. Further, to alleviate the concern of the Internal Audit Office (IAO), the management designated Mr. Enrico G. Mercado to the IAO in a concurrent capacity as Records Officer I under the Office of the Deputy COO for Corporate Affairs to handle administrative work assignments.</p> <p>b. Ms. Padolina added that the PHRDD had initially coordinated with the Civil Service Commission (CSC) relative to the issue of the supervisory experience of Mr. Tomoling. There will be another meeting set up this week with the CSC to discuss the matter.</p>

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AGENDA ITEM	HIGHLIGHTS
	<p>c. Dir. Pelaez asked Ms. Padolina if the panel interview would be conducted face-to-face. Ms. Padolina replied that the interview to be conducted by the HRM – PSB will be face-to-face.</p>
2. For the Committee’s Information	
<p>2.1. Results of the Operations Audit: International Promotions Department</p>	<p>a. Mr. Tomoling discussed the Objectives, Scope, and Coverage of the Operations conducted. He then presented the highlights of the positive findings, deficiencies, and audit recommendations.</p> <p>b. After the presentation, Dir. Pelaez asked ACOO Lozada for any reaction and comments. ACOO Lozada asked for clarification as regards the utilization rate of the International Promotions Department (IPD) which is forty-nine percent (49%) only. Mr. Tomoling replied that the 49% refers to the projects and programs from CY 2022 that are to be implemented in CY 2023. Most of these projects are already obligated as part of the utilization for CY 2022.</p> <p>c. ACOO Lozada communicated his impression that there is still a big amount (from previous year’s budget) that is available until this year. Mr. Tomoling affirmed the same as these projects are still for implementation. Based on the recollection of ACOO Lozada, the DBM-approved budget for tier 1 is 600 million or 800 million pesos. Mr. Tomoling replied this pertains to the next year’s budget. ACOO Lozada asked if the TPB is not deficient budget-wise this year and if the TPB can utilize the remaining budget of CY 2022. Mr. Tomoling expressed his affirmation, and based on the management reply, some budgets in 2023 were diverted to Philippine Travel Exchange 2023 considering that there are still projects and programs from CY 2022 that are to be implemented.</p> <p>d. Dir. Pelaez asked for clarification if fifty-one percent (51%) of the budget was not utilized at the end of the year. Mr. Tomoling answered that 51% is already implemented in CY 2022.</p> <p>e. ACOO Lozada inquired as to the absence of the overlapping of project implementation, which was confirmed by Mr. Tomoling. Given that the IPD has a limited workforce, Mr.</p>

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	<p>Tomoling explained that they need to adjust in choosing which projects are to be implemented.</p> <p>f. Dir. Pelaez inquired on the approval by the TPB Chief Operating Officer of the project cost of PHITEX 2022 that exceeds ten million pesos. Mr. Tomoling replied that the project cost of forty-nine million pesos was already approved by the Chairperson of the TPB Board. However, there was an increase amounting to two hundred eighty-eight thousand pesos which was approved at the level of the COO without seeking further approval from the Chairperson.</p> <p>Dir. Pelaez asked if this is an issue to which Mr. Tomoling affirmed, since from an auditor's point of view, this is a loophole of the internal policy which is comparable to the prohibited splitting in the procurement process.</p> <p>Dir. Pelaez asked ACOO Lozada to present the matter during the board meeting. Atty. Tiambeng suggested that the committee could recommend to the TPB management to revise the Manual of Signing Authority (MOSA) to reflect this kind of scenario as the MOSA may be silent on the matter.</p> <p>g. ACOO Lozada also commented that the ISO process relative to this matter should also be revised.</p> <p>h. It was agreed by the Audit Committee to direct the management in revisiting and revising the MOSA to incorporate a clear provision therein that governs the staggered approval of an increase of the cost/budget wherein the total project cost exceeded the level of signing authority at the level of the COO.</p> <p>i. There were no further comments from the members of the Audit Committee.</p>
2.2. Results of the Operations Audit: Marketing Communications Department	<p>a. Mr. Tomoling discussed the highlights of the positive findings, deficiencies, and audit recommendations relative to the operations audit conducted in the MARCOM Department.</p> <p>b. Dir. Pelaez asked if there is a need for the committee to make some recommendations to the management based on the audit results. Atty. Tiambeng replied that there is no need for the</p>

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	<p>committee to recommend as the management has accepted the findings and recommendations of Mr. Tomoling as stated in the management reply.</p> <p>c. Dir. Pelaez asked if the vacancies of the plantilla positions were due to resignation or just vacancy. Mr. Tomoling replied that the vacancy for the position of Manager was due to resignation since last year, one has transferred to another department, and the rest are unfilled positions.</p> <p>d. Dir. Pelaez asked how many personnel are in the Internal Audit Office at present. Mr. Tomoling replied that there is only one personnel who is concurrently assigned in the IAO and the PHRDD is currently filling up the vacancies.</p> <p>e. Relative to the Way Finder project, ACOO Lozada requested clarification as to why it has ten (10) LGU beneficiaries but only three were presented. Based on his recollection, the budget for this project was reallocated. Mr. Tomoling replied that there may be some implemented in 2021, but the project for three LGUs; namely, Badian, Zambales and Lucban, were implemented in 2022. ACOO Lozada further asked how many LGUs benefited from this project. Mr. Tomoling replied that he is going to double-check the overall status of the project implementation if all targeted LGUs benefited.</p> <p>f. ACOO Lozada inquired as to the comment of the Bids and Awards Committee (BAC) for the numerous (contract) addenda executed relative to the implementation of the TPB's Travel Philippine App. He commented that when this project was bid out, the technical specifications in the Term of Reference (TOR) is very clear, and any revisions therein may have legal effects. The supplier won the bid based on the TOR. In terms of compliance, he inquired how the winning bidder will be paid if the specifications were changed. ACOO Lozada also commented that the supplier might be having difficulty in fulfilling the deliverables due to the changes in specifications and execution of three addenda. He stated that the supplier may not be capable of completing this project given the specification were changed.</p> <p>Atty. Tiambeng replied that in terms of the contract extension, the Legal Department checks if there is an additional cost to the government as provided by the Annex F of the IRR of RA</p>

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AGENDA ITEM	HIGHLIGHTS
	<p>9184. She explained that the bases of the extensions would be clauses 10 and 14 of the general condition of the contract. As regards the actual specifications, the Terms of Reference for these kinds of contracts are quite flexible since the MARCOM Department usually provides certain flexibility in terms of the deliverables that would warrant extension and slightly modify the contract without necessarily deviating from or contradicting the procurement law.</p> <p>ACOO Lozada commented that based on his recollection, there was a budgetary approval of 30 million pesos for year 2023 or 2024 pertaining to an app. Although he is not sure if this is related or the same as to what has been presented, he commented that TPB is spending funds while the supplier is given until the end of this year to complete the project with all these revisions of the specifications. According to him, TPB is spending huge amounts on a travel app.</p> <p>Mr. Tomoling said that the first addendum was executed to extend the implementation until June 2022, in view of the Covid-19 Omicron Variant; the second addendum was based on the strategic direction from the DOT that triggered changes in deliverables; and the third addendum was due to the inputs from the DOT regional offices to include more content in the app. As to the last extension, the supplier introduced changes to the technical specifications of the app. In one of the procurement seminars attended by Mr. Tomoling, he consulted this kind of scenario, the resource speaker explained that the extension of the implementation for a consulting service is allowed provided that no additional cost is incurred, and the extended implementation should not exceed 100% or 200% from the original implementation period. In this case, the project has been extended for several times which is equivalent to more than a 600% increase from original the implementation period. Further, based on the recent request from the supplier, those may be considered as major changes to the technical specifications. However, Mr. Tomoling commented that these extended implementations are acceptable to him since these are beneficial to TPB and the DOT.</p> <p>ACOO Lozada commented that in general, the extensions are fine. However, his fear is although the revision of the technical specifications was accepted, the supplier might be having difficulty in fulfilling the deliverables and another extension</p>

TOURISM PROMOTIONS BOARD PHILIPPINES

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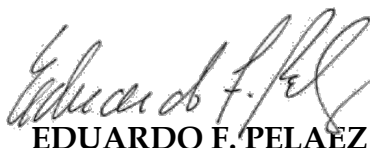
AGENDA ITEM	HIGHLIGHTS
	will be proposed at the end of the year. Perhaps, a review of the specifications and a dialogue with the supplier may be considered, if these are still feasible.
3. Other Matters Atty Tiambeng commented that as manifested, there are no other matters to discussed and proceed to the next item.	
4. Schedule of the Next Meeting Atty. Tiambeng stated that the third committee meeting is scheduled on 08 September 2023 (Friday), 10:30am to 11:30am, as discussed during the first committee meeting of the year. Dir. Pelaez inquired if this would be via Zoom or face to face, to which Atty. Tiambeng replied that the OCBS will try to conduct this meeting face to face at the TPB's new office. The members of the audit committee agreed to convene on the aforementioned schedule.	

VII. ADJOURNMENT

There being no other matters to be discussed, the meeting was adjourned at around 11:41 AM.

Resolved and adopted on 09 June 2023.

TOURISM BOARD AUDIT COMMITTEE



EDUARDO F. PELAEZ

*Chairperson, Tourism Board Audit Committee and
Appointive Director (Other Accredited Tourism Enterprise)*



JETRO NICOLAS TOLOSA

*Vice- Chairperson, Tourism Board Audit Committee and
Asst. Chief Operating Officer, Tourism Infrastructure & Enterprise Zone Authority*

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ROBERTO C.O. LIM

*Member, Tourism Board Audit Committee and
Undersecretary, Department of Transportation*

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TOURISM BOARD AUDIT COMMITTEE COMMITTEE REPORT

20 October 2023, 02:30 PM

Via Zoom Platform

I. ATTENDEES

PRESENT:

- | | |
|---------------------------------|---|
| 1. Dir. Eduardo F. Pelaez | Chairperson, Tourism Board Audit Committee |
| 2. ACOO Jetro Nicolas F. Lozada | Vice-Chairperson, Tourism Board Audit Committee |
| 3. Usec. Roberto C.O. Lim | Member, Tourism Board Audit Committee |

TPB KEY OFFICIALS:

- | | |
|----------------------------------|--|
| 1. Mr. Jerson C. Tomoling | Acting Head, Internal Audit Office |
| 2. Atty. Gregory A. Nueva, LL.M. | Acting Head, Legal Department |
| 3. Janet W. Canoy | Manager, Administrative Department |
| | Acting Head, Personnel and Human Resource Development Division |
| 4. Karen A. Padolina | Management and Systems Information Department |
| 5. Emmanuel A. Zarate | |

SECRETARIAT:

- | | |
|------------------------------------|--|
| 1. Atty. Jemimah Nissi M. Tiambeng | Acting Corporate Board Secretary |
| 2. Marvin David M. Velayo | Legal Department / Office of the Corporate Board Secretary |
| 3. Benjamin Jose G. Gutierrez | Legal Department |
| 4. Kristine Heizelle B. Aclan | Legal Department |

II. CALL TO ORDER

Director Eduardo F. Pelaez (Dir. Pelaez), the Chairman of the Board Audit Committee, called the meeting to order at 02:35 p.m.

III. INVOCATION

The invocation was led by Atty. Jemimah Nissi M. Tiambeng (Atty. Tiambeng), Acting Corporate Board Secretary.

IV. DETERMINATION OF QUORUM

Atty. Tiambeng certified the existence of a quorum for the purpose of transacting business; and confirmed that the Notice of Meeting, Agenda, and other pertinent meeting materials were timely sent to the Committee.

V. APPROVAL OF AGENDA

As presented, the Audit Committee approved the proposed agenda which comprised of the following items:

- 1) Matters Arising:
 - (1.1.) TPB's request to the GCG to increase the plantilla positions of the Procurement and General Services Division (PGSD).
 - (1.2.) Notice of Cessation re: Integrated Human Resource Information System (HRIS) of DBP Data Center, Inc.
 - (1.3.) Status of the Internal Audit Office Workforce
- 2) For the Committee's Information:
 - (2.1.) Results of the Operations Audit: International Promotions Department
 - (2.2.) Results of the Operations Audit: Marketing Communications Department
- 3) Other Matters
 - (3.1.) COA's request for copies of 2022 Internal Audit Reports or latest available reports
- 4) Schedule of Next Meeting

VI. HIGHLIGHTS OF THE MEETING

AGENDA ITEM	HIGHLIGHTS
1. Matters Arising	
1.1. Status of the Internal Audit	Mr. Tomoling apprised the committee that the Internal Auditor II position with SG 15/ JG 10 was republished on 06 September 2023 and three (3) shortlisted candidates are currently taking the

AGENDA ITEM	HIGHLIGHTS
Office Workforce	<p>online Competency-based Assessment. Likewise, the engagement of a Job Order Personnel was also processed.</p> <p>As regards the exploration of the possibility of certifying the number of years of service and supervisory experience of the Internal Auditor IV by the TPB Senior Officers, the TPB sent a letter inquiry to the Civil Service Commission (CSC) last 14 July 2023. Several follow-ups were made but as per CSC Human Resource Policies and Standards Office (HRPSO), their official reply is still being prepared. This was reiterated by Ms. Karen Padolina (Ms. Padolina), the Acting Division Chief of the Personnel and Human Resource Development Division (PHRDD).</p> <p>There were no other comments from the committee members.</p>
1.2. TPB's request to the GCG to increase the plantilla positions of the Procurement and General Services Division (PGSD)	<p>Mr. Tomoling informed the committee that the relevant documents were already submitted to the Governance Commission for GOCCs (GCG) on 08 September 2023. Per the last follow-up, GCG hinted that the target action to the request can be within the month, but the approval will depend on the approvers.</p> <p>Dir. Pelaez commented that from the standpoint of a private sector representative, the timeline is vague since it depends on the approvers.</p> <p>Ms. Janet Canoy (Ms. Canoy), Manager of the Administrative Department, clarified that what was meant was those evaluating the documents will submit their recommendations to the officials who will approve within the GCG with a target timeline within the month, but it will depend if the approvers require additional documents or comments based on the evaluation.</p> <p>There were no other comments from the committee members.</p>
1.3. Notice of Cessation Integrated Human Resource Information	<p>Mr. Tomoling presented to the committee that the PHRDD and OCBS received a Memo from the Management Information Systems Department (MISD) relative to its findings on 16 October 2022 as regards the functionality and usability of the HRIS System. Subsequently, the Legal Department has officially received a</p>

AGENDA ITEM	HIGHLIGHTS
<p>System (HRIS) of DBP Data Center, Inc.</p>	<p>request for the Preparation of a Legal Opinion from the PHRDD on 18 October 2023, and is in the process of drafting the same. It shall send a copy of the opinion to the Committee as a post-meeting submission.</p> <p>ACOO Jetro Nicolas F. Lozada (ACOO Lozada) inquired whether TPB requests the Office of the Government Corporate Counsel (OGCC) for a legal opinion. Atty. Gregory A. Nueva, LL.M. (Atty. Nueva) Acting Head of the Legal Department, stated that the TPB can always ask the OGCC for a legal opinion. Likewise, the Legal Department can issue a legal opinion, however, if it involves certain matters that are critical in nature then it will be referred to the OGCC, depending on the direction from the Board. Dir. Pelaez asked Atty. Nueva about his recommendation on the matter. Atty. Nueva replied that they can still conduct an investigation as the OGCC will ask for the same documents that they can gather.</p> <p>ACOO Lozada asked if seeking a legal opinion from the OGCC is part of the process and if the TPB is comfortable with the opinion from the Legal Department only. Atty. Nueva replied that process-wise, it is allowed. However, time-constraints should be considered in getting an opinion from the OGCC.</p> <p>There were no other comments from the committee members.</p>
<p>2. For the Committee's Information</p>	
<p>2.1. Results of the Operations Audit: Domestic Promotions Department</p>	<p>Mr. Tomoling presented the result of the Operations Audit conducted in the Domestic Promotions Department. He presented the highlights of the audit result which consisted of seven (7) positive findings, five (5) deficiencies/weaknesses of controls, and four (4) audit recommendations. The management reply for each finding and audit recommendation was likewise presented.</p> <p>Dir. Pelaez asked Mr. Tomoling the rate he could give to the management auditee overall. Mr. Tomoling gave a satisfactory rating, but commented that there is a need to improve the timely preparation of the terminal reports. He communicated that the management endeavors to exert efforts to correct this deficiency.</p>

AGENDA ITEM	HIGHLIGHTS
	<p>Dir. Pelaez stated that TPB should collaborate and coordinate with the Local Government Units (LGUs), specifically at the municipal level, in order to address the concern.</p> <p>There were no other comments from the committee members.</p>
<p>2.2. Results of the Management Audit: Management Information Systems Department</p>	<p>Mr. Tomoling discussed the highlights of the audit result which comprised six (6) positive findings, six (6) deficiencies, and four (4) audit recommendations relative to the Management Audit conducted in the MISD.</p> <p>Usec. Roberto C.O. Lim (Usec. Lim) suggested that the auditee should have a timeline for complying with audit findings just like the Domestic Promotions Department (DPD) as this needs corrective action for the improvement of the service.</p> <p>Mr. Tomoling commented that corrective actions depend on the type of the finding since findings have already been addressed, just like the delayed procurement of the internet service provider or Google Workspace, while some would require a specific timeline, such as the revision of the ISSP. Usec. Lim underscored that by monitoring the implementation of the action plan, the audit committee can help the IAO monitor and address the concerns. Mr. Tomoling replied that he shall identify the findings that require tangible output and specific timelines, and present the same in the next committee meeting.</p> <p>Dir. Pelaez inquired if the IAO is still being manned by one personnel only, to which Mr. Tomoling replied that despite the several postings of the vacancy, there have been no successful applicants. Usec. Lim asked whether TPB could request monthly periodic support from the Department of Tourism, as the mother agency.</p> <p>ACOO Lozada inquired on the reported HR constraints relative to the hiring of personnel, and whether the 10% cap of the administrative budget affects the same. Mr. Tomoling stated that most of the applicants failed in the qualification standards, such as the required two years' experience and training, and there are</p>

AGENDA ITEM	HIGHLIGHTS
	<p>no problems on the budgetary requirements. ACOO Lozada commented that there are a number of programs that were procured simply because of the inadequate workforce. He asked whether RA 9184 allows the procurement of a subscription through a multi-year contract (MYC) to avoid non-renewal before the contract expires. Mr. Tomoling replied that it could be possible to enter into an MYC for the subscription, but it should be supported with a study or a Cost Benefit Analysis to justify the mode of procurement.</p> <p>ACOO Lozada stated that there should be an annual performance review for the MYC. He underscored that the committee <u>should request the MISD to study the possibility of procuring a subscription through MYC to avoid this deficiency.</u> The renewal of a subscription is tedious because the process of procurement should start three months prior to the expiration of the existing contract. The lapse of the contract is very possible, what more if there is a failure of bidding.</p> <p>ACOO Lozada also asked the reason for a report about bugging relative to the Document Tracking System since the provider should have addressed these issues.</p> <p>Relative to the bugs discovered in the Document Tracking System, Mr. Tomoling discussed that the system was procured during COVID-19, and was designed for less physical contact. Some specifications need to be changed, and the bugs need to be fixed by the supplier and the TPB <u>MISD within the year.</u></p> <p>ACOO Lozada stated the need to explore the possibility of making the MISD a bigger office, considering that the whole government is directed to go digital and the GCG is now open for reorganization.</p> <p>Dir. Pelaez asked Mr. Tomoling how he would rate the MISD overall. Mr. Tomoling replied that in terms of individual performance, it would be very satisfactory since the MISD personnel are doing multiple tasks. However, in terms of the ideal operation, the rating is unsatisfactory due to the lack of a Programming Division.</p>

AGENDA ITEM	HIGHLIGHTS
	There were no other comments from the committee members.
2.3. Results of the Management Audit: Finance Department	<p>Mr. Tomoling presented the highlights of the audit result which comprised four (4) positive findings, seven (7) deficiencies, and six (6) audit recommendations relative to the Management Audit conducted in the Finance Department.</p> <p>Dir. Pelaez asked who shall be liable in paying the Job Order Personnel's over-deduction of taxes in case the issue cannot be rectified. Mr. Tomoling replied that the current year's tax overpayment should be adjusted by carrying it over to the next remittance to the BIR. However, for the tax overpayment from the prior years, TPB has to coordinate with the BIR on how to go about the concern. The last resort would be to file a claim for a tax refund, but it will take a longer period.</p> <p>There were no other comments from the committee members.</p>
<p>3. Other Matters</p> <p>Mr. Tomoling presented the request from the Commission of Audit (COA) for TPB to provide the updated/latest copy of the TPB ISO Manual (Quality Manual, Quality Operations Manual, Systems Procedures Manual) and Operations Manual, and the 2022 Internal Audit Report or the latest available report.</p> <p>Upon thorough discussion, the Committee decided to decline the request to provide internal audit reports to external parties since the findings reflected therein are internal in nature.</p> <p>There were no other comments from the committee members.</p>	
<p>4. Schedule of the Next Meeting</p> <p>Atty. Tiambeng presented the schedule of the fourth audit committee meeting which is on 15 December 2023 from 4:00pm to 5:00pm to give the Internal Audit Office ample time to finish the remaining audit activities. It was previously scheduled on 17 November 2023. Usec Lim suggested that the next committee meeting would be on 11 December 2023 (Monday).</p>	

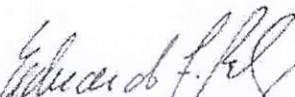
AGENDA ITEM	HIGHLIGHTS
	<p>The members of the audit committee agreed to convene on <u>11 December 2023 at 10:30 a.m.</u></p>

VII. ADJOURNMENT

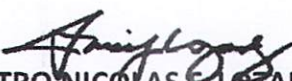
There being no other matters to be discussed, the meeting was adjourned at around 03:53 p.m.

Resolved and adopted on 20 October 2023.

TOURISM BOARD AUDIT COMMITTEE


EDUARDO F. PELAEZ

*Chairperson, Tourism Board Audit Committee and
Appointive Director (Other Accredited Tourism Enterprises)*


JETRONICOLAS F. LOZADA

*Vice- Chairperson, Tourism Board Audit Committee and
Assistant. Chief Operating Officer, Tourism Infrastructure & Enterprise Zone Authority*


ROBERTO C.O. LIM

*Member, Tourism Board Audit Committee and
Undersecretary, Department of Transportation*

**TOURISM BOARD AUDIT COMMITTEE
COMMITTEE REPORT**

11 December 2023, 3:00 PM
Via Zoom Platform

I. ATTENDEES

PRESENT:

- | | |
|--|---|
| 1. Dir. Eduardo F. Pelaez | Chairperson, Tourism Board Audit Committee |
| 2. ACOO Jetro Nicolas F. Lozada | Vice-Chairperson, Tourism Board Audit Committee |
| 3. Asec. Enrique Antonio J. Esquivel III | Alternate Member, Tourism Board Audit Committee |
| 4. Mr. Jerson C. Tomoling | Acting Head, Internal Audit Office |

SECRETARIAT:

- | | |
|------------------------------------|---|
| 1. Atty. Jemimah Nissi M. Tiambeng | Board Secretary V, Office of the Corporate Board Secretary |
| 2. Benjamin Jose G. Gutierrez | Board Secretary II, Office of the Corporate Board Secretary |
| 3. Precious Anne G. Terceño | Administrative Assistant, Office of the Corporate Board Secretary |

II. CALL TO ORDER

Director Eduardo F. Pelaez (Dir. Pelaez), Chairman of the Board Audit Committee, called the meeting to order at 03:05 p.m.

III. INVOCATION

The invocation was led by Atty. Jemimah Nissi M. Tiambeng (Atty. Tiambeng), Board Secretary V.

IV. DETERMINATION OF QUORUM

Atty. Tiambeng certified the existence of a quorum for the purpose of transacting business; and confirmed that the Notice of Meeting, Agenda, and other pertinent meeting materials were timely sent to the Committee.

She requested the members of the committee to type in the chat box their names, location, and gadget used while conducting the business of meeting.

V. APPROVAL OF AGENDA

As presented, the Audit Committee approved the proposed agenda which comprised of the following items:

1) Matters Arising:

- (1.1.) Update on the amended Special Contingency Funds Guidelines, as discussed during the 29 November 2023 Regular Board meeting.
- (1.2.) Status of the Internal Audit Office Workforce
- (1.3.) TPB's request to the GCG to increase the plantilla positions of the Procurement and General Services Division (PGSD).
- (1.4.) Notice of Cessation re: Integrated Human Resource Information System (HRIS) of DBP Data Center, Inc.

2) For the Committee's Approval

- (2.1.) Annual Audit Plan for CY 2024

3) For the Committee's Information:

- (3.1.) Results of the Management Audit: Procurement General Services Division
- (3.2.) Review of Internal Audit Charter and Manual; and Annual Declaration for Code of Ethical Standards of IAO

4) Other Matters

- (4.1.) Schedule of Next Meeting

VI. HIGHLIGHTS OF THE MEETING

AGENDA ITEM	HIGHLIGHTS
1. Matters Arising	
1.1. Update on the amended Special Contingency Funds (SCF) Guidelines, as discussed during the 29 November 2023	Atty. Tiambeng informed the committee that this matter was previously raised during the Board Meeting on 20 November 2024, and the Board directed the TPB Management to present the revised SCF guidelines to the Audit Committee. However, upon reviewing the responsibilities of the Audit Committee, it was noted that the review of the guidelines falls outside the functions of the committee. Therefore, this matter will be referred to the Executive Committee, which is tentatively scheduled to convene on 15 December 2023. Additionally, this matter will be included in

AGENDA ITEM	HIGHLIGHTS
Regular Board meeting.	<p>the agenda for the Regular Board of Directors' Meeting scheduled for 20 December 2023.</p> <p>There were no other comments from the committee members.</p>
1.2. Status of the Internal Audit Office Workforce	<p>Atty. Tiambeng briefed the committee on the hiring status of IAO personnel. The appointment paper for the Internal Auditor II (plantilla position) was endorsed for signature as of 05 December 2023. Additionally, the other Internal Auditor II (contract of service) is scheduled to assume their duties on December 15, 2023.</p> <p>Atty. Tiambeng also apprised the committee on the need to explore the possibility of TPB Senior Officers certifying the years of service and supervisory experience that the current Internal Auditor IV has accrued over the past years. According to her, TPB already sent a letter of inquiry to the Civil Service Commission (CSC) on July 14, 2023. As of December 5, 2023, the CSC has not yet responded to TPB.</p> <p>Atty. Tiambeng acknowledged the presence of ACOO Jetro Nicolas F. Lozada (ACOO Lozada), who had just arrived at the meeting.</p> <p>Asec. Enrique Antonio J. Esquivel III (Asec. Esquivel) inquired as to why TPB was hiring contract of service personnel rather than regular personnel with a plantilla position. Atty. Tiambeng responded that the IAO has only three plantilla positions: Internal Audit Head, Internal Auditor IV (currently held by Mr. Tomoling), and Internal Auditor II.</p> <p>Asec. Esquivel asked about the context of the Letter of Inquiry sent to the CSC, and Atty. Tiambeng replied that during the first Audit Committee meeting of the year, a committee member requested Personnel and Human Resources Development Division (PHRDD) to explore the potential recognition of Mr. Tomoling's experience as equivalent to the Head of the Internal Auditor based on the duties and responsibilities he assumed. TPB then requested confirmation from the CSC. However, the CSC has not yet formally responded to TPB's inquiry.</p>

AGENDA ITEM	HIGHLIGHTS
	<p>ACOO Lozada inquired about the possibility of writing to the CSC, stating that it has been almost six months; and Dir. Pelaez underscored the delayed response from the CSC. Atty. Tiambeng replied that TPB will follow up with the CSC and will request PHRDD to initiate the same.</p> <p>There were no other comments from the committee members.</p>
<p>1.3. TPB's request to the GCG to increase the plantilla positions of the Procurement and General Services Division (PGSD)</p>	<p>Atty. Tiambeng informed the committee that the documents were already submitted to the GCG on 08 September 2023. As of December 4, 2023, the GCG is still in the process of reviewing the submitted documents.</p> <p>ACOO Jetro asked the committee if there were follow-ups made already; in the case of TIEZA, they already have an established Procurement Management Division (PMD). Atty. Tiambeng responded that PHRDD verbally followed up, hence, the update that it is being reviewed.</p> <p>ACOO Jetro noted that GCG has a new Chairperson, which may be one of the reasons causing the delay. He suggested that a written follow-up would be in order.</p> <p>Atty. Tiambeng suggested that they could also raise the matter with the COO since they will have a Technical Panel Meeting with the GCG. Perhaps they can voice it out before initiating a formal follow-up.</p> <p>There were no other comments from the committee members.</p>
<p>1.4. Notice of Cessation of Integrated Human Resource Information System (HRIS) of DBP Data Center, Inc.</p>	<p>PHRDD submitted a Memo to the Legal Department as part of the supporting documents on 07 December 2023, and the latter is in the process of reviewing all relevant documents for the preparation of a Legal Opinion.</p> <p>Atty. Tiambeng informed the committee that the Legal Department is already crafting an opinion. However, in relation to the manifestation of the Management Information Systems Department (MISD) and PHRDD that data migration is one of the</p>

AGENDA ITEM	HIGHLIGHTS
	<p>main causes which prevented the use of the system, the Legal Department reverted the request back to PHRDD since it was observed that the second tranche in the contract provides that deliverables of DCI already include data migration. The PHRDD thereafter communicated that it merely used the wrong term, "data migration," which should be "data integration." Given that the Legal Department received this information, and the 15-day period for crafting the opinion commenced on 11 December 2023, the document is still being prepared. The committee shall be provided a copy of the opinion.</p> <p>There were no other comments from the committee members.</p>
2. For the Committee's Approval	
2.1. Annual Audit Plan for CY 2024	<p>a. Risk Rating Table</p> <p>Mr. Tomoling initiated the presentation with a discussion on the risk rating table, encompassing process, strategic, legal and regulatory, COA, operational, and financial risks. The priority areas for the next year were identified based on a risk rating guide ranging from 1 (low risk) to 3 (high risk). Highlighted with 2 up to 2.5 are the priority for next year.</p> <p>b. Internal Audit Activities</p> <p>The Internal Audit activities for Calendar Year 2024 were outlined, encompassing Compliance/Special Field Audit, Operations Audit, Management Audit, and Non-Audit activities. These activities are distributed across various departments and offices, with associated timelines and budgets.</p> <ul style="list-style-type: none"> ● Compliance/Special Field Audit: Focus on DOT regional/foreign offices/LGU's with unliquidated PY inter-agency fund transfer (January-February 2024, budget: PHP 225,000). ● Operations Audit: Covers International Promotions, MICE, MARCOM, and Domestic Promotions departments (February-June 2024, budget: PHP 300 per person).

AGENDA ITEM	HIGHLIGHTS
	<ul style="list-style-type: none">● Management Audit: Encompasses Management Information System, ISO Quality Management System, Finance, Procurement and General Services, Personnel and HR Development departments (July-November 2024, budget: PHP 300 per person).● Non-Audit Activities: Including internal audit charter and operations manual review, CY 2025 audit planning, audit committee meeting initiation, and professionalizing the workforce (November 2024 onwards, budget: PHP 300 per person, except for the last, which is under PHRDD's budget). <p>Mr. Tomoling also highlighted the presence of unplanned targets, covering both non-audit and audit activities throughout the year. The presentation included a Gantt Chart, illustrating the timeline and sequence of planned activities, and providing a visual representation of the internal audit plan for 2024. Lastly, details on the budget for the Project Procurement Management Plan (PPMP) for FY 2024 were presented, with a total budget allocation of PHP 265,000.</p> <p>c. Discussion and Approval</p> <p>ACOO Lozada inquired about the number of audit plans that were crafted to date to which Mr. Tomoling replied to the IAO has had an Annual Audit Plan since year 2018, from five to six years. The discussion also touched upon the impact of adding new personnel, with Mr. Tomoling confirming that the addition of two personnel would be of great help in expanding the sampling size during the conduct of the audit. ACOO Lozada underscored that the fact that Mr. Tomoling has been doing this for the past five years, is the reason why the committee is recommending him to be considered seriously for the top position of the Internal Audit Office.</p> <p>ACOO Lozada moved the approval of the Annual Audit Plan for CY 2024 which was seconded by the Asec. Esquivel.</p> <p>There were no other comments from the committee members.</p>

AGENDA ITEM	HIGHLIGHTS
3. For the Committee's Information	
<p>3.1. Results of the Operations Audit: Procurement General Services Division</p>	<p>Mr. Tomoling presented the result of the Management Audit conducted in the Procurement General Services Division (PGSD), with a total of 25 positive findings and 18 deficiencies. The deficiencies were categorized into various areas, including property management, petty cash management, releasing of payment, failed biddings, direct contracting, lease of venue, direct retail purchase of POL products, airline tickets, and online subscriptions.</p> <p>Several positive audit observations were highlighted, including timely submission of mandatory reports to the GPPB, non-recurrence of previous audit findings, effective implementation of control mechanisms, adherence to signing authority guidelines, attendance of personnel in procurement training, and the adoption of digital and electronic signatures in procurement-related documents.</p> <p>Mr. Tomoling outlined deficiencies in cashiering, process and supervision controls, processing of Daily Subsistence Allowance, failed biddings, and issues related to the direct retail purchase of POL products, airline tickets, and online subscriptions.</p> <p>Specific action plans were proposed to address the identified deficiencies. These plans included ensuring proper documentation for petty cash liquidation, requesting different quotations to avoid bias, improving the procedure for processing Daily Subsistence Allowance, inviting observers to procurement activities in advance, reviewing BAC resolutions on direct retail purchase, and ensuring all BAC resolutions reflect the date of HOPE's approval/disapproval.</p> <p>ACOO Lozada inquired about the procurement process for air tickets, specifically whether it should be done through procurement services or travel agencies. Mr. Tomoling replied that the GPPB resolution granted government agencies the freedom to procure through direct purchases with commercial airlines. According to Mr. Tomoling, the finding suggests that tickets should be purchased directly from commercial airlines. However, TPB currently procures tickets from tour operators, incurring a service</p>

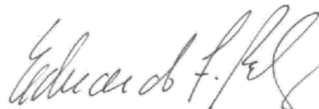
AGENDA ITEM	HIGHLIGHTS
	<p>charge. In this case, the appropriate mode of procurement should be Small Value Procurement.</p> <p>Dir. Pelaez asked about the reimbursement process for personally/advanced purchased tickets, and Mr. Tomoling expressed that he will opt for what is most advantageous for TPB and if the end-user can provide evidence such as quotations from travel agents are lower compared to direct booking with commercial airlines. Additionally, he highlighted that one advantage of using travel agents is the flexibility to rebook the flights which can be used as justification.</p> <p>Atty. Tiambeng mentioned that the GCG has a circular permitting Appointive Directors to be reimbursed for accommodation, transportation, and meals, which shouldn't exceed a certain tranche. Notably, she stated that the Finance Department accepts that resolution as a supporting document in lieu of quotations.</p> <p>The committee discussed the advantageous nature of purchasing through travel agents and the flexibility in rebooking flights.</p> <p>There were no other comments from the committee members.</p>
<p>3.2. Review of Internal Audit Charter and Manual; and Annual Declaration for Code of Ethical Standards of IAO</p>	<p>Mr. Tomoling informed the committee that there were no new issuances from regulatory bodies requiring an amendment or revision of the Internal Audit Charter and Internal Audit Manual. He also manifested and certified that the Officer and Staff of the Internal Audit Office have conformed to the Code of Ethics and have no conflict of interest for the period January to December 2023.</p> <p>There were no other comments from the committee members.</p>
<p>4. Schedule of the Next Meeting</p> <p>Atty. Tiambeng mentioned that the Secretariat will send a notice to the Audit Committee Members regarding the schedule of the next meeting. The meeting is planned to take place within the first quarter of CY 2024.</p>	

VII. ADJOURNMENT

There being no other matters to be discussed, the meeting was adjourned at around 04:00 p.m.

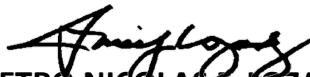
Resolved and adopted on 11 December 2023.

TOURISM BOARD AUDIT COMMITTEE



EDUARDO F. PELAEZ

*Chairperson, Tourism Board Audit Committee and
Appointive Director (Other Accredited Tourism Enterprises)*



JETRO NICOLAS F. LOZADA

*Vice-Chairperson, Tourism Board Audit Committee and
Assistant Chief Operating Officer, Tourism Infrastructure & Enterprise Zone Authority*

ENRIQUE ANTONIO J. ESQUIVEL III

*Alternate Member, Tourism Board Audit Committee and
Assistant Secretary, Department of Transportation*