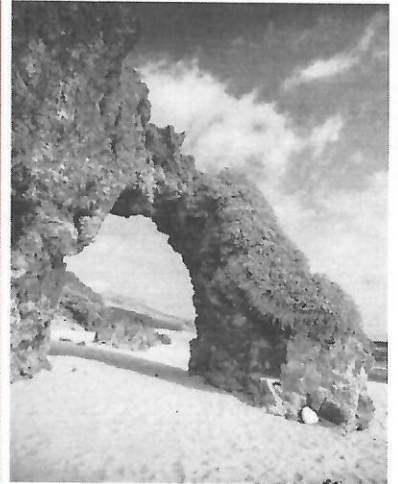
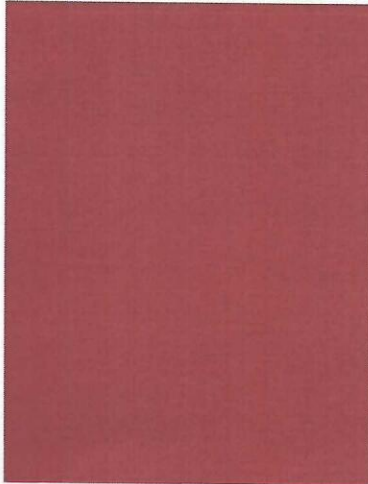
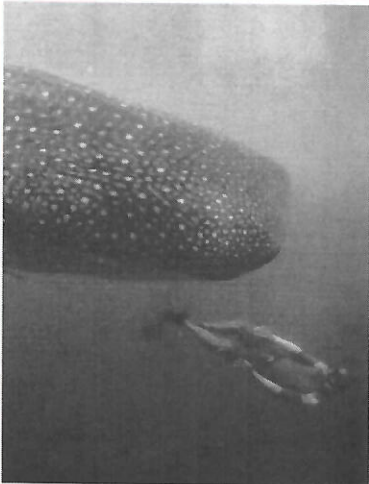
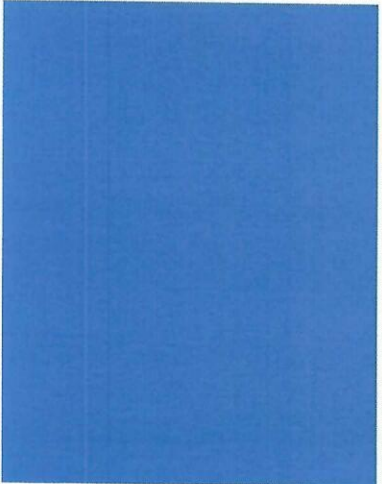
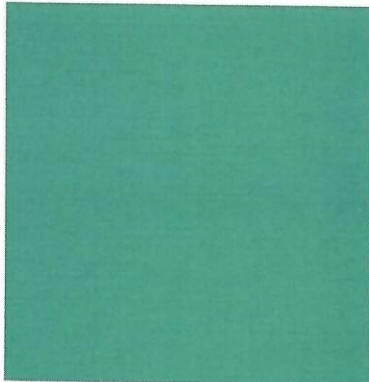
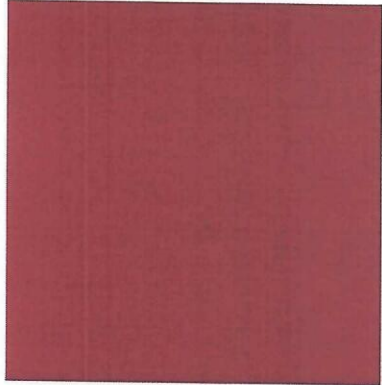


TOURISM BOARD AUDIT COMMITTEE MEETING REPORT

19 May 2025 | via ZOOM Application



TOURISM BOARD AUDIT COMMITTEE MEETING REPORT

19 May 2025 / 10:00 a.m. – 12:00 p.m.

via Zoom Application

ATTENDEES	
TOURISM BOARD AUDIT COMMITTEE MEMBERS:	
<u>Present:</u>	
1. Mr. Eduardo F. Pelaez	Chairperson, Board Audit Committee; Appointive Director (Other Tourism Enterprises); and President, Mapawa Nature Park
2. Mr. Jetro Nicolas F. Lozada	Vice-Chairperson, Board Audit Committee; Alternate Member of the Board of Directors; and Assistant Chief Operating Officer, Tourism Infrastructure and Enterprise Zone Authority
3. Capt. Donaldo A. Mendoza	Alternate Member of the Board Audit Committee; Alternate Member of the Board of Directors; and Assistant Secretary, Department of Transportation

TPB KEY OFFICIALS:	
1. Mr. Jerson C. Tomoling	Manager, Internal Audit Office

TPB OFFICE OF THE CORPORATE BOARD SECRETARY (SECRETARIAT):	
2. Atty. Jemimah Nissi M. Tiambeng	Board Secretary V
3. Jelissa Bei P. Galvez	Board Secretary II
4. Lyka A. Bactong	Agenda/Minutes Officer I

TPB PERSONNEL:	
5. Roselle S. Martinez	Internal Auditor II, Internal Audit Office

1 **I. CALL TO ORDER**

2
3 The Chairperson, Dir. Eduardo F. Pelaez (Dir. Pelaez), called the meeting to
4 order at 10:03 am.
5

6
7 **II. DETERMINATION OF QUORUM**

8
9 Atty. Tiambeng certified the existence of a quorum for the transaction of
10 business; and confirmed that the Notice of Meeting, Agenda, and other pertinent
11 board materials were timely sent to the committee.
12

13
14 **III. APPROVAL OF THE AGENDA**

15
16 Upon the motion of Assistant Chief Operating Officer Jetro Nicolas F.
17 Lozada (ACOO Lozada), which was duly seconded by Assistant Secretary
18 Donaldo A. Mendoza (Asec. Mendoza), the Committee approved the agenda of
19 the TPB Audit Committee Meeting on 19 May 2025, to wit:
20

	<u>AGENDA</u>	COMMITTEE'S ACTION
I	Call to Order	
II	Determination of Quorum	
III	Approval of the Agenda	
IV	For the Committee's Information	
	A. Field Audit: Unliquidated Inter-Agency Fund Transfers	For information / discussion
	B. Result of the Operations Audit: International Promotions Department	For information / discussion
	C. Result of the Operations Audit: MICE Department	For information / discussion
	D. Result of the Operations Audit: Domestic Promotions Department	For information / discussion
V	Other Matters	
VI	Schedule of Next Meeting	
VII	Adjournment	

IV. FOR THE COMMITTEE'S INFORMATION

IV.A. FIELD AUDIT: UNLIQUIDATED INTER-AGENCY FUND TRANSFERS

Mr. Jerson C. Tomoling (Mr. Tomoling), the Manager of the Internal Audit Office, reported the matter, as follows:

IV. FOR INFORMATION



Audit of Unliquidated Inter-Agency Fund Transfers

AUDITEE	Audit Period	Unliquidated Funds	Liquidation/ Reduction	Balance (PHP)	% of Reduction
Duty Free Philippines	20 – 21 January 2025	3,000,000.00	3,000,000.00	-	100.00%
TIEZA	27 – 28 January 2025	1,633,030.66	-	1,633,030.66	0.00%
DOT Regional Office VIII	03 – 06 February 2025	17,601,005.50	17,601,005.50	-	100.00%
DOT Regional Office IV-A	10 – 12 February 2025	879,080.48	259,338.32	619,742.16	29.50%
TOTAL		23,113,116.64	20,860,343.82	2,252,772.82	90.25%



IV. FOR INFORMATION



Audit of Unliquidated Inter-Agency Fund Transfers

Audit Notes for TIEZA:

- Various Inter-Agency Fund Transfer from TPB for the years 1984 to 2004 amounting to Php1,269,530.66. The Manager of the Accounting Division issued a certification confirming that TIEZA has no existing Trust Payable or Due to GOCC account for the TPB covering the period from September 1984 to December 2004.
- Share in ASTA World Travel Congress for the year 2015 amounting to Php363,500.00. The IAO will coordinate with the Finance Department and Project Officer to verify if there was an existing Memorandum of Agreement executed relative to the interagency fund transfer for this project to facilitate proper recording.



Dir. Pelaez inquired the timeline of records from the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), and Mr. Tomoling responded that the transactions dated back to the early 1980s. The latter explained that most of these

accounts will be requested for write-off through the Commission on Audit (COA), since TIEZA has no accounting records of them. Dir. Pelaez asked about the amount involved, to which Mr. Tomoling stated that it totaled Php 1.6 Million under TIEZA. He elaborated that this included various inter-agency fund transfers from TPB between 1984 and 2004 amounting to Php 1.2 Million and that TIEZA's Accounting Manager issued a certification confirming the absence of any trust payable or dues to TPB within that period. He added that the Finance Department is verifying with the MICE Department and Domestic Promotions Department (DPD) as to the validity of a sum amounting to Php 360,000.00 that is found attributable to the ASTA World Travel Congress. If deemed invalid, this amount would also be included in the write-off request to COA.

Relative to the write-off, Dir. Pelaez pointed out that it is necessary for the Audit Committee to formally recommend the write-off to the Board. Mr. Tomoling suggested that the Audit Committee could instead forward its recommendation to TPB Management, to which Dir. Pelaez affirmed and added that the committee's recommendation would formalize the process. In sum, the Committee proceeded with its recommendation to the Management for the write-off.

There being no further comments and/or concerns raised, the Committee noted the report and proceeded to the next item in the agenda.

IV.B. RESULT OF THE OPERATIONS AUDIT: INTERNATIONAL PROMOTIONS DEPARTMENT

Mr. Tomoling reported the matter, as follows:

IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATIONS AUDIT IPD

1. Based on the below twenty-two (22) samples of Program/Projects/Activities (PPAs) that were subjected to an audit,
 - a. All sample PPAs were supported by the Project Proposal / Brief Forms, Budget Breakdown Forms, Certificates of Funds Availability, Work Financial Plan and Work Program, Project Procurement Management Plan, and Realignment / Reprogrammed documents.
 - b. All sample PPAs were compliant in terms of the signatories and approval as required by the Manual of Signing Authority (MOSA).



IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATIONS AUDIT IPD

2. Non-recurring of previous Audit Findings
 - a. The preparation, review, and approval of the Project Brief Forms and Terminal Reports were dated.
 - b. Implementation of Philippine Travel Exchange (PHITEX) 2024.
 - Air tickets reimbursements are compliant with the internal guidelines
 - The Solicited Sponsorships were utilized during the implementation of PHITEX 2024 as evidenced by the attached photos in the Terminal Report and the distribution list with the signatures from the recipients.



IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATIONS AUDIT IPD

3. The Projected Economic Benefits of the 22 samples based on the actual project implementation were monitored, recorded, and reported.
4. The Projected Brief/Proposal Form of the 22 samples were timely prepared and approved
5. 17 Samples Projects achieved above the 90% Budget Utilization rate
6. Sound Management and Process Controls were noted for the implementation of PHITEX 2024
 - a. The tasks and responsibilities were decentralized and delegated to the respective organizing committees.



IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATIONS AUDIT IPD

- b. The tasks and responsibilities were decentralized and delegated to the respective organizing committees
 - c. Usage of an approved Gantt Chart enabling the Committee Heads to monitor the progress of the assigned respective task
 - d. Stricter provisions on the Guidelines on Airfare Reimbursement
 - e. Identification and knowing the Dietary Restrictions of the guests
7. The department has faithfully prepared quarterly the Quality Objectives Monitoring and Evaluation Report (QOMER)
8. The management has exhibited supportive leadership towards the conduct of the audit.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

1. As of the audit date, there was no available Corrective Action Report for the following unmet targets as reflected in the respective Functional Quality Objectives and Quality Objective Monitoring and Evaluation Report (QOMER):

MANAGEMENT REPLY

IPD will submit an updated QOMER reflecting 90% Obligation and Disbursement.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

2. There were targets reflected in the FQO that may not be attainable nor were they directly attributable to the implementation of the projects of the IPD:
 - a. 5,725,283 International Visitors from TPB Key Markets. Broken down as follows:
NAD: 3,357,838, ASPAC: 862,305, TAD: 1,133,040, EAMI: 372,000
 - a. 100% Implementation of Planned Marketing and Promotional Programs. Based on the approved 2024 Work and Financial Plan:

MANAGEMENT REPLY

We strongly agree with the observation that this target should not only be attributable to IPD but at least with the help of MICE and MARCOM Departments. During the SPMS FGD last 13 March 2025, suggestions were made to include this in the OPCR of the three departments instead of just IPD.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

MANAGEMENT REPLY

Further, since the target setting is % the Department of Tourism (DOT) and done strategically as part of the National Tourism Development Plan, these numbers were forecasted for five years based on assumptions at the time of target setting.

Given that the tourism industry is vulnerable to different factors, particularly politics, safety and security, visa restrictions, and air service disasters, immediate adjustment of set targets is a challenge. Further, TPB has no power to set visitor arrival targets but, as an attached agency of the DOT, has to comply and support its mother agency



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

3. The expected Projected Economic Impact for the following PPAs was not achieved.

Projects	Projected Economic Benefits	
	Per PBF	Per Terminal Report
Australian Agents Familiarization Trip	3156.00%	983.93%

- There was a decrease in the number of actual participants as compared with targets from 10 to 6 agents, and there was no data about Media participants during actual implementation.
- The factors used in the computation of the PEI in the Terminal Report were different compared to the factors used in the PBF, particularly the ADE and ALS.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

MANAGEMENT REPLY

The lower-than-targeted number of participating agents was due to unforeseen scheduling conflicts and last-minute withdrawals by some invitees. Despite efforts to secure full participation, some agents were unable to attend due to business commitments and personal constraints.

Additionally, the lack of data on media participants was due to the decision made by TPB and PDOT Sydney to organize a separate familiarization trip specifically for media participants, which took place from 29 to 31 October 2024. The team recognized that combining media and agents in a single trip would not be ideal, as they have distinct priorities and objectives in their participation.

Management Action:

1. Strengthen coordination with invited agents and secure early confirmations to minimize last-minute cancellations.
2. Establish backup participants to ensure the target number is met, such as DOT OO creating a waitlist of possible participants in case of last-minute cancellations.
3. Maintain the practice of conducting separate familiarization trips for travel agents and media to ensure tailored experiences that align with their distinct priorities and objectives. ASPAC Division (A/DC, PO) TPB-



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

3. The expected Projected Economic Impact for the following PPAs was not achieved.

Projects	Projected Economic Benefits	
	Per PBF	Per Terminal Report
Taipei Tourism Expo (TTE) 2024	62,967.30%	871.7%

- The factors used in the computation of the PEI in the Terminal Report were based on the report provided by DOT Taipei and the formula stated in the PBF was no longer used.

MANAGEMENT REPLY

The variation in the computation of the PEI stemmed from adjustments made in the Terminal Report to reflect actual figures during project implementation. The values for ADE and ALS in the PBF were based on pre-event estimates, whereas the Terminal Report used updated figures based on actual outcomes.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

MANAGEMENT REPLY

The Management will take the following actions:

1. *Standardize the methodology for calculating PEI across all reports to ensure alignment between PBF and Terminal Reports.*
2. *In case of significant difference due to FOREX differentials, reflecting two computations using the rate utilized in the PBF and the prevailing rate at the time of the preparation of the terminal report.*



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

3. The expected Projected Economic Impact for the following PPAs was not achieved.

Projects	Projected Economic Benefits	
	Per PBF	Per Terminal Report
Media and Influencers Familiarization Trips: Bicol and Metro Manila; CHINA	1,810.00%	1,594%

- The factors used in the computation of the PEI in the Terminal Report were different compared to the factors used in the PBF.
- Inconsistency in the application of the foreign exchange rate in the PBF. (55 and 57)
- The PEI is computed separately in the PBF for Beijing and Shanghai, while in the Terminal Report, the PEI is computed as one based on the consolidated revenue/media mileage.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

MANAGEMENT REPLY

The assigned Project Officers applied different foreign exchange rates—one used the DBM rate, while the other used the actual rate. This discrepancy has been noted, and the team will ensure alignment in the application of foreign exchange rates moving forward.

Furthermore, the team will maintain consistency in reporting the Return on Investment (ROI) and/or projected economic impact, ensuring alignment between the Project Brief Form and the Terminal Report.

Action Plan:

Ensure consistency by standardizing the foreign exchange rate used in preparing the Project Brief Form. Moving forward, project officers will use the DBM-circularized forex in the preparation of PBF and BBF and budget for forex differential should there be a need.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

4. Inconsistencies in establishing the expected benefits, specifically, the PEI / ROMI as stated in the Project Brief Form but not reported/presented in the Terminal Report

PPAS	Implementation Period	PEI/ROMI	
		Per PBF	Per Terminal Report
Philippine Travel Exchange (PHITEX 2024)	3-12 September 2024	455.56 %	No ROI %
Tokyo Media and Influencers Familiarization Trip	14-18 October 2024	515.00%	



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

MANAGEMENT REPLY

The Expected Benefits such as Actual Sales Leads Generated, Media Mileage, Sponsorship and Participation Fees collected were presented in the Terminal Report, but not in percentage. This was due to the revisions in the format of the Terminal Report, where specific benefits are to be enumerated.

Moving forward, the team will consider presenting both the PEI and the actual benefits generated from the event.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

5. The issuance Office Order 2024-068D dated 07 August 2024 and all other issuances giving provisions and entitlement to claim overtime service pay and other allowances commensurate to the ranks of TPB personnel involved in the implementation of PHITEX 2024 from CSC- DBM Joint Circular No. 2 Series of 2015 dated 25 November 2015 stipulated the following:

"Government Officials and Employees Who are Not Authorized to Render Overtime Services with Pay or Compensation

7.2. Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules, and regulations.

7.3. Those who are on travel status.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: IPD

MANAGEMENT REPLY

Due to the nature of the event wherein TPB invited foreign buyers, the provision of accommodation for the Secretariat is justifiable since we need to ensure the safety of the guests and to also monitor their movement. It is also expected that the Secretariat must be easily reachable in case guests encounter emergencies. Thus, the need for the Secretariat to be billeted in the same accommodation or at least a nearby venue.



IV. FOR INFORMATION



AUDIT RECOMMENDATIONS

1. Revisit and review the Functional Quality Objectives and consider incorporating the necessary applicable changes based on the deficiencies noted by this Office. Particularly, TPB Management should set targets that are achievable, quantifiable, and can be directly attributed to the existing PPAs of the IPD for the current year.

Furthermore, the TPB Management should consider acquiring the necessary tools and systems and collaborate/coordinate with other agencies of the government, to facilitate and enhance the collection of data and information on tourist arrivals to accurately attribute results to specific marketing campaigns and promotion projects.

MANAGEMENT REPLY

Based on several discussions with GCG, removing the targets for visitor arrivals is not possible. TPB can only reduce the weight of this target and distribute it to other metrics with targets that are under the control of TPB. Agree on identifying the target number of PAPs to be implemented within the calendar year, regardless of funding source.



IV. FOR INFORMATION



AUDIT RECOMMENDATIONS

2. Initiate the issuance of Corrective Action Reports for the unmet targets of the Department depending on the applicability and adherence to the ISO Documented Procedure and Standards.

MANAGEMENT REPLY

On the budget obligation and disbursement, based on the GCG circular, final accomplishment for the year should be submitted by April of the succeeding year, allowing adjustment on the Financial Reports. Taking note also of the circular of DBM, allowing continuing appropriation of 2024 COB, obligation and disbursement of IPD has increased and already met the target.

The team will prepare CAR for the unmet target of International visitor arrivals. Given that the report on the QOMER is met, adjustment on the FQO for FY 2025 will be made to reflect PAPs for implementation within the calendar year and include a note on PAPs to be implemented the succeeding year but funded, fully or partially, under the current year.



IV. FOR INFORMATION



AUDIT RECOMMENDATIONS

3. As reiterated, moving forward, the TPB Management should endeavor to strictly adhere to the regulatory guidelines on sound fiscal management and avoid the use of multiple funding sources for a single project that is implementable within a single fiscal year as this negates the normal budgeting process. Splitting of costs and expenses for one project may be construed as a circumvention of the budgetary rules and controls that may have repercussions as this violates the proper budget preparation and execution.

MANAGEMENT REPLY

Following cash-based budgeting and the nature of expenses of our PAPs, single fiscal year charging might be difficult to follow. Also, in consideration of the deadline of payment for events for implementation of the 1st quarter of the following year vis-a-vis the timeline of release of SARO, strictly adhering to this principle might put our participation in these events in jeopardy since we can not pay on time.



IV. FOR INFORMATION



AUDIT RECOMMENDATIONS

4. The TPB Management should consider establishing clear guidelines and standards in relation to the preparation, review and approval of Project Brief Form & Terminal Reports to ensure the following:

MANAGEMENT REPLY

The team already has a formula for calculating the PEI. Moving forward, the team will standardize the variables to be used to achieve a more accurate PEI and benefits computation.



IV. FOR INFORMATION



AUDIT RECOMMENDATIONS

5. For the succeeding implementation of the Philippine Travel Exchange (PHITEX), the TPB Management should consider incorporating a specific provision in the Guidelines for Overtime and Compensation that would justify the entitlement of Overtime Pay for the services rendered by TPB personnel beyond 8 hours, even if they were provided with other benefits and allowances such as meals and accommodation as this is prohibited per section 7.2 and 7.3 of CSC DBM Joint Circular No. 2 Series of 2015 dated 25 November 2015.

MANAGEMENT REPLY

Noted. Will relay to Administrative Department and PHRDD to consider in the preparation of Overtime Claim Guidelines. PHITEX Central Info



75 Relative to the significant discrepancy between actual tourist arrivals and
76 the targets set, Dir. Pelaez inquired whether the TPB should be responsible for
77 monitoring these figures. Mr. Tomoling clarified that the targets came directly
78 from the Department of Tourism (DOT), and initially, the entire target was
79 assigned solely to the International Promotions Division (IPD) instead of being
80 distributed among other departments, such as the MICE Department and DPD.
81 He added that a response had already been made to spread the targets across
82 departments to lessen the burden on IPD. Additionally, he reported that IPD
83 received a "Satisfactory" overall rating, with minor issues identified mainly in
84 administrative and reportorial areas, such as inconsistencies in Return on
85 Investment (ROI) formulas, terminal reports, and the need for standardized
86 documentation and computations. Dir. Pelaez stressed the importance of using a
87 single, consistent formula to avoid variances, to which Mr. Tomoling agreed.

88
89 ACOO Lozada inquired how targets are set, and Mr. Tomoling replied that
90 targets always came from the DOT. The latter explained that the Internal Audit
91 Office (IAO) flagged the issue because the tourist arrival target was neither
92 measurable nor realistically attributable to specific TPB projects. He added the
93 difficulty in establishing a direct connection between tourist arrivals and specific
94 TPB initiatives, especially in the absence of tools like an online survey that could
95 confirm whether a tourist came to the country because of an IPD project. To
96 address this challenge, the tourist arrival target will instead be distributed among
97 three departments, based on the capacity of each to generate tourist arrivals
98 through their respective projects.

99
100 ACOO Lozada asked whether there are instances where the TPB reported
101 a different or higher number of tourist arrivals compared to the figures projected
102 by the DOT. Mr. Tomoling explained that the tourist arrival targets always
103 originate from the DOT, as it holds the comprehensive view of national tourism
104 goals and is responsible for allocating targets among agencies. He added that the
105 TPB does not have the authority to independently set or adjust these figures. He
106 also mentioned that the target assigned to TPB is somewhat higher than expected.
107 Mr. Tomoling further explained that TPB currently lacks the mechanisms and
108 tools necessary to measure tourist arrivals on its own.

109
110 Dir. Pelaez commented that TPB's role is to ensure that the targets set by
111 DOT are met, through breaking down and distributing the targets among
112 departments to make them achievable.

113
114 There being no further comments and/or concerns raised, the Committee
115 noted the report and proceeded to the next item in the agenda.

116 117 118 IV.C. RESULT OF THE OPERATIONS AUDIT: MICE DEPARTMENT

119
120 Mr. Tomoling reported the matter, as follows:

IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATIONS AUDIT MICE

1. Based on the sixteen (16) samples of Program/ Projects/ Activities that were subjected to an audit,
 - a. All sample PPAs were supported with the approved Project Proposal / Brief Forms, Budget Breakdown Forms, Project Procurement Management Plan and Work Financial Plan.
 - b. All sample PPAs were compliant in terms of the signatories and approval as required by the Manual of Signing Authority and the Revised Consolidated Signing Authority; under Board Resolution No. 447 s. 2024.
2. The department has faithfully prepared quarterly the Quality Objectives Monitoring and Evaluation Report which is the basic monitoring control mechanism used and implemented by the management to evaluate and measure performance targets as reflected in the Functional Quality Objectives.



IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATOPNS AUDIT MICE

3. Non-recurrence of the prior year's deficiency:
 - a. The PBF, PPF, Post-Event Report and Terminal Report of all samples were dated in terms of the preparation, review and approval.
 - b. Although the deadline for the submission of the self-issued Corrective Action Report has not yet been set by the CPBD, the M.I.C.E. Department has proactively initiated its preparation in response to the unmet FQO target of 90% for Disbursements Subsidy Budget Utilization Rate.
4. Six (6) out of the seven (7) FQO Targets were met, as validated and reviewed by respective concerned officers and approved by the Quality Management Representative:



IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATIONS AUDIT MICE

5. Timeliness and compliance with the ISO-Documented Processes were observed relative to the processing of the following documents and records:
 - a. Timely preparation of the following Project Brief Forms / Project Proposal Forms:
 - b. The Terminal Reports of the six sample projects were submitted **within sixty (60) days**, in compliance with Step no. 5 of the QOM -MPRO-02 or Conduct of International Business / Sales Mission
 - c. The Post-Event Reports of the six sample were submitted **within thirty (30) working days**, in compliance with Step no. 6 of the ISO-Documented Process QOM-MPRO-06 or Assistance to Booked Events:



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

1. There was an inconsistency in the setting of targets and reporting as the Project Brief Form did not include any projected financial/economic benefits while the Terminal Report reported a Return on Marketing Investment.

As per the ISO documented procedure, *Participation in Travel Trade, MICE, and consumer Fairs* (QO-MPRO-03), the expected outputs for these kinds of projects are in terms of Business Leads Generated and Media Mileage, thus it is more prudent to set a baseline target as basis for measuring the performance success relative to its implementation.

AUDIT RECOMMENDATION

Henceforth, the M.I.C.E. Department should consider incorporating in the Project Brief Form a **conservative Projected Economic Benefits (PEI) or ROMI** in terms of the business sales lead generated based on historical data, as a metric for measuring the effectiveness and ensuring accountability of the project implementation.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

MANAGEMENT REPLY

We acknowledge that our PBF for the MICE Trade Shows did not include projected benefits, as the ROMI can only be determined after engaging with actual buyers. This assessment requires detailed discussions on their potential leads for the Philippines, including key information such as the type of MICE Event being planned, the estimated number of participants and the duration of the event. Given these variables, it is challenging to establish an accurate financial projection or ROMI estimate in advance.

However, as discussed during the exit meeting, the MICE Department will make a concerted effort to include a conservative projected ROMI in future PBFs, leveraging historical data from previous trade shows.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

2. The expected Return on Marketing Investment and target foreign participants reported in the Project Proposal Form for the following booked events was not achieved as presented below:

Event	Approved Budget Amount (PHP)
6th WVPA Asia Meeting Manila	100,000.00
18th Asia Pacific Congress of Pediatrics	200,000.00
World IKAT Textile Symposium	400,000.00
8th International Conference on Children and Young Adults Librarianship (ICYAL)	26,640.00
Pacific Region Investment Conference	250,000.00

As per verification with MICE Project Officer, the projected number of attendees stated in the Project Proposal Form was derived from figures provided by the proponents, resulting in a higher ROMI projection. However, the decrease in ROMI after the event was attributed to lower-than-expected actual attendance.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

AUDIT RECOMMENDATION

Moving forward, the MICE Department may consider **adopting a more conservative approach** in setting an attainable target for the expected Return on Marketing Investment that should be based on historical data. This is also to align the evaluation process and decision-making in terms of the project cost to ensure that financial assistance is granted based on realistic projections.

MANAGEMENT REPLY

We acknowledge that the target ROMI for the aforementioned projects was not fully achieved. It is important to note that the ROMI indicated in PPF is an estimated figure based on the target number of delegates provided by the event proponent. However, this does not guarantee that the actual ROMO will align with the projected target, as event attendance is beyond our control. Our role is to provide support and enhance the events success, but the responsibility for event promotion and audience turnouts lies more with the event organizers.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

MANAGEMENT REPLY

Setting an attainable target for the expected ROMI based on historical data is not feasible for booked event, as these events are non-recurring and vary significantly in nature and requirements. Each event we support is unique, and we receive a diverse range of proposals, making it impractical to establish a standardized target across all events. Furthermore, our projection heavily depend on the estimated number of participants, which can only be provided by the event proponents.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

3. Implementation of MICECON 2024:

Implementation Period	10 – 12 July 2024
Approved Budget	Php 39,000,000.00

3.1. The target number of delegates for MICECON 2024 was not achieved, and the actual breakdown of attendees was not included in the Terminal Report.

Target Participants			Actual Delegates
TPB	CDC	Total	
275	310	585	492



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

AUDIT RECOMMENDATION

The M.I.C.E. Department may consider revising the format of the target participants in the PBF by reflecting total target number of delegates across all sectors rather than individual targets per sector to provide the M.I.C.E. Conference Registration Committee a greater flexibility during the registration process, allowing them to reallocate participant numbers across sectors as needed to ensure that the overall delegate target is achieved. However, internally, the MICE Department may set specific individual targets per sector for monitoring purposes.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

MANAGEMENT REPLY

This is duly noted and we appreciate the kind suggestion from IAO team.

Moving forward, we will revise the format for target participants to reflect only the total target number across all sectors, rather than specifying individual targets per sector. Sector targets will be set and Manager-monitored internally for tracking purposes only.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

3.2. There was no available duly executed Memorandum of Agreement (MOA) between the Tourism Promotions Board and Clark Development Corporation (CDC) as the host destination, relative to the implementation of MICECON 2024.

Consequently, the absence of a MOA has contributed to the inconsistency in the assigned responsibilities to the CDC which is a mandatory requirement of the Host Destination as outlined in the 2024 Philippine M.I.C.E. Conference Bidding Procedures. As such, these obligations are non-negotiable and should have been included in the MOA as part of the duties and responsibilities of the Host Destination



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

Per MICECON 2024 Bid Document	Per PBF
The Host Destination for MICECON 2024 shall implement / organize the following: <u>Post Conference Focused Education Seminars</u> Venue rental with applicable AV and Technical Requirements <ul style="list-style-type: none">Food & Beverage Service for the 2-3 Days SeminarsHotel Accommodation of Speakers and TPB Representatives	The post-conference Focused Educational Seminar will be organized by the TPB MICE Department in partnership with the Host Destination XX This inconsistency is evidenced by the procured services of a tour operator amounting to Two Hundred Ninety-Four Thousand Eight Hundred Eighty-Eight Pesos (P294,888.00) with Purchase Order no. 2024-12-266.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: MICE

AUDIT RECOMMENDATION

The M.I.C.E Department and concerned MICECON Committees may consider the following recommendations:

1. After the bid evaluation process, there should be a series of alignment meetings or conferences between the TPB and the Host Destination to discuss and agree on all terms and conditions, deliverables, responsibilities, and commitments for both parties in preparation for the execution of a Memorandum of Agreement.
3. Should endeavor that the TPB and the Host Destination should execute a MOA prior to the project implementation to have a legally binding agreement. Furthermore, it would be more beneficial if a perfected MOA would be treated as a prerequisite requirement before the declaration of the next MICECON Host Destination.



IV. FOR INFORMATION



MANAGEMENT REPLY

1. Moving forward, the MICE Department will ensure that alignment meetings are conducted between TPB and the Host Destination to thoroughly discuss and finalize all terms and conditions, deliverables, responsibilities and commitments of both parties. These meetings will serve as a crucial step in ensuring that all aspects of the partnership are clearly defined before the execution of the MOA. Furthermore, the MICE Dept. will make it a standard practice to have a legal representative from TPB present during these discussions to help address any legal considerations, ensure compliance with regulations and provide guidance on contractual obligations.
2. The TPB shall endeavor to finalize and execute MOA prior to the project implementation. We would also explore the possibility of signing the MOA with the host destination prior to the formal announcement of the next MICECON Host Destination



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Dir. Pelaez inquired whether the Legal Department was involved and consulted, especially in reviewing Memorandum of Agreement (MOA) and other financial documents tied to events, such as the MICE Convention (MICECON). In response, Mr. Tomoling explained that a separate audit for the Legal Department

is scheduled later that same week. However, Dir. Pelaez emphasized that legal representatives should still be involved in discussions related to financial transactions and agreements, given their critical oversight role. Mr. Tomoling then shared that the MICE Department was given a "Satisfactory" rating overall, though the lack of a MOA for MICECON is a significant deficiency in terms of internal controls. Dir. Pelaez commented that the rating should be "Needs Improvement" rather than satisfactory. Mr. Tomoling explained that the rating is based on the number of material findings, and there was only one major issue, which still allowed for a satisfactory rating based on their metrics.

ACOO Lozada commented that Management's response is clear in recognizing the need for improvement. He added that the audit committee's observations have been taken into account and that, based on the Management's experience, even minor details must be addressed before making any public announcements. He expressed hope that such issues would be resolved in advance moving forward.

Asec. Mendoza added that the findings mostly highlighted documentation lapses, which should have been addressed under International Organization for Standardization (ISO) standards. He stressed that all processes must be properly documented prior to implementation, as per ISO guidelines. Dir. Pelaez suggested including in the observation the missed opportunity to use the existing ISO standards, to which Mr. Tomoling noted.

There being no further comments and/or concerns raised, the Committee noted the report and proceeded to the next item in the agenda.

IV.D. RESULT OF THE OPERATIONS AUDIT: DOMESTIC PROMOTIONS DEPARTMENT

Mr. Tomoling presented the matter, as follows:

IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATION AUDIT-DPD

1. Based on eighteen (18) samples of Program/ Projects/ Activities that were subjected to an audit,
 - a. All sample PPAs were supported with approved Project Proposal / Brief Forms, Budget Breakdown Forms, Certificate of Funds Availability, Work Financial Plan and Project Procurement Management Plan.
 - b. 17 out of 18 sample PPAs were compliant in terms of the signatories and approval as required by the Manual of Signing Authority.
 - c. 16 out of 18 PPAs achieved a budget utilization rate of ninety percent or higher:



IV. FOR INFORMATION



POSITIVE FINDINGS: OPERATION AUDIT-DPD

2. The department has faithfully prepared quarterly the Quality Objectives Monitoring and Evaluation Report for CY 2024, which is the basic monitoring control mechanism used and implemented by the management to evaluate and measure performance targets as reflected in the Functional Quality Objectives.
3. The management has exhibited supportive leadership towards the conduct of the audit, which is a manifestation of a functional internal control system of TPB.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

1. There was no available self-issued Corrective Action Report for the four unmet FQO targets as reflected from the Quality Objective Monitoring Evaluation Report.

AUDIT RECOMMENDATION

Initiate the issuance of self-issued Corrective Action Reports for the unmet targets of the Divisions, depending on the applicability and adherence to the ISO Documented Procedure and Standards.

MANAGEMENT REPLY

The DPD is awaiting approval of the CAR. The draft CAR have been uploaded in the google drive



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

2. There was no Economic Benefit or Return on Marketing Investment reflected in the Project Brief Form nor in the Terminal Report. Thus, the evaluation on the efficiency of the implementation and measurement of returns on the cost invested cannot be ascertained.
 - Domestic Tourism Invitational Program 2024 – Bicol
 - Tourism Marketing Educational Seminar - Roxas City
 - El Nido B2B Synergy and Networking 2024
 - Himala sa Buhangin! Arts and Music Festival

AUDIT RECOMMENDATION

Henceforth, the DPD should consider establishing a clear procedure/guideline on incorporating the projected or targeted Economic Benefits or ROMI to ensure a clear basis for measuring the effectiveness of initiatives and ensuring accountability in project implementation.

MANAGEMENT REPLY

The DPD has taken note of the findings. As part of the action plan, the DPD will ensure proper documentation and inclusion of the actual ROMI in both PPF and Terminal Report



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

Program/Project Activity	Tourism Marketing Educational Seminar - Roxas City
Implementation Period	17-21 October 2024
Approved Budget	P 8,000,000.00

2. The Purchase Requests and Project Brief Form were not compliant in terms of the signatories as the requesting unit required under the Manual of Signing Authority as presented:

Description	Per MOSA		Per Purchase Request
	Amount	Requesting Unit	
Service Provider to design and implement the tourism marketing educational program	P 1,650,000.00	Deputy COO / Acting DCOO / OIC DCOO of the concerned sector	Manager, Domestic Promotions Department
	(Above P 1,000,000.00)		
Service of a tour operator for the implementation of the conduct tourism marketing educational program	P 6,340,000.00	Deputy COO / Acting DCOO / OIC DCOO of the concerned sector	Manager, Domestic Promotions Department
	(Above P 1,000,000.00)		

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

Per MOSA	Per Project Brief Form
Approved for Endorsement	Prepared by:
Department Manager / acting Head / OIC	Chief, Sales Division
	Domestic Promotions Department

AUDIT RECOMMENDATION

1. To maintain sound internal control, the DPD must strictly adhere to the provisions outlined in the Manual of Signing Authority. Failure to do so may set a precedent for potential circumvention of TPB's internal guidelines.

MANAGEMENT REPLY

To carefully check and follow the provisions outlined in the MOSA this current year.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

Program/Project Activity	El Nido B2B Synergy and Networking 2024
Implementation Period	21-24 October 2024
Approved Budget	1,954,978.30

1. There was no Return on Marketing Investment reflected in the Project Proposal Form nor in the corresponding Terminal report, thus the expected P600 Thousand ROMI which was one of the criteria and bases in approving this project cannot be evaluated nor substantiated if this was achieved.

AUDIT RECOMMENDATION

1. To ensure accurate evaluation of project implementation, incorporate a conservative ROMI estimate—derived from historical data like business sales leads—into the Project Brief Form. This will serve as the baseline for measuring implementation effectiveness.
2. Additionally, document the actual ROMI achieved from the implementation and include it in the Terminal Report as this will allow sound project evaluations based on the expected benefits/targets.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

MANAGEMENT REPLY

The DPD has taken note of the findings. As part of the findings. As part of the action plan, the DPD will ensure proper documentation and inclusion of the projected ROMI through the use of the updated PPF and Terminal Report.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

Program/Project Activity	Philippine Travel Mart 2024
Implementation Period	6-8 September 2024
Approved Budget	4,300,000.00

The Post Event Report, Liquidation Reports, and other documents for the processing of reimbursements were not submitted to the TPB by the Philippine Tour Operators Association, Inc. (PHILTOA) within sixty (60) days after the completion of the project which is not compliant with section B7, Article II of the Memorandum of Agreement.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

AUDIT RECOMMENDATION

The Project Officers should follow up with PHILTOA on the submission of the Liquidation Report for the processing of reimbursements as the sixty (60) day period per section B7, Article I of the Memorandum of Agreement has already lapsed.

Moving forward, the DPD should closely coordinate with and monitor the proponent to ensure the timely submission of all required documents. TPB Management reserves the right to deny future requests for financial assistance if non-compliance continues, as it adversely affects TPB's budget utilization and absorptive capacity.

MANAGEMENT REPLY

The Project Officers should follow up with PHILTOA on the submission of the Liquidation Report for the processing of reimbursements as the sixty (60) day period per section B7, Article I of the Memorandum of Agreement has already lapsed.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

MANAGEMENT REPLY

The DPD consistently follows up on the submission of post event report. However, given the nature of the event and the need to collate comprehensive data such as sales leads, business projections, media values, and promotional mileage, the proponent may require additional time to complete the report within the 60-day period stipulated in the MOA.

As this delay is beyond the control of the TPB, rest assured that the payment will not be released until the complete post-event documentary requirements have been duly submitted, reviewed, and validated in accordance with the provision of the MOA and government accounting rules and regulations.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

Program/Project Activity	Regional Travel Fair- Roxas 2024
Implementation Period	17-21 October 2024
Approved Budget	13,500,000.00

The reimbursement vouchers form used for all forty-nine (49) ticket reimbursements were not signed as approved by the Disbursing Officer prior to the release of ticket reimbursements.

AUDIT RECOMMENDATION

To ensure that this deficiency will not recur in the next RTF implementations, the DPD should ensure that the assigned Special Disbursing Officer/ Approving Officer is physically present during the reimbursement process. This will allow them to sign and approve the Forms/Vouchers before funds are released to the delegates/buyers.

MANAGEMENT REPLY

The DPD has taken note of the finding and will apply the recommendation to ensure that deficiency will no longer recur in the succeeding RTFs.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

Program/Project Activity	Grand Destination Music Festival: Lany Concert (Partnership with Live Nation Philippines)
Implementation Period	13-15 October 2024
Approved Budget	100,000,000.00

1. The following documents were not available.

Particulars	Lacking Documents
100 million Contract	TPBs Written Notice to LNPH for the execution of addendum agreement at least 60 calendar days prior to the expiration of the first MOA/Addendum Agreement. (section 1 of Article IV of the 1 st MOA)
160 Million Pesos	TPBs Written Notice to LNPH for the renewal of the partnership at least 60 calendar days prior to the expiration of the first MOA/Addendum Agreement. (section 1 of Article IV of the 1 st MOA)

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

AUDIT RECOMMENDATION

The DPD should exercise extra due diligence in verifying the compliance of the documentary requirements before an addendum agreement or renewal of the contract is executed to avoid any legal complications.

MANAGEMENT REPLY

For succeeding similar projects, the DPD will exercise diligence in following the timeline in the execution of the addendum agreement or renewal especially for unforeseen cases.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

2. Based on the concert proposal submitted by LNPH, the total budget for the partnership is Two Hundred Sixty-Eight Million Pesos (PHP268,000,000.00), wherein TPB shall contribute One Hundred Million Pesos (PHP100,000,000.00), and One Hundred Sixty-Eight Million Pesos (PHP168,000,000.00) for LNPH.

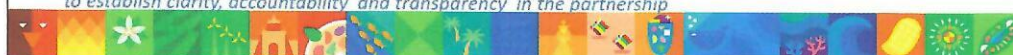
However, the Memorandum of Agreement executed by the TPB and LNPH only indicates the financial contribution of the TPB in the total amount of P100 million and not from LNPH.

AUDIT RECOMMENDATION

To ensure that TPB financial contribution/share of the TPB reflects actual expenses, it is highly recommended that the financial contributions of both parties should be indicated in the Memorandum of Agreement as this establishes clarity, accountability, and transparency in the partnership. This information ensures all parties are on the same page regarding their respective investments and obligations.

MANAGEMENT REPLY

For succeeding similar projects, the DPD will include the financial contributions of both parties in the MOA to establish clarity, accountability, and transparency in the partnership



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

3. The terminal report from LNPH have several discrepancies as presented:

3.1. The terminal Report did not totally indicate the summary of expenditure covering the funds released to LNPH in the total amount as required in section 3 of article IV of the MOA. However, LNPH submitted a separate summary of expenses with the following breakdown:

AUDIT RECOMMENDATION

For future partnerships, we recommend including a clause in the MOA that requires the submission of a detailed expense report as part of the Terminal Report and to ensure that the funds transferred to the other partner are being utilized solely for its intended purpose only. Any unexpended therein after the implementation should be returned to the TPB.

Likewise, considering the materiality of the amount, the DPD may include a provision allowing the Internal Audit Office to conduct an audit of these expenses after the implementation.



IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

MANAGEMENT REPLY

For future partnerships, TPB should request the proponent for a detailed breakdown of the expense report. Consider the IAO to conduct audit of these expenses after the implementation.

3.2. There was a discrepancy in the total amount of declared actual/earned media values as the figures reported from the Bulacan Concert match and the same from Cebu's Concerts.

Furthermore, there was no available document to show how the actual/earned media values from these activities were collected, monitored and analyzed to arrive with the figures reported and declared in the terminal reports submitted by LNPH.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

Actual Deliverables

Work Deliverables	Particulars	Actual ROI/Media values: Lany Concerts	
		12 October 2024 Bulacan	13-15 October 2024 : Cebu
Pre-Event Announcement Per Concert Show	Posting of Logo in LNPH Social Media	48,800,000.00	48,800,000.00
Media Familiarization Trip	Invite 5 Media	14,500,000.00	14,500,000.00
Radio Plug	Pre-event announcement	14,000,000.00	14,000,000.00
Paid Ads on Live nations Social Media	Boosting of ads for amplication	3,000,000.00	3,000,000.00
Posters	1 led 1 billboard	20,000,000.00	20,000,000.00
Airport, Seaport and City Add	Billboard	14,000,000.00	14,000,000.00
Show days Placement	1 info booth	13,500,000.00	13,500,000.00
Show Days Activation	Pf LTP AVP	60,000,000.00	60,000,000.00
Total		187,800,000.00	187,800,000.00

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPDCE

AUDIT RECOMMENDATION

The DPD should request the LNPH to submit a revised Terminal Report that include a detailed breakdown of Media Values, substantiated by verifiable documents and records to ensure that the projected benefits are realized and that TPB's investment in this partnership yields tangible returns.

MANAGEMENT REPLY

The TPB will request LNPH to submit a revised Terminal Report that includes a detailed breakdown of the Media Values and its computation for the Lany Concerts in Bulacan and Cebu.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

3.3. The Addendum Agreement was executed even if the original Memorandum of Agreement of the partnership has already expired. Consequently, the 3rd concert for the Musika para sa Bikol: Himig ng Bayanihan held in Albay Bicol on 06 December 2024 was conducted beyond the validity of the partnership as the addendum agreement did not stipulate extension of the implementation period.

Partnership Duration/Expiration	TPBs Approval on the Request for Amendment	MOA Execution	Per Article IV: General Provision of the MOA
16-Oct-24	21-Nov-24	25-Nov-24	TPB shall have the option to extend or renew this agreement for another term provided that it shall send a written notice to the LNPH of the renewal or extension at least sixty (60) calendar days prior to the expiration of the agreement or any extension thereof.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

Program/Project Activity	Philippine Motorcycle Tourism (PMT):
Implementation Period	Year-Round
Approved Budget	P 3,650,000.00

There was no available established guideline or procedure outlining the criteria and process on how the proponents listed in the Project Brief Form and Project Procurement Management Plan was pre-determine or selected as eligible to receive assistance under the Philippine Motorcycle Tourism (PMT) program.

Consequently, this has resulted in a lack of basis for assessing whether the reported ROMI reflects the effective outcome of the project implementation and whether the terminal reports were timely prepared and submitted.

IV. FOR INFORMATION



HIGHLIGHTS OF DEFICIENCIES: DPD

To ensure that the evaluation of eligibility and selection process of the proponents under the Philippine Motorcycle Tourism (PMT) Program is clearly defined and properly documented, the Domestic Promotions Department should establish a guidelines or procedure for the granting of assistance under the PMT Program in alignment with the TPB Unified Guidelines in the Availment of Financial Incentive/Support for Projects/Events that will be held in the Philippines and the ISO Process Assistance to Booked Events (QOM-MPRO-06).

Likewise, a PMT Evaluation Criteria Scoring Sheet shall be the basis in granting or denying the financial request and a mandatory attachment to the Project Brief Form., giving reference to the ISO Enrolled document, particularly QF-DPRO-16 Rev-01.

MANAGEMENT REPLY

Part of the approved PBF, the proponents were already identified based on the Clubs/Association's advocacy in the promotion of domestic tourism and safety riding initiatives. Moving forward, the DPD has taken note of the recommendation will endeavor to create guidelines in selecting proponents for the PMT Program.

170 Dir. Pelaez inquired whether the Live Nation Philippines (LNPH) is a non-
171 governmental organization, to which Mr. Tomoling affirmed. Dir. Pelaez further
172 asked if this was TPB's first transaction with LNPH, and Mr. Tomoling replied in
173 the affirmative. He explained that the initial transaction involved Php 100 Million,
174 followed by a renewal of contract amounting to Php 160 Million, which shall be
175 implemented in the current year. Dir. Pelaez further inquired whether LNPH
176 received any briefing on proper liquidation procedures. Mr. Tomoling confirmed
177 that this issue is part of the audit findings; and added that the liquidation
178 submitted was merely a summary, which lacked the necessary details for proper
179 verification or substantiation. Dir. Pelaez asked why such a submission was
180 approved despite the lacking details, and Mr. Tomoling replied that it was
181 approved by the Management. The former instructed to include this issue in the
182 Audit Committee's observations, to which Mr. Tomoling noted.

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184 Asec. Mendoza commented that the IAO presented the highlights of
185 deficiencies as their findings, along with audit recommendations and the
186 Management's reply. He inquired whether the Management Reply is considered
187 as their official corrective actions and asked if there are timelines in place for
188 implementation. Mr. Tomoling replied that there is an audit follow-up, which is
189 scheduled six months after the initial findings to verify if the action plans are being
190 carried out. He added that there are some with specific timelines, such as
191 submission of corrective action reports or those for signatures, which could be
192 validated sooner. However, Mr. Tomoling added that for issues that could no
193 longer be rectified from past events, validation would occur in the next audit
194 cycle. Dir. Pelaez noted and mentioned that reports from events in Bicol and Cebu
195 merely seemed copied from one pasted to another. Mr. Tomoling confirmed that
196 the LNPH submitted reused media value reports from earlier concerts, despite
197 handling entirely different events. Dir. Pelaez commented that it is a similar
198 situation to a past controversy involving the Buhay Carindera project.

199
200 There being no further comments and/or concerns raised, the Committee
201 noted the report and proceeded to the next item in the agenda.

202 203 204 V. OTHER MATTERS

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206 There were no matters and/or concerns raised by the Committee.

207 208 209 VI. SCHEDULE OF NEXT MEETING

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211 The proposed Regular Audit Committee Meeting is scheduled on 30
212 September 2025, 10:00 am - 12:00 pm via Zoom Application.

VII. ADJOURNMENT

The meeting was adjourned at 11:23 am.

Prepared by:



ATTY. JEMIMAH NISSI M. TIAMBENG
Board Secretary V^{LB}

Approved by the TPB Audit Committee:



EDUARDO F. PELAEZ

Chairperson, TPB Audit Committee
Appointive Director (Other Tourism Enterprises) and
President, Mapawa Nature Park



JETRO NICOLAS F. LOZADA

Vice-Chairperson, TPB Audit Committee
Alternate Member of the Board of Directors and
Assistant Chief Operating Officer, Tourism Infrastructure and Enterprise Zone Authority



CAPT. DONALDO A. MENDOZA

Alternate Member, TPB Audit Committee
Alternate Member of the Board of Directors and
Assistant Secretary, Department of Transportation