**STATUS OF IMPLEMENTATION OF PRIOR YEARS’**

**AUDIT RECOMMENDATIONS**

Out of 14 audit recommendations embodied in the CY 2021 Annual Audit Report, 10 were fully implemented and four was partially implemented. The observations with partially implemented recommendations are presented below:

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| --- | --- | --- | --- |
| **References** | **Audit** | | **Status of Implementation** |
| **Observations** | **Recommendations** |
| CY 2021 AAR AOM No. 1 Pages 39 to 41 | The faithful representation of the balance of Accrued Expenses account amounting to P44.873 million as at December 31, 2021 was not established due to unreconciled variance of P11.292 million between the payable to LBP in OFB books and receivable from OFB in LBP books. | Reconcile the variance between the payable to LBP in the OFB books and the receivable from OFB in LBP books, and prepare the necessary adjusting entries to correct the balances of the Accrued Expenses and other affected accounts as at December 31, 2021. | Partially implemented.  Out of the P11.292 million noted unreconciled variance between LBP books and OFB books, only P1.123 million remains unreconciled variance as at December 31, 2022. |
| CY 2021 AAR AOM No. 2 Pages 41 to 43 | The faithful representation of the balance of Miscellaneous Assets account amounting to P10.839 million as at December 31, 2021 was not established due to the inclusion of assets amounting to P3.051 million not supported with documents to ascertain its existence. | Sustain representation efforts and other appropriate actions taken for the refund to OFB of the payments of security deposits and advance rentals to the lessors and utility companies amounting to P3.051 million. | Partially implemented.  As at December 31, 2022, the security deposits and advance rentals to the lessors and utility companies still for refund amounted to P1.947 million. |
| CY 2021 AAR AOM No. 3 Pages 43 to 46 | Accounts Payables- Others totaling P6.376 million were left outstanding from over one year to 15 years and against which no actual claim, administrative or judicial, has been filed or for some payables are not covered by perfected contracts on record due to the absence of guidelines on their settlement or disposition, contrary to Section 98 of Presidential Decree (PD) No. 1445. | Complete the validation of records and supporting documents of salary loan payments, performance bond/bid security and other payables, including payables with negative balances, and process their disposition or settlement. | Partially Implemented.  As at December 31, 2022, the total amount of P217,503 have been resolved/ adjusted; P0.990 million remained unreconciled, while P5.168 million were reconciled and validated with records and supporting documents by Management and are for reversal to Miscellaneous Income, pursuant to the Bank’s approved guidelines. |
| CY 2021 AAR AOM No. 4 Pages 46 to 49 | Receivables amounting to P1.463 million aged over one year to 21 years were not collected due to the absence of OFB policies and guidelines in handling receivables contrary to Section 2 of PD No. 1445 and COA Circular No. 2016-005. | Evaluate and identify dormant receivable accounts in which collectability proved to be futile after exhausting all possible means to collect and file a request for authority to write-off to the Commission on Audit pursuant to COA Circular No. 2016-005; and | Partially Implemented.    The total amount of P4,276 was collected in January 2023, while P0.877 million outstanding for over 11 years and collectability proved to be futile, were recommended for write-off in March 2023. |