

EXECUTIVE SUMMARY

A. Introduction

The Presidential Management Staff (PMS) was formerly the Development Management Staff (DMS) was created under the Executive Order (EO) No. 250 on July 29, 1970. The DMS was reconstituted and renamed the PMS on July 8, 1976 through Presidential Decree (PD) No. 955. On January 30, 1987, PMS was reorganized under EO No. 130.

PMS is the primary government agency directly responsible to the Office of the President for providing staff assistance in the presidential exercise of overall management of the development process.

As the staff arm of the Presidency, PMS conducts researches for the management and strategic implementation of the programs, projects and priorities of the President. Over the years, PMS' mandates evolved according to the day-to-day and long-term needs of the Presidency.

Pursuant to EO No. 130, s. 2016, the PMS supports the Presidency through direct staff support and assistance to the Special Assistant to the President, the Executive Secretary, and the Cabinet Secretary.

As of December 31, 2019, PMS had a total manpower of 445 consisting of two Undersecretaries, seven Assistant Secretaries, 268 permanent/regular employees, six co-terminus, 168 contracts of service personnel, and four Consultants.

The PMS registered office address is at Arlegui Street, San Miguel, Manila. It has 16 Regional Fields Units (RFUs) headed by Team Leaders and are located in the regions.

B. Operational Highlights

For the calendar year (CY) 2019, PMS being the primary government agency responsible for providing technical assistance to the Presidency and its accomplishment and advice to the President in exercising overall management of the development process. As the staff arm of the Presidency, PMS conducts researches for the management and strategic implementations of the programs, projects and priorities of the President. Over the years, PMS mandates evolved according to the day-to-day and long-term needs of the Presidency. The following table showed the operational highlights of the agency:

Organizational Outcomes/ Performance Indicator	Target Percentage	Accomplishments	
		Actual	Percentage of Accomplishments
Presidential Staff Support Program			
• Percentage of briefers and/or profiles for Presidential engagements submitted	100	7,541	100
• Percentage of directive monitoring reports submitted	100	12	100
• Percentage of Presidential engagement managed	100	27,707	100

C. Financial Highlights

For the CY 2019, the agency's financial position, financial performance and sources of utilization of funds with corresponding figures for CY 2018, are as follows:

Particulars	2019	2018 Restated
Financial Position		
Assets	219,083,658.76	167,768,798.07
Liabilities	21,340,462.87	20,740,924.59
Net Assets/Equity	197,743,195.89	147,027,873.48
Financial Performance		
Revenue	1,430,425.56	-
Current Operating Expenses	553,271,472.95	583,576,447.41
Net Financial Assistance/Subsidy	601,833,496.34	626,991,797.13
Gains	951,257.17	834,726.18
Losses	(228,383.71)	(5,324.44)
Surplus for the Period	50,715,322.41	44,244,751.46
Sources and Utilization of Funds		
Appropriations	759,486,637.52	693,846,987.00
Allotments	696,095,575.00	693,846,987.00
Continuing Appropriations	63,391,062.52	-
Obligations Incurred	664,697,240.55	628,848,558.56
Disbursements	582,058,740.35	583,595,020.44
Unobligated Allotments	94,789,396.97	64,998,428.44

Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) for CY 2019 is shown in Annex A.

D. Scope of Audit

The audit covered the accounts and operations of the PMS for the CY 2019. It was conducted to: a) ascertain the level of assurance that may be placed on the Management's assertion on the financial statements; b) determine the propriety of transactions as well as extent of compliance on the applicable laws, rules and regulations; c) recommend agency's improvement opportunities; and d) determine the extent of implementation of prior year's audit recommendations. Moreover, the audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs).

E. Auditor's Report on the Financial Statements

The auditor rendered an unqualified opinion on the fairness of the presentation of the financial statements as of December 31, 2019.

F. Summary of Significant Observations and Recommendations

The following are the audit observations and the corresponding recommendations that were discussed with the Management officials concerned, details of which are discussed in Part II of this report:

1. The procured five hundred Go Bags with detachable trolley or emergency bags totaling ₱3,101,500.00 for the PMS personnel and officials were heavy and bulky beyond the standard specifications of emergency kits, thus, their utility in response to emergencies may not be as intended.

We recommended and Management agreed to reevaluate the existing procured Go Bags to customize and standardize their contents particularly on the weight such that these can be used as intended in times of emergencies.

2. The Petty Cash Custodian (PCC) transferred a portion of her accountability to another officer who is not bonded in violation of the requirements of PD No. 1445 and COA Circular No. 97-002.

We recommended and Management agreed to:

- a. Include in the cash advance of the RFU Davao City the miscellaneous expenses in the operations of the Office for the Undersecretary for Presidential Support-Technical Close-in Team (OUPS-TCT) stationed in Davao City to minimize the incurrence of additional expenses in the transfer of funds and in the liquidation of cash advances; and

- b. Refrain from transferring cash advances of the PCC to another officer who is not bonded as accountability is not transferred to the transferee, but remain with the PCC.
3. Lack of a systematic monitoring tool on the submission of liquidation documents of concerned National Government Agencies (NGAs) and Government Owned and Control Corporations (GOCCs), resulted in the considerable delay in the release of the second tranche financial assistance of ₱481,826,322.42, for the 22,403 beneficiaries of the Typhoon Yolanda and Bohol earthquake since the program was launched in CY 2015. Further, the delayed conduct of the site inspection and validation of the houses of the affected beneficiaries may adversely affect the outcome of the Financial and Physical Performance Evaluations (FPPE) reports, which is basis for the release of the second tranche of the financial assistance.

We recommended that Management:

- a. Establish a systematic tool to monitor the submission of liquidation reports of the concerned government agencies for the financial assistance of the government personnel affected by Typhoon Yolanda and the 7.2 magnitude earthquake;
- b. Stringent measures should also be imposed to concerned government agencies who failed to submit of the liquidation reports; and
- c. Conduct the site inspection and validation immediately upon the evaluation on the completeness of the liquidation reports so that the full amount of the allotted financial assistance be released to help ease the lives of the victims.

G. Implementation of Prior Years' Recommendations

All the ten audit recommendations embodied in the 2018 Annual Audit Report were implemented. Details of which are discussed in Part III of this report.