



ACCOUNTING AND BUDGET DEPARTMENT

Quarterly Reports on Government Projects/Programs/Activities 4th Quarter, CY 2019

Name of Agency: Philippine Charity Sweepstakes Office

Business Address: 605 Conservatory Shaw Plaza Building, Shaw Boulevard, Mandaluyong City

Project: COMPUTERIZED ACCOUNTING SYSTEM

Location: PCSO – Main Office

Implementing Agency: Philippine Charity Sweepstakes Office

Cost: P/45,000,000.00

Development Partners:

Fund Source/s: Operating Fund

Contractor/Supplier: Exakt, Inc.

Brief Description of the Project:

The adoption of the Computerized Accounting System (CAS) seeks to address the growing needs for automation to improve operational efficiency, to have effective control over company assets and funds, and to produce reliable accounting reports as the basis for operating plan recommendations, implementation and control. The components/modules of CAS are General Ledger, Accounts Payable, Accounts Receivable, Fixed Assets, Inventory, Cash Management, Budget and Revenue Allocation. This project is divided into 5 Milestones, to wit:

- Milestone 1: General Ledger and Accounts Receivable
- Milestone 2: Cash Management, Fixed Assets, Inventory
- Milestone 3: Budget and Revenue Allocation
- Milestone 4: Integration of all modules
- Milestone 5: BIR Certification

Total Cost: P45,000,000.00

Project Details

| Project Date | | | | Project Status | | | | Remarks |
|--------------|--------------------------|--------------|---|--------------------------|--------------|-----------------------|----------------|--|
| | Duration | Started | Target Date of Completion | Percentage of Completion | As of (date) | Cost Incurred to Date | Date Completed | |
| 1 | October 2014 – June 2018 | October 2014 | September 2015 November 2015 March 31, 2016 September 30, 2016 | | | | | <ul style="list-style-type: none"> ● Supporting Schedule of Cost Incurred; Computation of the project's percentage of completion. ● On December 3, 2014, its duration was adjusted due to long holidays in December 2014, the Papal visit in January 2015 and other holidays. ● On September 30, 2015, the Honorable Board of Directors approved the request of Exakt, Inc. for the extension of the CAS Project implementation period to March 31, 2016. ● On March 14, 2016, the Honorable Board of Directors approved the request of Exakt, Inc. for the extension of the CAS Project implementation to September 30, 2016. |
| | | | | | | | | <ul style="list-style-type: none"> ● On April 2016, acceptance of Milestone 1 was signed by the concerned PCSO CAS Project Committee Heads; it was eventually paid on May 11, 2016. |

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| | | March 31, 2017 | 84% Acceptance of TOR | April 01, 2017 | | | <ul style="list-style-type: none"> On September 28, 2016, the PCSO Governing Board approved the extension of the duration for the completion of all the deliverables of Exakt, Inc. pertaining the PCSO CAS Project, subject to various conditions. The deadline for its completion was moved from September 30, 2016 to March 31, 2017. On March 31, 2017. The PCSO contract with Exakt, Inc. ended. However, Exakt has a pending request for Helix CAS Project freeze starting April 01, 2017 awaiting approval by the Board, once approved, PCSO shall only impose the penalty on the Project delay from the day after the confirmation of Exakt on the completeness of the defined data field requirements. |
| | | | | | | | <ul style="list-style-type: none"> April 01, 2017: Exakt Inc. is now subject to penalty(ies). April 18, 2017, the PCSO governing Board approved the suspension of work from 01 April 2017 to 15 July 2017 to be able to fully comply with the required |

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| | | | | | | | <p>submissions. Upon commencement of work on 16 July 2017, Exakt, Inc. shall be subject to penalty of one tenth (1/10) of one percent (1%).</p> <ul style="list-style-type: none"> • Exakt, Inc. has yet to sign the Amendment to the Memorandum of Agreement of the CAS Project dated 22 June 2017 pending resolution of issues for clarification. • The Board suspended the CAS Project through Resolution No. 0083, s. 2017. • The Board extended the suspension of CAS Project from 16 July 2017 to 30 June 2018, through Resolution No. 0161, s. 2017. • Exakt, Inc. did not sign the amended Memorandum of Agreement (MOA) forwarded by PCSO. • The Computerized Accounting System is still under the period of suspension (16 July 2017 to 30 June 2018). |

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| Duration | Started | Target Date of Completion | Percentage of Completion | As of (date) | Cost Incurred to Date | Date Completed | |
| | | March 31, 2019 | | June 30, 2019 | ₱ 18,636,288.95 | | <ul style="list-style-type: none"> ● Board Resolution No. 0227, series of 2018, approved the resumption of the CAS Project from 01 July to 31 December 2018 ● On 24 October 2018, the correct term of the performance bond was declared and agreed to be July 01, 2018 to March 31, 2019. ● During the 20 February 2019 meeting between PCSO and Exakt, Inc., it was agreed that the timeline of completion date be moved from February 28, 2019 to June 30, 2019. <p>The July 1 - December 31, 2018 shall cover the required time to comply with the requirements of Exakt from PCSO for the completion of CAS Project Deliverables and the Exakt's grace period:</p> <ol style="list-style-type: none"> a. July 1 to September 26, 2018 - The preparation period; time allotted for PCSO to comply with the requirements of Exakt in |

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| | | | | | | | <p>order to complete the delivery of CAS Project.</p> <p>b. September 27 to December 31, 2018 – The 95-day grace period; time allotted for Exakt to complete the delivery of CAS Project.</p> <p>Should PCSO comply with the requirements of Exakt earlier than September 27, 2018, the 95-day grace period shall commence a day after PCSO.</p> <p>Should PCSO fail to comply with the requirements on or before September 26, 2018, the 95-day grace period of Exakt shall automatically be extended by the number of days that PCSO is delayed in its compliance with the requirements of Exakt Inc.</p> <p>Due to adoption of the Philippine Financial Reporting Standard (PFRS) and conversion to New Chart of Accounts per COA Circular No. 004 s. 2017 and 006 s. 2016, respectively, Exakt has to change the uploaded old Chart of Accounts, Financial</p> |

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| | | | | | | | Statement and reports format. Changing the Chart of Accounts will affect the flow of data in the Computerized Accounting System (CAS), mapping of accounts should be done carefully because some accounts were merged and some were divided based on the definition. |
| | | December 31, 2019 | 91% Acceptance of TOR | September 24, 2019 | ₱ 18,728,219.45 | | Budget Module and Integration Module are still for User's Acceptance Test. |
| | December 9, 2019 | January 7, 2020 | 70% Completed | December 23, 2019 | ₱ 18,830,547.35 | | CAS roll-out of Bulacan Branch (training, parallel run & live run) *Live run for testing. Roll-out of all branches other than four pilot branches will be done when the Wide Area Network Project of the ITSD has materialized. |

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