



Republic of the Philippines  
NATIONAL PRIVACY COMMISSION

February 14, 2017

The Assistant Commissioner  
Government Accounting Sector (GAS)  
Commission on Audit  
Diliman, Quezon City

Dear Sir/Madam:

In compliance with Government Accounting and FMIS Circular Letter No. 2007-001 dated January 19, 2007, we are submitting herewith as attached the Financial Reports of NATIONAL PRIVACY COMMISSION as follows:

1. Pre-Closing Trial Balance as of December 31, 2016
2. Post-Closing Trial Balance as of December 31, 2016
3. Detailed and Condensed Statement of Financial Performance for the fiscal year ended December 31, 2016
4. Detailed and Condensed Statement of Financial Position as of December 31, 2016
5. Statement of Changes in Net Assets/Equity as of December 31, 2016
6. Statement of Cash Flows for the fiscal year ended December 31, 2016
7. Statement of Comparison of Budget and Actual Amount for the fiscal year ended December 31, 2016
8. Notes to Financial Statements
9. Statement of Management Responsibility
10. Schedule / Aging of Accounts Payable

Please acknowledge receipt.

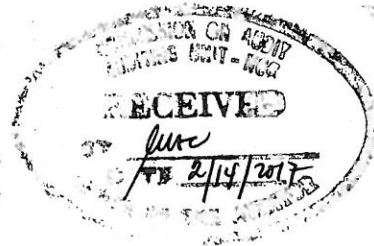
Thank you.

Very truly yours,

*J. Lorenzo*  
TEODULO C LORENZO  
Accountant III

Government Accounting Office  
Office of the Director

*praning*  
RECEIVED  
FEB 15 2017



Noted by:

*Belma G. Martinez*  
BELMA G. MARTINEZ  
Chief AO & OIC, Director-FAO


FPMD/mcl

**NATIONAL PRIVACY COMMISSION**  
**POST-CLOSING TRIAL BALANCE**  
**REVISED**

As of December, 2016

ACCOUNT TITLE	REF.	ACCT. CODE	December, 2016	
Petty Cash	GL	10101020	60,000.00	
Advances to Officers and Employees	GL	19901040	48,581.00	
Office Supplies Inventory	GL	10404010	134,281.29	
Other Supplies and Materials Inventory	GL	10404990	184,525.00	
Other Prepayments	GL	19902990	2,048,536.80	
Prepaid Insurance	GL	19902050	119,687.50	
Guaranty Deposits	GL	19903020	8,456.00	
Accounts Payable	GL	20101010		1,271,025.45
Due to Officers and Employees	GL	20101020		205,544.91
Due to BIR	GL	20201010		884,973.55
Due to GSIS	GL	20201020		17,517.97
Due to PAG-IBIG	GL	20201030		5,100.00
Due to PHILHEALTH	GL	20201040		2,137.50
Accumulated Surplus/(Deficit)	GL	30101010		217,768.21
			<b>2,604,067.59</b>	<b>2,604,067.59</b>

Certified Correct By:

  
 TEODULO C. LORENZO  
 Accountant III

Noted By:

  
 BELMA G. MARTINEZ  
 Chief, Administrative Officer  



**NATIONAL PRIVACY COMMISSION**  
**PRE-CLOSING TRIAL BALANCE**  
**REVISED**

As of December, 2016

ACCOUNT TITLE	REF.	ACCT. CODE	December, 2016	
Petty Cash	GL	10101020	60,000.00	
Advances to Officers and Employees	GL	19901040	48,581.00	
Office Supplies Inventory	GL	10404010	134,281.29	
Other Supplies and Materials Inventory	GL	10404990	184,525.00	
Other Prepayments	GL	19902990	2,048,536.80	
Prepaid Insurance	GL	19902050	119,687.50	
Guaranty Deposits	GL	19903020	8,456.00	
Accounts Payable	GL	20101010		1,271,025.45
Due to Officers and Employees	GL	20101020		205,544.91
Due to BIR	GL	20201010		884,973.55
Due to GSIS	GL	20201020		17,517.97
Due to PAG-IBIG	GL	20201030		5,100.00
Due to PHILHEALTH	GL	20201040		2,137.50
Subsidy from National Government	GL	40301010		21,107,451.82
Salaries and Wages - Regular	GL	50101010	8,797,847.52	
Personnel Economic Relief Allowance	GL	50102010	366,909.10	
Representation Allowance ( RA )	GL	50102020	465,500.00	
Transportation Allowance ( TA )	GL	50102030	465,500.00	
Clothing/Uniform Allowance	GL	50102040	45,000.00	
Overtime and Night Pay	GL	50102130	179,580.05	
Other Bonuses and Allowances	GL	50102990	117,086.00	
Cash Gift	GL	50102150	111,500.00	
Year End Bonus	GL	50102140	772,609.00	
Productivity Enhancement Incentive - Civilian	GL	50102990	142,000.00	
Retirement and Life Insurance Premiums	GL	50103010	1,049,647.50	
Pag-ibig Contributions	GL	50103020	23,500.00	
Philhealth Contributions	GL	50103030	73,250.00	
Employees Compensation Insurance Premiums	GL	50103040	18,600.00	
Traveling Expenses - Local	GL	50201010	63,037.85	
Traveling Expenses - Foreign	GL	50201020	847,843.13	
Training Expenses	GL	50202010	391,792.26	
Office Supplies Expenses	GL	50203010	73,385.19	
Semi-Expendable Machinery and Equipment Expenses	GL	50203210	9,256.00	

Other Supplies and Materials Expenses	GL	50203990	43,347.80	
Postage & Courier Expenses	GL	50205010	4,144.00	
Telephone Expenses	GL	50205020	76,874.37	
Printing and Publication Expenses	GL	50299020	2,273,646.40	
Representation Expenses	GL	50299030	1,520,985.14	
Transportation and Delivery Expenses	GL	50299040	4,000.00	
Subscription Expenses	GL	50299070	38,941.00	
Other Professional Services	GL	50211990	556,829.54	
Repairs and Maintenance - Motor Vehicles	GL	50213060	14,000.00	
Extraordinary and Miscellaneous Expenses	GL	50210030	569,600.00	
Consultancy Services	GL	50211030	912,752.00	
Taxes, Duties and Licenses	GL	50215010	6,467.84	
Fidelity Bond Premium	GL	50215020	-	
Insurance Expenses	GL	50215030	82,812.50	
Labor and Wages	GL	50216010	765,439.42	
Membership Dues and Contributions to Organizations	GL	50299060	3,000.00	
Other Maintenance and Operating Expenses	GL	50299990	3,000.00	
			<b>23,493,751.20</b>	<b>23,493,751.20</b>

Certified Correct By:

  
TEODULO C. LORENZO  
Accountant III

Noted By:

  
BELMA G. MARTINEZ  
Chief, Administrative Officer  


NATIONAL PRIVACY COMMISSION

Condensed Statement of Financial Position

(Revised)

As of December 31, 2016

A S S E T S

**CURRENT ASSETS:**

Cash and Cash Equivalents	60,000.00
Inventories	318,806.29
Other Current Assets	2,216,805.30
<b>TOTAL CURRENT ASSETS</b>	<b>2,595,611.59</b>

**NON-CURRENT ASSETS:**

Deposits	8,456.00
<b>TOTAL NON-CURRENT ASSETS</b>	<b>8,456.00</b>

<b>TOTAL ASSETS</b>	<b>2,604,067.59</b>
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LIABILITIES AND NET ASSETS / EQUITY

**CURRENT LIABILITIES:**

Payables	1,476,570.36
Inter-Agency Payables	909,729.02
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,386,299.38</b>


**NET ASSETS / EQUITY:**

Accumulated Surplus / (Deficit)	217,768.21
<b>TOTAL NET ASSETS / EQUITY</b>	<b>217,768.21</b>

<b>TOTAL LIABILITIES AND NET ASSETS / EQUITY</b>	<b>2,604,067.59</b>
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Certified Correct:

Noted by:

  
TEODULO C. LORENZO  
Accountant III

  
BELMA G. MARTINEZ  
Chief Administrative Officer  
& OIC, Director - FAO  


**NATIONAL PRIVACY COMMISSION**  
**Detailed Statement of Financial Position**  
**(Revised)**  
 As of December 31, 2016

**A S S E T S**

**CURRENT ASSETS:**

*Cash and Cash Equivalents*

**Cash on Hand**

Petty Cash

60,000.00

*Total Cash on Hand*

60,000.00

**Treasury / Agency Cash Accounts**

Cash-Modified Disbursement System, Regular

-

-

*Inventories*

Office Supplies Inventory

134,281.29

Other Supplies and Materials Inventory

184,525.00

*Total Inventories*

318,806.29

*Semi-Expendables*

Semi-Expendable Office Equipment

*Other Assets*

**Advances**

Advances to Officers and Employees

48,581.00

*Total Advances*

48,581.00

**Prepayments**

Prepaid Rent

Prepaid Insurance

119,687.50

Other Prepayments

2,048,536.80

*Total Prepayments*

2,168,224.30

**TOTAL CURRENT ASSETS**

2,595,611.59

*Deposits*

Guarranty Deposits

8,456.00

**TOTAL NON-CURRENT ASSETS**

8,456.00

**TOTAL ASSETS**

2,604,067.59

NATIONAL PRIVACY COMMISSION  
Detailed Statement of Financial Position  
(Revised)  
As of December 31, 2016

**LIABILITIES AND NET ASSETS / EQUITY**

**LIABILITIES:**

*Current Liabilities*

**Financial Liabilities**

*Payables*

Accounts Payable	1,271,025.45
Due to Officers and Employees	205,544.91

1,476,570.36
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*Inter-Agency Payables*

Due to BIR	884,973.55
Due to GSIS	17,517.97
Due to PAG-IBIG	5,100.00
Due to PHILHEALTH	2,137.50

909,729.02
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**TOTAL LIABILITIES**

2,386,299.38
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**NET ASSETS / EQUITY:**

*Equity*

Accumulated Surplus / (Deficit)	217,768.21
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217,768.21
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**TOTAL NET ASSETS / EQUITY**

217,768.21
------------

**TOTAL LIABILITIES & NET ASSETS / EQUITY**

2,604,067.59
--------------

**Certified Correct:**

  
**TEODULO C. LORENZO**  
Accountant III

**Noted by:**

  
**BELMA G. MARTINEZ**  
Chief Administrative Officer  
& OIC, Director - FAO 

**NATIONAL PRIVACY COMMISSION**  
**Detailed Statement of Financial Performance**  
**(Revised)**  
For the Year Ended December 31, 2016

**REVENUE**

**Business, Other General, and Service Income**

Income from Printing and Publication  
Interest Income  
Fines & Penalties - Service Income  
Other Service Income

*Total Business, Other General, and Service Income*

-

**Gains**

Gain on Sale

*Total Gains*

-

**TOTAL REVENUE**

-

**LESS: CURRENT OPERATING EXPENSES**

**Personnel Services:**

**Salaries and Wages**

Salaries and Wages-Regular

8,797,847.52

*Total Salaries and Wages*

8,797,847.52

**Other Compensation**

Personal Economic Relief Allowance

366,909.10

Additional Compensation

Representation Allowance

465,500.00

Transportation Allowance

465,500.00

Clothing/Uniform Allowance

45,000.00

Overtime and Night Pay

179,580.05

Subsistence Allowance

Laundry Allowance

Productivity Incentive Allowance

142,000.00

Honoraria

Hazard Pay

Longevity Pay

Year End Bonus

772,609.00

Cash Gift

111,500.00

Other Bonuses & Allowances

117,086.00

*Total Other Compensation*

2,665,684.15

**Personnel Benefit Contributions**

Retirement and Life Insurance Contributions

1,049,647.50

PAG-IBIG Contributions

23,500.00

PHILHEALTH Contributions

73,250.00

Employees Compensation Insurance Premiums

18,600.00

*Total Benefits Contributions*

1,164,997.50

**Total Personnel Services**

12,628,529.17



**NATIONAL PRIVACY COMMISSION**  
**(Revised)**  
**Detailed Statement of Financial Performance**  
For the Year Ended December 31, 2016

<b>Maintenance and Other Operating Expenses:</b>	
<b>Traveling Expenses</b>	
Traveling Expense-Local	63,037.85
Traveling Expense-Foreign	847,843.13
<i>Total Traveling Expenses</i>	<i>910,880.98</i>
<b>Training and Scholarship Expenses</b>	
Training Expenses	391,792.26
<b>Supplies and Materials Expenses</b>	
Office Supplies Expenses	73,385.19
Semi-Expendable Machinery and Equipment Expenses	9,256.00
Other Supplies and Materials Expenses	43,347.80
<i>Total Supplies and Materials Expenses</i>	<i>125,988.99</i>
<b>Communication Expenses</b>	
Postage and Courier Services	4,144.00
Telephone Expenses	76,874.37
<i>Total Communication Expenses</i>	<i>81,018.37</i>
<b>Confidential, Intelligence, Extraordinary and Misc. Expenses</b>	
Extraordinary and Miscellaneous Expenses	569,600.00
<b>Professional Services</b>	
Consultancy Services	912,752.00
Other Professional Services	556,829.54
<i>Total Professional Services</i>	<i>1,469,581.54</i>
<b>Repairs and Maintenance</b>	
Repairs and Maintenance - Transportation Equipment	14,000.00
<i>Total Repairs and Maintenance</i>	<i>14,000.00</i>
<b>Taxes, Insurance Premiums and Other Fees</b>	
Taxes, Duties and Licenses	6,467.84
Fidelity Bond Premiums	
Insurance Expenses	82,812.50
<i>Total Taxes, Insurance Prems. And Other Fees</i>	<i>89,280.34</i>
<b>Labor and Wages</b>	765,439.42
<b>Maintenance and Other Operating Expenses:</b>	
<b>Other Maintenance and Operating Expenses</b>	
Advertising Expenses	
Printing & Binding Expenses	2,273,646.40
Representation Expenses	1,520,985.14
Transportation and Delivery Expenses	4,000.00
Rent/Lease Expenses	
Membership Dues and Contribution to Organizations	3,000.00
Subscription Expenses	38,941.00
Other Maintenance and Operating Expenses	3,000.00
<i>Total Maintenance and Other Operating Expenses</i>	<i>3,843,572.54</i>
<i>Total Maintenance &amp; Other Operating Expenses</i>	<i>8,261,154.44</i>
<b>TOTAL CURRENT OPERATING EXPENSES</b>	<b>20,889,683.61</b>

**SURPLUS / (DEFICIT) FROM CURRENT OPERATIONS**

**(20,889,683.61)**

**FINANCIAL ASSISTANCE/ SUBSIDY:**

**Financial Assistance/Subsidy from NGAs, LGUs, GOCCs**

-

Subsidy from National Government

21,107,451.82

**Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/POs**

-

*Net Financial Assistance / Subsidy*


**21,107,451.82**

**SURPLUS / (DEFICIT) FOR THE PERIOD**

**217,768.21**

**Certified Correct:**

**Noted by:**

  
**TEODULO C. LORENZO**  
Accountant III

  
**BELMA G. MARTINEZ**  
Chief Administrative Officer  
& OIC, Director - FAO 

**NATIONAL PRIVACY COMMISSION**  
**(Revised)**  
**Statement of Changes in Net Assets / Equity**  
 As of December 31, 2016

<i>Accumulated Surplus / (Deficit), Dec. 31, 2015</i>	-
Changes in accounting policy	-
Prior period adjustments/unrecorded income and expenses	
Other Adjustments	
Restated balance	-
<b>Changes in net assets / equity for the Calendar Year 2016</b>	
Adjustment of net revenue recognized directly in net assets/equity	-
Surplus for the period	217,768.21
<b>Total recognized revenue and expense for the period</b>	<b>217,768.21</b>
Others	-
<i>Accumulated Surplus / (Deficit), Dec. 31, 2016 carried forward</i>	<b>217,768.21</b>

**Certified Correct:**

  
**TEODULO C. LORENZO**  
 Accountant III

**Noted by:**

  
**BELMA G. MARTINEZ**  
 Chief Administrative Officer  
 & OIC, Director - FAO 

**NATIONAL PRIVACY COMMISSION**  
**(Revised)**  
**Condensed Statement of Financial Performance**  
For the Year Ended December 31, 2016

TOTAL REVENUE	-
LESS: CURRENT OPERATING EXPENSES	
TOTAL PERSONNEL SERVICES	12,628,529.17
TOTAL MAINTENANCE & OTHER OPERATING EXPENSES	8,261,154.44
NON-CASH EXPENSES	-
TOTAL CURRENT OPERATING EXPENSES	20,889,683.61
SURPLUS / (DEFICIT) FROM CURRENT OPERATIONS	(20,889,683.61)
NET FINANCIAL ASSISTANCE / SUBSIDY	21,107,451.82
SURPLUS / (DEFICIT) FOR THE PERIOD	217,768.21

**Certified Correct:**

**Noted by:**

*T. Lorenzo*  
**TEODULO C. LORENZO**  
Accountant III

*Belma G. Martinez*  
**BELMA G. MARTINEZ**  
Chief Administrative Officer  
& OIC, Director - FAO *afca*

**NATIONAL PRIVACY COMMISSION**  
**Statement of Cash Flows**  
**(Revised)**  
For the Year Ended December 31, 2016

**CASH FLOW FROM OPERATING ACTIVITIES:**

**CASH INFLOWS :**

<b>Receipt of Notice of Cash Allocation</b>	<b>26,280,641.00</b>
Receipt of Notices of Cash Allocations (MPBF/Contingent Fund)	26,280,641.00
<b>Other Receipts</b>	-
Fines and Penalties	
Receipt of refunds of excess cash advances	
<b>Total Cash Inflows</b>	<b>26,280,641.00</b>

**Less: CASH OUTFLOWS**

<b>Payment of Operating Expenses</b>	<b>15,434,821.42</b>
Payment of Personnel Services	8,545,514.97
Payment of Maintenance and Other Operating Expenses	6,363,158.97
Liquidation of cash advances granted during the year	488,241.64
Replenishment of Petty Cash	37,905.84
Payment of Current Year's Accounts Payable	
<b>Payment of Inventories</b>	-
Purchase of inventories	
<b>Grant of Cash Advances (Unliquidated During the Year)</b>	<b>108,581.00</b>
Granting of cash advances/petty cash fund	108,581.00
<b>Prepayments</b>	<b>2,251,036.80</b>
Advances to Procurement Service	2,048,536.80
Prepaid Rent	
Prepaid Registration	
Prepaid Interest	
Prepaid Insurance	202,500.00
Other Prepayments	
<b>Payment of Deposits</b>	<b>8,456.00</b>
Payment of guaranty deposits	8,456.00
Payment of other deposits	
<b>Payment of Prior Year's Accounts Payable</b>	
Payment of prior year's Accounts Payable	
Payment of prior year's operating expenses	
<b>Remittance of Personnel Benefit Contributions and Mandatory Deductions</b>	<b>2,658,297.07</b>
Remittance of taxes withheld covered by TRA	
Remittance of taxes withheld not covered by TRA	
Remittance of GSIS/Pag-IBIG/PhilHealth	1,493,299.57
Remittance of other personnel benefits contributions and mandatory dedu	1,164,997.50
Remittance of Other Payables	-
<b>Payment from Trust Liabilities/Fund Transfers</b>	
Payment for the implementation of inter-agency transferred funds	
Grant of cash advance from inter-agency fund transfers/trust funds	
Refund of Excess Fund Transfers/Trust Fund	
Refund of guaranty/security deposits	
Refund of customers' deposits	
<b>Other Disbursements</b>	
Refund of excess income	
Refund of excess withheld taxes in CY2015 / CY2014	

Other miscellaneous disbursements	
<b>Adjustments</b>	5,759,448.71
Payment of retirement benefits	
Reversion of unused NCA-MDS Regular	5,759,448.71
Reversion of unused NCA-MDS AP	
Reversion of unused NCA-MDS Trust due from BTR	
<i>Total Cash Outflows</i>	26,220,641.00
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>60,000.00</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
<b>CASH INFLOWS :</b>	
Receipt of proceeds from sale/disposal of PPE	-
<b>Less: CASH OUTFLOWS</b>	
Purchase/Construction of Property, Plant and Equipment	
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>-</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
<b>CASH INFLOWS :</b>	
<b>Less: CASH OUTFLOWS</b>	
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>-</b>
<b>TOTAL CASH PROVIDED BY (USED IN) OPERATING, INVESTING AND FINANCING ACTIVITIES</b>	<b>60,000.00</b>
<b>ADD: CASH BALANCE, JANUARY 1, 2016</b>	-
<b>CASH BALANCE, DECEMBER 31, 2016</b>	<b>60,000.00</b>

**Certified Correct:**

*T. Lorenzo*  
**TEODULO C. LORENZO**  
 Accountant III

**Noted by:**

*B. Martinez*  
**BELMA G. MARTINEZ**  
 Chief Administrative Officer  
 & OIC, Director - FAO *fford*

**NATIONAL PRIVACY COMMISSION**  
**GENERAL JOURNAL (CLOSING ENTRIES)**  
**As of December 31, 2016**

Subsidy Income from Nat'l. Gov't.	40301010	21,107,451.82	
Revenue and Expense Summary	30301010		21,107,451.82
To close income accounts.			

Revenue and Expense Summary	30301010	20,889,683.61	
Salaries and Wages - Regular	50101010		8,797,847.52
Personnel Economic Relief Allowance	50102010		366,909.10
Representation Allowance (RA)	50102020		465,500.00
Transportation Allowance (TA)	50102030		465,500.00
Clothing/Uniform Allowance	50102040		45,000.00
Overtime and Night Pay	50102130		179,580.05
Year-End Bonus	50102140		772,609.00
Cash Gift	50102150		111,500.00
Productivity Enhancement Incentive - Civilian	50102990		142,000.00
Other Bonuses and Allowances	50102990		117,086.00
Retirement and Life Insurance Premiums	50103010		1,049,647.50
PAG-IBIG Contributions	50103020		23,500.00
PHILHEALTH Contributions	50103030		73,250.00
Employees Compensation Insurance Premiums	50103040		18,600.00
Travelling Expenses- Local	50201010		63,037.85
Travelling Expenses- Foreign	50201020		847,843.13
Training Expenses	50202010		391,792.26
Office Supplies Expenses	50203010		73,385.19
Semi-Expendable Machinery and Equipment Expenses	50203210		9,256.00
Other Supplies and Materials Expenses	50203990		43,347.80
Postage & Courier Expenses	50205010		4,144.00
Telephone Expenses	50205020		76,874.37
Extraordinary and Miscellaneous Expenses	50210030		569,600.00
Consultancy Services	50211030		912,752.00
Other Professional Services	50211990		556,829.54
Repairs and Maintenance - Transportation Equipment	50213060		14,000.00
Taxes, Duties and Licenses	50215010		6,467.84
Insurance Expenses	50215030		82,812.50
Labor and Wages	50216010		765,439.42
Printing and Publication Expenses	50299020		2,273,646.40
Representation Expenses	50299030		1,520,985.14
Transportation and Delivery Expenses	50299040		4,000.00
Subscription Expenses	50299070		38,941.00
Membership Dues and Contributions to Organizations	50299060		3,000.00
Other Maintenance and Operating Expenses	50299990		3,000.00
To close expense accounts.			

Revenue and Expense Summary	30301010	217,768.21	
Accumulated Surplus / (Deficit)	30101010		217,768.21
To close balance of Revenue and Expense Summary Account to Accumulated Surplus / (Deficit) Account			

**GRAND TOTAL**

<b>42,214,903.64</b>	<b>42,214,903.64</b>
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Certified Correct By:

*T. Lorenzo*  
TEODULO C. LORENZO  
Accountant III

Noted By:

*Belma G. Martinez*  
BELMA G. MARTINEZ  
Chief, Administrative Officer *gm*



**COMPARISON OF BUDGET AND ACTUAL AMOUNT**  
For the Year Ended, 2016

Department Name: Other Executive Offices  
Agency Name: NATIONAL PRIVACY COMMISSION  
Year: 2016

Particulars	ALL FUNDS				Regular Agency Fund			Difference Final Budget and Actual
	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual	Budgeted Amount		Actual Amounts on Comparable Basis	
	Original	Final			Original	Final		
<b>RECEIPTS</b>								
Tax Revenue	-	-	-	-	-	-	-	-
Service and Business Income	-	-	-	-	-	-	-	-
Assistance and Subsidy	27,712,389.00	27,712,389.00	27,712,389.00	-	27,712,389.00	27,712,389.00	27,712,389.00	-
Shares, Grants and Donations	-	-	-	-	-	-	-	-
Gains	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<i>Non-Operating Income/Revenues</i>								
Loan Proceeds (Domestic and Foreign Loans), BTr NG only	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>27,712,389.00</b>	<b>27,712,389.00</b>	<b>27,712,389.00</b>		<b>27,712,389.00</b>	<b>27,712,389.00</b>		
<b>PAYMENTS</b>								
Personnel Services	12,712,389.00	12,712,389.00	12,364,346.60	-	12,712,389.00	12,364,346.60	348,042.40	348,042.40
Maintenance and Other Operating Expenses	15,000,000.00	15,000,000.00	9,520,900.71	-	15,000,000.00	9,520,900.71	5,479,099.29	5,479,099.29
Capital Outlays	-	-	-	-	-	-	-	-
Financial Expenses	-	-	-	-	-	-	-	-
Debt Service (Principal Amortization)	-	-	-	-	-	-	-	-
<b>Total Payments</b>	<b>27,712,389.00</b>	<b>27,712,389.00</b>	<b>21,885,247.31</b>		<b>27,712,389.00</b>	<b>21,885,247.31</b>	<b>5,827,141.69</b>	<b>5,827,141.69</b>
<b>NET RECEIPTS/PAYMENTS</b>			<b>5,827,141.69</b>			<b>5,827,141.69</b>		<b>(5,827,141.69)</b>

Prepared by:  **MONALISA G. BAUTISTA**  
Budget Officer II.

Certified Correct by:  **ROSALINDA M. DE MESA**  
Budget Officer III.

Noted by:  **TEODORO C. LORENZO**  
Accountant III.

**BELMA G. MARTINEZ**  
Chief Administrative Officer  
OIC-Director, FAO



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**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

**1. AGENCY PROFILE**

*Vision:*

A world-class regulatory and enabling agency upholding the right to data privacy, ensuring personal data protection while promoting the free flow of information; committed to excellence, driven by a workforce that is highly competent, future-oriented, and ethical, towards a competitive, knowledge-based, and innovative nation.

*Mission:*

We shall continuously deliver services to:

1. Be the authority for relevant technology and knowledge on data privacy and protection
2. Establish a regulatory environment for data privacy and protection that ensures accountability in the processing of personal data
3. Build a culture of privacy, through people empowerment, that enables and upholds the right to privacy and supports free flow of information

*Mandates:*

National Privacy Commission was created by virtue of Republic Act No. 10173, known as the "Data Privacy Act of 2012" with the following mandates:

- Ensure compliance with the provisions of the Data Privacy Act of 2012;
- To receive and resolve complains. Complaint from citizens and businesses alike and mandated to look for resolutions to these complaints. NPC can initiate queries and call for investigations on matters affecting privacy;
- The NPC also has the power to issue cease and desist orders, impose a temporary or permanent ban on the processing of personal information, upon finding that the processing will be detrimental to national security and public interest. Resolve disputes between persons and personal information controllers in an efficient and transparent manner, using all the powers granted unto us as a quasi-judicial and as a regulatory body;



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- Possess the general authority to compel any entity whether government or any of its instrumentality to abide by its orders or take action on a matter affecting data privacy.
- Promote a culture protective of the data privacy rights of persons;
- Provide guidance on the protection of data and data privacy to any party seeking our assistance; and
- Facilitate cross-border enforcement of data privacy laws.

*Functions:*

- Rule making. NPC shall develop, promulgate, review or amend rules and regulations for the effective implementation of the Act.
- Advisory. NPC shall be the advisory body on matters affecting protection of personal data.
- Public Education. NPC shall undertake necessary or appropriate efforts to inform and educate the public of data privacy, data protection, and fair information rights and responsibilities.
- Compliance and Monitoring. NPC shall perform compliance and monitoring functions to ensure effective implementation of the Act, its IRR, and other issuances.
- Complaints and Investigations. NPC shall adjudicate on complaints and investigations on matters affecting personal data. Provided, that in resolving any complaint or investigation, except where amicable settlement is reached by the parties, NPC shall act as a collegial body.
- Enforcement. NPC shall perform acts as may be necessary to effectively implement the Act, its IRR and other issuances, and to enforce its Orders, Resolutions or Decisions, including the imposition of administrative sanctions, fines, or penalties.
- Other functions. NPC shall exercise such other functions as may be necessary to fulfil its mandate under the Act.



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## **2. STATEMENT OF COMPLIANCE AND BASIS FOR FINANCIAL STATEMENTS PREPARATION**

Agency's financial statements have been prepared in accordance with the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit per COA Resolution No. 2014-003 dated January 24, 2014 which were harmonized with the International Public Sector Accounting Standards (IPSAS) to enhance the accountability and transparency of the financial reports and ensure comparability of financial information.

The adoption of these standards did not result in substantial changes to the agency's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

The financial statements are presented in Peso, which is the functional and reporting currency of the agency and have been prepared on the basis of historical cost, unless stated otherwise. The cash flows statement is prepared using the direct method. The financial statements are prepared on an accrual basis.

Also, with the issuance of COA circular No. 2013-002, all financial transactions are recorded in Regular Agency (RA) Books.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Revenue Recognition***

#### ***Revenue from Non-Exchange Transactions***

##### **Fees, Taxes and Fines**

The Agency recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.



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*Revenue from Exchange Transactions*

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency.

***Petty Cash Fund***

Petty Cash Fund (PCF) account is maintained under the Imprest System. All replenishments are directly charged to the expense account.

***Property, Plant and Equipment***

For FY 2016, NPC has no recorded PPE since it has no Capital Outlay to cover the purchase of its equipment.

***Financial Liabilities***

Payable accounts are recognized and recorded in the books of accounts only upon acceptance of the goods/inventories/other assets and rendition of services to the agency.

***Changes in Accounting Policies and Estimates***

The agency recognizes the effects of changes in accounting policy retrospectively but if this application is impractical, prospective will be applied. A change in accounting estimate may affect only the current period's surplus or deficit, or the surplus or deficit of both current and future periods.

***Foreign Currency Transactions***

Transactions in foreign currencies were initially recognized by applying the spot exchange rate between the function currency and the foreign currency at the transaction.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial



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statements, were recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation

***Correction of Fundamental Errors***

Fundamental errors of prior years are corrected by using the Accumulated Surplus / (Deficit) account. Errors affecting current year's operation are charged to current year's account.

***Related Parties***

The agency regards related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the agency, or vice versa.

Members of key management are regarded as related parties and comprise the member of the Executive Committee of the agency such as the Privacy Commissioner and two (2) Deputy Privacy Commissioners.

***Budget Information***

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) were prepared since the budget and the financial statements were not prepared on comparable basis. The SCBAA was presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

These budget figures were those approved by the governing body both at the beginning and during the year following a period of consultation with the public.

***Significant judgments and sources of estimation uncertainty***

The preparation of the agency's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.



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***Judgment***

In the process of applying the agency’s accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

**4. CASH AND CASH EQUIVALENTS**

These accounts are broken down as follows:

Cash on Hand 60,000.00

- Cash on Hand composed of *Petty Cash* which are granted to NPC Regular Disbursing Officer which shall be used for payment of petty or miscellaneous and emergency expenses of the agency.

Date	CHK# / LDDAP#	DV#	Disbursing Officer	Amount	Remarks
Nov. 25, 2016	47	2016-11-0254	Grace N. Manzo	60,000.00	On hand
			<b>TOTAL</b>	<b>60,000.00</b>	

**5. INVENTORIES**

Consists of:

Office Supplies Inventory	134,281.29
Other Supplies and Materials Inventory	<u>184,525.00</u>
<b>Total</b>	<b>381,806.29</b>

- Office Supplies Inventory are common office supplies awaiting for the Requisition of Supplies and Materials Issued (RSMI) Report from the Supply/Property Section.



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Office Supplies Inventory	2016 (in thousand pesos)			
	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell	Inventory write-down recognized during the year	Reversal of Inventory write-down recognized during the year
Inventory held for distribution				
Carrying Amount January 1, 2016	P -			
Addition/Acquisitions during the year	134,281.29			
Expensed during the year except write-off	-			
Write-down during the year	-			
Reversal of Write-down during the year	-			
<b>Carrying amount , December 31, 2016</b>	<b>P 134,281.29</b>			

- Other Supplies and Materials Inventory are customized flash drives used as tokens given to the participants during the 1ST PRIVACY.GOV.PH last Dec. 5-6, 2016 in Novotel, at Cubao, Quezon City, awaiting for the Requisition of Supplies and Materials Issued (RSMI) from the Supply/Property Section.





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Other Supplies and Materials Inventory	2016 (in thousand pesos)			
	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell	Inventory write-down recognized during the year	Reversal of Inventory write-down recognized during the year
Inventory held for distribution				
Carrying Amount January 1, 2016	P -			
Addition/Acquisitions during the year	184,525.00			
Expensed during the year except write-off	-			
Write-down during the year	-			
Reversal of Write-down during the year	-			
<b>Carrying amount , December 31, 2016</b>	<b>P 184,525.00</b>			

**6. OTHER ASSETS**

Consists of:

Particulars	2016 (in thousand pesos)		
	Current	Non-Current	Total
Advances	48,581.00		48,581.00
Prepayments	119,687.50		119,687.50
Other prepayments	2,048,536.80		2,048,536.80
Deposits	8,456.00		8,456.00
<b>TOTALS</b>	<b>2,176,680.30</b>		<b>2,176,680.30</b>



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*Advances:*

- Advances to Officers and Employees:

Name	Date Granted	CHK# / LDDAP#	Amount	Project/ Activity	Remarks
Raymund E. Liboro	10/17/16	# 22	P48,581.00	Pre Travel Allowance to Morocco	For Refund

*Prepayments:*

- Prepaid Insurance Account consisting of bond premiums of Accountable Disbursing Officers.
- Other Prepayments account composed only of the amount paid to the Procurement Service for the subscription of ICT Software.

*Guaranty Deposits:*

- This account is composed only of deposits to UBIX Corp. for the photocopying machine used by the Commission.

**7. FINANCIAL LIABILITIES**

Consist of:

Accounts Payable	P 1,271,025.45
Due to Officers and Employees	<u>205,544.91</u>
Total	P 1,476,570.36

*Payables:*

- Accounts Payable for CY 2016 are composed of Due & Demandable amounting to P 1,271,025.45 and Not Yet Due and Demandable amounting to P 3,544,283.10. Amounts reflected in the Books of Accounts are those Accounts Payable which are Due and Demandable only arising from



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transactions already delivered/rendered but not yet paid. (Details please see Annex A)

- *Due to Officers and Employees Account* consists of payables due to various NPC officers and employees for salaries, benefits and other emoluments. (detail please see Annex A)

*Inter-Agency Payables:*

- Due to BIR Account amounting to P 884,973.55 consists of taxes withheld from officers/employees and other entities for remittance to BIR.
- Due to GSIS Account amounting to P17,517.97 consists of NPC employees' withheld premium payments for remittance and other payables for remittance to GSIS.
- Due to PAG-IBIG Account amounting to P 5,100.00 consists of NPC employees' withheld premium payments for remittance to PAG-IBIG.
- Due to PHILHEALTH Account amounting to P 2,137.50 consists of NPC employees' withheld premium payments for remittance for remittance to PHILHEALTH.

## **8. ACCUMULATED SURPLUS / (DEFICIT)**

Accumulated Surplus / (Deficit) Account in the amount of P 217,768.21 consist of the cumulative results of normal and continuous operations of the agency including the prior year adjustments, effect of changes in accounting policies and other capital adjustments.

## **9. SUBSIDY INCOME FROM NATIONAL GOVERNMENT**

For this year, Notice of Cash Allocations (NCAs) were received from the Department of Budget and Management (DBM) for payment of expenses for operational requirements and other liabilities. Details as follows :



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NCA (MDS-Regular Fund)	P 26,280,641.00
Add: Tax Remittance Advice to BIR	1,437,424.88
Less: Reverted unutilized CY 2016 NCA	<u>5,347,424.88</u>
<b>TOTAL</b>	<b>P 22,370,723.43</b>

**13. SALARIES AND WAGES - REGULAR**

- Amounting to P 8,797,847.52 are expenses incurred for payment of services rendered by NPC employees occupying regular plantilla positions.

**14. OTHER COMPENSATION**

Consist of:

Personnel Economic Relief Allowance	366,909.10
Representation Allowance ( RA )	465,500.00
Transportation Allowance ( TA )	465,500.00
Clothing/Uniform Allowance	45,000.00
Overtime and Night Pay	179,580.05
Other Bonuses and Allowances	117,086.00
Cash Gift	111,500.00
Year End Bonus	772,609.00
Productivity Enhancement Incentive - Civilian	<u>142,000.00</u>
<b>Total</b>	<b>2,665,684.15</b>

- These are the allowances, benefits, incentives, and bonuses granted to officials and employees who are expressly authorized by law.



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**15. PERSONNEL BENEFIT CONTRIBUTIONS**

Consist of:

Retirement and Life Insurance Premiums	1,049,647.50
Pag-ibig Contributions	23,500.00
Philhealth Contributions	73,250.00
Employees Compensation Insurance Premiums	<u>18,600.00</u>
Total	1,164,997.50

- These are the agency's share in premium contributions to the GSIS, HDMF, and PhilHealth.

**16. MAINTENANCE AND OTHER OPERATING EXPENSES**

Consist of:

Traveling Expenses - Local	63,037.85
Traveling Expenses - Foreign	847,843.13
Training Expenses	391,792.26
Office Supplies Expenses	73,385.19
Semi-Expendable Machinery and Equipment Expenses	9,256.00
Other Supplies and Materials Expenses	43,347.80
Postage & Courier Expenses	4,144.00
Telephone Expenses	76,874.37



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Printing and Publication Expenses	2,273,646.40
Representation Expenses	1,520,985.14
Transportation and Delivery Expenses	4,000.00
Subscription Expenses	38,941.00
Other Professional Services	556,829.54
Repairs and Maintenance - Motor Vehicles	14,000.00
Extraordinary and Miscellaneous Expenses	569,600.00
Consultancy Services	912,752.00
Taxes, Duties and Licenses	6,467.84
Insurance Expenses	82,812.50
Labor and Wages	765,439.42
Membership Dues and Contributions to Organizations	3,000
Other Maintenance and Operating Expenses	<u>3,000.00</u>
Total	8,261,154.44

Total MOOE recorded in the books of accounts are the cost frequently incurred by the agency such as Training, Travelling, Supplies and Materials, Utilities, Communication, Professional Services, General Services, Repairs and Maintenance, Taxes, Insurance Premiums and Other Fees, Labor and Wages, Advertising, Printing and Binding, Representation, Transportation and Delivery, Rent/Lease, Subscription, and others.

### **17. ALLOTMENT, OBLIGATIONS, AND BALANCES**

The budget figures below are those approved by the governing body both at the beginning and during the year following a period of consultation with the public ( Republic Act 10717 FY 2016 ):



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	PS	MOOE	TOTAL
Total Allotment	P 12,712,389.00	P 15,000,000.00	P 27,712,389.00
Total Obligations	<u>12,624,066.23</u>	<u>14,410,505.12</u>	<u>21,885,247.31</u>
Balance	P 88,322.77	P 589,494.88	P 677,817.65

Certified By:

  
**TEODULO C. LORENZO**  
Accountant III

Noted By:

  
**BELMA G. MARTINEZ**  
Chief AO 



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**STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL  
STATEMENTS**

The management of *NATIONAL PRIVACY COMMISSION* is responsible for all information and representations contained in the accompanying *STATEMENT OF FINANCIAL POSITION* as of December 31, 2016 and the related *STATEMENT OF FINANCIAL PERFORMANCE, STATEMENT OF CASH FLOWS, STATEMENT OF CHANGES IN NET ASSETS / EQUITY , STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT* and the *NOTES TO FINANCIAL STATEMENTS* for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, the management maintains a system of accounting and reporting which provides for the necessary internal control to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

  
**BELMA G. MARTINEZ**  
Chief Administrative Officer  
& OIC, Director - FAO

  
**RAYMUND E. LIBORO**  
Privacy Commissioner &  
Chairman

FPMD/mcl