



Republic of the Philippines  
**DEPARTMENT OF LABOR AND EMPLOYMENT**  
Regional Office No. 02  
Tuguegarao City



March 30, 2017

**MS. MARICEL A. NATIVIDAD**  
State Auditor IV  
Audit Team Leader  
This Office

Dear Auditor Natividad:

Herewith are our actions and comments re: various AOM taken up during the Audit Exit Conference last March 27, 2017.

**1. AOM Re.- Late/non submission of disbursement vouchers.**

- It was noted that there were disbursement vouchers not submitted within the prescribed period as provided in the Government Accounting Manual and as prescribed under COA Circular No. 2009-006 dated September 15, 2009. This was attributed to the additional programs/projects with huge increase of funds during the last quarter under TUPAD for emergency employment of beneficiaries affected by typhoon "Lawin" without a corresponding manpower to augment FMS workforce. However for this Year 2017 rest assured that we will submit our disbursement vouchers on time. Also, our transfer of office from Caritan to Carig Government Center contributed to the late submission of vouchers.

**2. AOM Re.-Unliquidated balance of Due from National Government Agencies (NGAS) as of December 31, 2016.**

Herewith are status report of the fund transfer to various National Government Agencies.

- Several meetings and follow-up were conducted with the contractor and DPWH regarding the completion of DOLE-RO2 building. An agreement was made please see attached **UNDERTAKING dated October 4, 2016 and COMMITMENT SHEET dated February 23, 2017.**
- Liquidation report of Cagayan State University-Aparri Campus was received on March 6, 2017 for submission to COA. Please see attached liquidation report.

**3. AOM Re.-Lack of documentary requirements of Cash Advances for salaries of TUPAD beneficiaries amounting to P 4,504,500.00.**

- These flaws in administering the payment of salaries were not frequent neither we intend to demonstrate lapses in processing of claims but we had just prioritized the urgency of delivering the ultimate results of the project. The beneficiaries were devastated by Typhoon "Lawin" accordingly immediate intervention has to be delivered at the most opportune time. Despite of several reminders to workers to submit their DTRs as basis of payments of their salaries, some were not able to submit it on time. "Human elements" was demonstrated by not sacrificing the claims' requirements, so we agreed that payments of salaries will be made provided that DTRs have to be submitted by concerned workers on the day of payments. The agreement was successfully complied.



4. **AOM Re.-Non-compliance of the use of Accounting Books, Registries, Records, Forms and Reports as prescribe in the Government Accounting Manual.**
  - Accounting books, registries, and records were maintained, only it was not updated considering that there were so many programs/projects implemented. To maintain a registry for each activity/program there is a need for additional manpower to assists the regular employee to monitor the funds and maintain records and registries. The management committed to hire additional JOs to augment the workforce. With this, we will be able to update all records, registries and reports for the year 2017.
  
5. **AOM Re.- Objectives and/or purpose of Kabuhayan Program were not attained due to deficiencies in the implementation of the projects.**
  - Project proposals submitted to the department were thoroughly evaluated as per guidelines specifically on beneficiary and project selection requirements which were administered by the proponents and were validated by the Field office, and further assessed by the regional office through the TSSD. The delay on project implementation or problem on ceased operation was due to intervening circumstances which were not seen and attended to by project proponents. To avoid recurrence of the problem, Risk Management Plan has to be required to identify clear and doable contingency measures when such problem occurs.
  
6. **AOM Re.-An imbalance of utilization of funds allocated for K-12 DOLE Adjustment Measures Program (AMP).**
  - The K to 12 is a new project implemented in 2016 aimed to support displaced Higher Education Personnel affected by the implementation of K to 12 Program. Under the K to 12 guideline, DOLE regional offices are granted to hire Regional Management Officer, hence the hiring of Marie Kris Batalla. The other administrative expenses are purely expenses for the massive advocacy activities of K to 12 considering this is a new program. Hence, the total administrative cost utilized is necessary and legal in the implementation of K to 12 program. However despite of massive advocacy only eleven (11) displaced HEI personnel availed of the financial support with a total amount of P 269,366.00 or 68.39% utilized. The remaining fund balance of the project can be utilized for the calendar year 2017 and we expect more HEI personnel to avail the financial support with the new expanded guidelines of K to 12.

We hope you find our actions and comments in order.

Thank you and warm regards.

Very truly yours,

**MANUEL C. ROLDAN**  
Regional Director