

DEPARTMENT OF LABOR AND EMPLOYMENT
Regional Office No. 02
Tuguegarao City

Agency Action Plan and Status of Implementation
Audit Observations and Recommendations
For the Calendar Year 2015 (Prior Years)
As of DECEMBER 31, 2018

Reference No. (ML/CAAR)	Category	Audit Subject	Audit Observations	Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be taken	
					Action Plan	Person/Dept. Responsible	Target Implementation Date				
							From				To
ML 2015	Financial and Compliance Audit	Reimbursement of OIC-Regional Director for Gasoline Expenses used on his Private Vehicle during his family visit.	Reimbursement made by the OIC-Regional Director amounting to P 18,621.49 for gasoline expenses used on his private vehicle during his family visits were in violation of COA Circular No. 2012-003 dated October 29, 2012, Executive Order No. 248 dated May 29, 1995 and Career Executive Service Board (CESB) Circular NO. 1, Series of 2010, thus resulting to the incurrence by management of an irregular expenditure.	That the OIC-Regional Director refund the amount in excess of the cost of actual transportation expenses incurred during his family/home visits pursuant to Executive Order No. 248 dated May 29, 1995, COA Circular No. 2012-003 dated October 29, 2012 and Career executive Service Board (CESB) Circular No. 1 series of 2010. Likewise, we recommended that management should stop the practice of paying expenses for gasoline used on private administrative proceeding that may filed against the officials or employees responsible of such violation.	We are waiting for the actions and taken from COA for the AOM No. 2015-004.	RD/Accountant	JAN 2018	DEC 2018	Partially implemented	We already submitted our comments/actions to COA. But up to this date we did not receive any comments from COA.	Request of consideration was made by the OIC-Regional Director to consider the use of his private vehicle as meritorious and justifiable as provided in the E.O No. 248 dated May 29, 1995 for security reason considering the nature of work as the DOLE Regional Director. The appeal was attached on the our comments/actions for that AOM dated April 4, 2016.
ML 2014	Financial and Compliance Audit	Slow collection of Loan Receivables.	Out of last year's uncollected Loans Receivables balance of ₱5,562,193.05 representing dormant / uncollected loans granted to 75 associations, only 1.36% thereof or the amount of P 76,118.05 was collected, thereby leaving an uncollected balance of ₱5,486,075.00 as of December 31, 2014, thus affecting the reliability of the financial statements.	We reiterated our previous audit recommendations that Management issue at least three (3) consecutive demand letters to loan borrowers. Send follow-up demand letters and evaluate responses as basis in making appropriate decision. It was also recommended that Management require the Balikatan Kaunlaran Foundation to return immediately the amount of ₱100,000.00 including interest in order to settle its outstanding loan account.	To write IAS for the retrieval of the Loans Receivable documents for proper filing to COA for write off.	Accounting Dept.	JAN 2018	DEC 2018	Partially Implemented	Retrieval of loans recievable documents is still on process.	Regarding the the loans granted to Balikatan Kaunlaran Foundation of Batanes amounting to P100,000.00 which was deposited to LBP- Basco, Batanes Branch, the said entity will coordinate with LBP Central Office for its remittance to the Bureau of the Treasury. The Entity made a follow-up with LPB Batanes regarding status of account of balikatan kaunlaran foundation. LBP Batanes informed the entity that a letter was already sent to LBP Central Office asking the status of the account of balikatan kaunlaran foundation. A certification was issued by the LBP Central Office to certify that the unclaimed balance under the account name of balikatan kaunlaran foundation was already included in the list of unclaimed balances. The said unclaimed balances is due for reversion to the BTR.

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ML 2013	Financial and Compliance Audit	Unmarked motor vehicle to determine ownership.	Motor vehicles of the agency were not marked "For Official Use Only", a deviation from the requirements imposed under Section 5.2 of COA Circular No. 75-6 dated November 7, 1975 and COA Circular No. 75-6A dated December 15, 1975, thereby exposing said government property to unauthorized use.	We recommended that management ensure that all motor vehicles owned by the agency are marked "For Official Use Only" to determine ownership by the government in accordance with Section V.2 of COA Circular No. 75-6 dated November 7, 1975 and COA Circular No. 75-6A dated December 15, 1975.	Request the OIC Regional Director for the marking of the remaining vehicles "For official use only"	IMSD	JAN 2018	DEC 2018	Implemented	A request letter was made to the OIC Regional Director on May 31, 2018 for the marking of the following vehicles to wit 1. SAA 4642 – Inovva Grey 2. SAA 4637 – Inovva Red 3. Skf 660 – Avanza And as of now, all the vehicles were already marked with "For official use only".	
ML 2013	Financial and Compliance Audit	Inadequate monitoring and the Laxity in the Implementation of the Guidelines.	Fund transfers to LGUs and NGOs / POs amounting to ₱16,755,157.62 and ₱3,161,235.88, respectively, for the implementation of livelihood projects remained unliquidated for six months to over three years as of December 31, 2013 due to inadequate monitoring of project implementation and laxity in the enforcement of the provisions of COA Circular Nos. 94-013 and 2007-001 dated October 28, 2007, and MOAs between the DOLE and the LGUs / NGOs / POs, resulting in the difficulty of ascertaining the proper utilization of funds and doubtful validity of the reported balance of receivable from LGUs and NGOs of	We reiterated our prior year recommendations that Management: 1.) Issue final demand letters to LGUs concerned requiring them to submit immediately the RCIs and/or RDs otherwise, require the refund of the amount granted if the submission of the required Liquidation Report is no longer possible or nil. 2.) Require the created monitoring team at the provincial level to closely monitor and conduct frequent inspection of project implementation and submit the required status report of project implementation and liquidation reports, and the Technical Services Support Division (TSSD) to also conduct periodic validation of the projects based on the monitoring reports submitted by the provincial team to ensure delivery of goods and services to intended	1. F.O / TSSD to conduct monthly and quarterly monitoring of project implementation . 2. F.O/ TSSD to conduct monitoring for the unliquidated cash advance 60 days after the project	Accountant/IMSD	JAN 2018	DEC 2018	Ongoing	1. Rigorously Procurement Law 2. Failure of bidding due to no takers A memorandum dated December 28, 2018 was issued directing them to submit their Action Plan and Status of Liquidation for LGU's , NGA's, NGO's/ PO's .	

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			₱22,403,863.30 as of the same period.	beneficiaries.3.)Instruct the Accountant to restore the amount of ₱400,000.00 to the Due from NGOs/POs, and immediately issue demand letters requiring the immediate submission of the fund utilization / liquidation reports in the event that the accounts have already been past due. If not complied, same should be forwarded to the legal office for appropriate action; and 4.)Institute legal action against defaulting NGOs/ POs which failed to complete projects covered by MOA, or for a material violation of the provisions of the MOA or COA Circular 2007-001, and in any of these cases, its subsequent disqualification from applying for another project in other Government Office/Agency.	implementation . 3. Forge tripartite MOA among LGU, COA to DOLE to define responsibilities in the submission of liquidated reports.						

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ML 2013	Financial and Compliance Audit	Advances to Officers and Employees remained uncollected.	Advances to Officers and Employees (148) amounting to ₱13,431,884.34 remained unliquidated as of December 31, 2014 in violation of Section 89 of Presidential Decree No. 1445 and COA Circular No. 97-002 dated February 10, 1997.	We reiterated our recommendations that management: 1.) Direct all concerned officers and employees to submit immediately the proper accounting of expenditures to settle their unliquidated cash advances, otherwise cause the withholding of salaries of concerned personnel pursuant to COA Circular No. 97-002 dated February 10, 1997. 2.) Comply strictly with the provisions of Section 89 of Presidential Decree No. 1445 and COA Circular No. 97-002 dated February 10, 1997 to avoid accumulation of long outstanding balances; and 3.) Send follow-up demand letters to DOLE personnel who are no longer assigned in DOLE-RO2. Request their present DOLE office assignment to deduct from their salaries the amount due them.	Issue another demand letter to our former Regional Director which shall serve as a basis for filing a request for write off in case no settlement will be made by him.	FMS/PERSONNEL CONCERNED	JAN 2018	DEC 2018	Partially Implemented	Despite of the numerous demand letter to Mr. Wesley Gacutan, his cash advance remains unliquidated	Regarding the CA of Wesley Gacutan, we have sent him final demand letter and also informed FMS -CO of the unliquidated cash advances . A letter was sent to FMS Manila asking the updates of the letter regarding the cash advance of RD Wesley Gacutan. Cash advance of ARD Dannug was already deducted by Central Office from his retirement benefits.

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ML 2013	Financial and Compliance Audit	Unauthorized signatures for Acknowledgment Receipts for Property.	Acknowledgement Receipts for Property (ARP) for motor vehicles were just signed by the drivers instead of the authorized responsible officials concerned.	We recommended that Management establish the proper accountability of the service vehicles by issuing the vehicles through the accomplishment of the ARP to authorized responsible officials only. Correspondingly, the transportation allowance of the concerned officials should not be granted as the case may be. On the other hand, if a government vehicle has to be used by those who are receiving transportation allowance, a proportionate amount shall be deducted from the transportation allowance of the official concerned pursuant to Section 361.h of the Government Accounting and Auditing Manual (GAAM).	To comply with audit recommendations	IMSD	JAN 2018	DEC 2018	Implemented		The entity cancelled the ARP with the drivers. All vehicle are in the custody of the property custodian for proper issuance of Trip Ticket
ML 2013	Financial and Compliance Audit	Violation of DBM Budget Circular No. 2011-5 dated December 26, 2011.	The funds used to pay for the employees' CNA Incentive amounting to ₱3,038,000 for CY 2011 were sourced from the savings generated from MOOE items not allowed under DBM Budget Circular No. 2011-5 dated December 26, 2011. In addition, 72 employees were paid at the rates of ₱32,000.00 to ₱45,000.00 instead of the rate prescribed under the same Budget Circular of ₱25,000, or an excess of ₱1,198,000.00.	We recommended that Management require the refund of the total amount of ₱1,198,000.00 representing CNA Incentive charged against unauthorized MOOE items and in excess of the allowable amount of ₱25,000.00 per qualified employee. Henceforth, payment of CNA Incentive should be sourced from savings generated from authorized MOOE items only and limited to the prescribed rate per qualified employee.	Issue a demand letter to the concerned employees.	Concerned Employees	JAN 2018	DEC 2018	ONGOING		Collection of CNA disallowance is still on process.


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