

Department of Labor and Employment, Region IV-A  
**ACTION PLAN and STATUS of IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2016  
 As of December 31, 2017

ANNEX E

Reference	Audit Observations	Audit Recommendations	Action Plan				Status of Implementation	Reason for Partial or Non-Implementation	Action taken/ To be taken
			Action Plan	Person/Dept . Responsible	Target Implementation Date	From To			
<b>AOM No. DOLERA4A 17-01 (16)</b>	Cashbook/CRR/CKDR of the Accountable Officer (AO) were not updated contrary to Revised Cash Examination Manual Chapter II, Paragraphs 6 and 7, and Government Accounting Manual (GAM), Volume II, thus, cash accountabilities were not properly monitored, and the required quarter-end reconciliation of AO's and accounting records was not observed.	We recommend the Accountable/Collecting Officer and Provincial Collecting Officers to maintain Cash Receipts Record (CRR) per fund cluster as required in the Revised Cash Examination Manual Chapter II, Paragraph 7, and GAM Volume II, as the equivalent of cashbook. Collections may be recorded in the CRR each official receipt individually or the total collections for the day depending on the volume of the transactions.	Reg'l Office- Cashier	Provincial Offices- Designated SCOs	August 2017	December 2017	Fully implemented	Fully implemented	The Accountable Officer in the Regional Office already prepared and submitted copy of her report on Cash Receipts Record (CRR) covering the period August 2017 to December 2017 and regularly maintaining the same up to this date.  Assurance was given by the Accountable Officer to adhere to the recommendation cited and will conform with the existing Rules and Regulations of COA on Cash Examination.

							<p>To date, POs designated SCOS regularly maintaining the said reports.</p>
<p><b>AOM No. DOLERA 17-02-101 (16)</b></p>	<p>Liquidation of transfer of fund in the amount of ₱436,777.68 from the released livelihood assistance from Municipal Government of Amadeo, a Local Government Unit (LGU), to Shoreline Kabalik sa Kaulnaran Inc. (SKK), a Non-Government Organization (NGO), was contrary to COA Circular No. 2012-001 dated June 14, 2012, Section 3.1.2, COA Circular No. 2012-003 dated October 29, 2012, Section 3.0, and DOLE Department Order No. 137-14, series of 2014, dated March 28, 2014, thus, considered the transaction "Irregular".</p>	<p>We recommended that the Regional Director direct the Proponent to:</p> <ul style="list-style-type: none"> <li>• submit necessary supporting documents from SKK for the utilization of grants amounting to ₱366,777.68, and Official Receipt or other proof of payments for the ₱70,000.00;</li> <li>• explain why the SKK did not transfer the supporting documents to Municipal Government of Amadeo, as ACP, for proper liquidation of grants;</li> </ul>	<p>TSSD Chief RO-Program Manager PO-Head PO-Focal Person</p>		<p>Fully implemented</p>		<p>For this CY 2017, the outstanding account balance has been fully liquidated wherein the amount of ₱70,000.00 was liquidated on January 2016 with JEV# 2016-01-001 and the balance of ₱366,777.68 was liquidated on August 2017.</p>
<p><b>AOM No. DOLERA 17-03 (16)</b></p>	<p>The Department of Labor and Employment (DOLE) Region IV-A allowed LGUs, to implement BUB Projects totaling ₱4.86M, that did not pass the Seal of Good Financial Housekeeping,</p>	<p>We recommend the Management to:</p> <ul style="list-style-type: none"> <li>• explain why funds were allocated to LGU beneficiaries that did not pass the Seal of</li> </ul>	<p>TSSD Chief RO-Program Manager PO-Heads PO-Focal Persons</p>		<p>Partially implemented</p>		<p>For this quarter ending December 31, 2017, BUB Projects allocated for Municipalities of Kawit, Cavite and Pililla, Rizal has been utilized.</p>

	<p>contrary to GAA of FY 2016, and DILG-DSWD-NAPC Joint Memorandum Circular No. 7 dated November 3, 2015, Section 4, thus, financial performance, accountability and transparency in the implementation of BUB Projects was doubtful.</p>	<p>Good Financial Housekeeping;</p> <ul style="list-style-type: none"> <li>review the list of BUB Projects and ensure that the LGU beneficiaries passed to the subject provision of law and other related rules and regulations.</li> </ul>		<p>TSSD Chief RO-Program Manager PO-Heads PO-Focal Persons</p>	<p>Jan 2017</p>	<p>December 2017</p>	<p>Partially implemented</p>	<p>There are some newly elected LCES hesitant to implement the BUB projects of their respective cities and municipalities since the Local Poverty Reduction Action Plan was approved by the</p>	<p>On the other hand, allocated funds for Burdeos, Quezon and other LGU projects with unutilized appropriation will no longer be implemented since the validity of appropriation is until December 31, 2017.</p> <p>Furthermore, please be informed that all BUB projects allocated and utilized for the implementation of the same were compliant with the requirements of Good Financial Housekeeping.</p>
<p><b>AOM No. DOLERA 17-04 (16)</b></p>	<p>The implementation of priority poverty reduction projects under the Bottom-up Budgeting (BUB) Program amounting to ₱75,011,718.92 or 44% of allocation totaling ₱168,950,205.00 incurred delay due to lack of coordination between NGAs and LGUs, and with conflict in the implementation of other projects of Department of Labor and Employment (DOLE) Region IV-A, contrary to DBM-DILG-DSWD-NAPC</p>	<p>We recommended that Management require:</p> <ul style="list-style-type: none"> <li>the director to formulate strategy to hasten the implementation of the BUB Projects, and identify the reason/s for the delay;</li> <li>review the list of BUB Projects and ensure that the LGU beneficiaries could access easily, and</li> </ul>							<p>As early as August 2015, the DOLE RO IV-A initiated the conduct of provincial meetings with the beneficiary LGUs to facilitate the immediate release of fund intended for the 2016 BUB fund projects.</p> <p>During the meeting we provided the BUB Focal Persons of the LGUs</p>

	<p>Joint Circular No. 7, dated November 3, 2015, Sub-section 5.9.1, thereby depriving qualified beneficiaries to avail working capital for their livelihood, and alternative means of employment.</p>	<p>to avail the benefits on time.</p>					<p>LPRAT headed by the previous administration. Pending implementation of projects due to unliquidated grants. Failure to submit the complete documentary requirements.</p>	<p>envelopes containing DILEEP brochure, project proposal template, checklist of requirements and individual beneficiary profile from to assist them in the preparation and submission of the documentary requirements. The office regularly send follow up letter to those LGUs who failed to submit project proposal and documentary requirements. We consistently attend to RPRAT Meetings, Provincial forum and other BUB relate meetings initiated by DILG, LGUs, CSOs and other stakeholders. We also provide technical assistance to LPRAT to fast tract the submission of documents particularly project proposal. We also join Sangguniang Bayan session to facilitate the approval of the project. Further, the BUB Focal</p>
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								<p>Persons, both at the provincial and regional level meet on a quarterly basis to discuss the issues and concerns in the implementation of BUB as well as DILP &amp; TUPAD.</p> <p>The Regional Director together with TSSD E/W staff visited LGUs in the province of Cavite this CY 2017 to ensure their compliance.</p> <p>To date, the office is maintaining a system issued by the DBM for the monitoring/status report and action plan of the enrolled projects.</p>
<p><b>AOM No. DOLER4A 17-05 (16)</b></p>	<p>Special Amelioration Program (SAP) Funds were not recorded as trust receipts in the DOLE IV-A's books of accounts as required under Item No. 3 of the Special Provisions of RA No. 10717, the GAA for FY 2016 and Section 9 of RA No. 6982 amounting to ₱2,374,163.45, thereby, understating the account Trust Liabilities and overstating Due to Central Office.</p>	<p>We recommend that Management comply with Item No. 3 of the Special provisions of RA No. 10717 and Section 9 of RA No. 6982 which require that the amount remitted by sugar millers to the DOLE sourced from the unclaimed 80 percent cash bonus of the workers be treated as trust receipts under Trust Liabilities. We likewise recommended that the Management comply with PPSAS 1 for a fair presentation</p>	<p>IMSD Chief Regional Accountant</p>			<p>Fully implemented</p>		<p>As of December 31, 2015, the SAP funds' financial reports/records were incorporated/included in the books of the Regional Office in compliance with the Memorandum Order No. AD-134-809 issued by DOLE-Central Office on 13 November 2015 in relation to Guidelines in Recording the Social</p>



<p><b>AOM No.</b> <b>DOLER4A</b> <b>17-06 (16)</b></p>	<p>The balance of transferred funds from the DOLE IV-A to Non-Government Organizations/People's Organizations (NGOs/POs) amounting to ₱37,485,621.60 as of December 31, 2016, remained unliquidated over the years contrary to COA Circular 2007-001, Section 5.4, dated October 25, 2007, and DOLE Department Order No. 36-02, series of 2002, dated December 27, 2002, resulting in the difficulty of ascertaining the feasibility of implementation and possibility of liquidation.</p>	<p>We recommend that the Management:</p> <p>a. direct the program implementers/facilitators to exert utmost efforts to monitor the implementation of the projects and assist the beneficiaries in the preparation and consolidation of their terminal/liquidation reports to ensure correctness of the liquidation reports and immediate/prompt submission thereof;</p> <p>b. conduct regular inspection of the recipient NGOs/POs; prepare an inspection/monitoring schedule covering current and prior years' projects to determine if funds transferred to them were properly utilized in accordance with the provisions of the MOAs; and constantly update their addresses and contact numbers to facilitate monitoring of their</p>	<p>TSSD Chief RO-Program Manager PO-Heads PO-Focal Persons</p>	<p>Partially implemented</p>	<p>the requested project funds were utilized by previous administration wherein all the required supporting documents needed for the liquidation report were not properly turned-over to the officer in charge under the new administration.</p>	<p>The heads of the (5) five Provincial Offices submitted/provided updates on the monitoring of the different projects. They assured the top management that they will adhere to the recommendations cited and comply with the existing rules and regulations.</p> <p>For this CY 2017, Laguna Provincial Office were issued three (3) demand letters to twelve (12) Workers Associations /Cooperatives. Further, Twenty Six (26) proponents with outstanding balance of ₱6,881,654.02 were monitored/for follow-up; twenty four (24) proponents with unliquidated balance of ₱4,219,028.18 are scheduled for monitoring and a total amount of ₱1,522,370.00 comprising fifteen (15)</p>
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		<p>c. strictly adhere to the provisions of COA Circular Nos. 2007-001 on the grant and liquidation of fund transfers to NGOs/POs and enforce the terms and conditions provided for in the MOA particularly on the obligation of the Proponent to immediately refund any unutilized funds and for the DOLE RO to institute appropriate actions against Proponents violating the same.</p>						<p>proponents are requesting for write-off waiting for submission of the required documents.</p> <p>Likewise, Quezon Provincial Office action plan and status report for unliquidated grants were made which includes seven (7) proponents for CY 2014 and seven (7) for CY 2013 and below amounting to ₱2,857,582.00 and out of fourteen (14) proponents, four (4) submitted their liquidation report for a total amount of P887,504.00.</p> <p>Nine (9) recipients from the provinces of Cavite, Laguna, Rizal and Quezon submitted their liquidation reports for CY 2017 ending December 31, 2017 amounting to ₱3,543,510.08 representing prior years' outstanding balances.</p> <p>TSSD E/W Chief and staff went to San Luis and Lemery, Batangas to monitor the status of the</p>
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<p><b>AOM No.</b> <b>DOLERA4</b> <b>17-07 (16)</b></p>	<p>Funds transferred to Local Government Units (LGUs) totaling ₱33.7M or 23% of year-end balance amounting to ₱146,862,510.76 for the CY 2016 remained unliquidated from one year to over three years, contrary to Section 4.6 of COA Circular No. 94-013 and Section VII (A) of DOLE Department Order No. 36-02 resulting in difficulty of ascertaining the proper utilization of funds and casting doubt on the liquidation of long outstanding grants/balances.</p>	<p>We recommended that the Management:</p> <ul style="list-style-type: none"> <li>• strictly enforce the submission of utilization/liquidation reports for funds granted to LGUs and upon completion of the projects pursuant to COA Circular Nos. 94-013 and 2007-001. Factors that caused the delay in the submission of utilization/liquidation documents should be identified so that immediate remedial measures can be instituted; and</li> <li>• continuously send demand letters to all fund recipients with outstanding balances requiring the concerned officials of the IAs particularly those that were more than one year overdue to immediately settle their long outstanding receivables.</li> </ul>	<p>TSSD Chief RO-Program Manager PO-Heads PO-Focal Persons</p>	<p>Partially implemented</p>	<p>the requested project funds were utilized by previous administration wherein all the required supporting documents needed for the liquidation report were not properly turned-over to the officer in charge under the new administration.</p>	<p>The Provincial Offices are continuously monitoring the projects and exhausted all means to address the unliquidated grants of the LGUs.</p> <p>As of the last monitoring and follow-up visits, several projects just recently completed the delivery of items and submissions of liquidation reports are being finalized. Some projects are also scheduled for bidding and others are currently under the bidding process.</p> <p>Nine (9) recipients from the provinces of Cavite, Laguna, Batangas, Rizal and Quezon submitted their liquidation reports for the quarter ending 31 December 2017 amounting to <b>₱13,613,508.50</b> representing prior years' outstanding balances broken down as follows:</p>
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Department of Labor and Employment, Region IV-A  
**ACTION PLAN and STATUS of IMPLEMENTATION**  
 Of Prior Year's Audit Recommendations  
 As of December 31, 2017

Reference	Audit Observations	Audit Recommendations	Action Plan				Status of Implementation	Reason for Partial or Non-Implementation	Action taken/ To be taken
			Action Plan	Person/Dept . Responsible	Target Implementation Date	From To			
1	None of the cash advances granted way back in 2001 up to 2014 totaling P40,466,171.67 was liquidated, while only ₱764,616.00 or 24% of the current year's cash advances of ₱3,155,149.75 was liquidated contrary to Section 5.4 of COA Circular No. 2007-001. Further, the said current year's cash advances were granted to eight NGOs/POs for the implementation of livelihood projects despite the lack of some documentary requirements and certain deficiencies in the Memorandum of Agreement contrary to Section 2 of COA	<ol style="list-style-type: none"> <li>Explore the legal remedies against the NGOs/POs with outstanding cash advances prior to January 1, 2015.</li> <li>Ensure the immediate liquidation of the cash advances granted in CY 2015 and onwards through regular monitoring and the prompt issuance of Demand Letters.</li> <li>Justify why a MOA was entered into by DOLE IV-A with Now Moving for Better Philippines Multi-Purpose Cooperative despite the lack of appropriation in CY 2014.</li> <li>Direct the following personnel:                      ➤ The Heads of the Provincial Offices                      • To be strict in the initial</li> </ol>	TSSD Chief RO-Program Manager PO-Heads PO-Focal Persons				Partially implemented		Twenty Seven (27) recipients from the provinces of Cavite, Laguna, Batangas, Rizal and Quezon submitted their liquidation reports for CY 2016 and 2017 amounting to ₱9,281,298.58 representing prior years' outstanding balances broken down as follows:  -CPO - ₱ 366,777.68 -LPO - 1,887,397.65 -BPO- 1,001,139.00 -RPO - 5,058,341.50 -QPO- 967,642.75 ₱ <u>9,281,298.58</u>  Cited audit recommendations has been noted and ensure to comply with the

	<p>Circular No. 2012-001 and Sections 4(6), 85 to 87 of P.D. No. 1445, thus, rendering the propriety and regularity of the transactions doubtful.</p>	<p>evaluation of the necessary documents for the grant of cash advances to NGOs/POs</p> <ul style="list-style-type: none"> <li>• To conduct frequent monitoring of the implementation of the projects by the NGOs/POs so that problems, if any, may be addressed as early as possible</li> </ul> <p>➤ The Chief, Technical Support and Services Division (TSSD)</p> <ul style="list-style-type: none"> <li>• To be stricter in the final evaluation of the necessary documents for the grant of cash advances to NGOs/POs</li> <li>• To blacklist the NGOs/POs with prior years' unliquidated cash advances</li> </ul> <p>➤ The Chief, Accounting Unit</p> <ul style="list-style-type: none"> <li>• To justify why two or three checks were granted to five NGOs/POs under the same Allotment and Obligation Slip (Alobs) and for the same purpose</li> </ul>						<p>existing laws, rules and regulations.</p>
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		<ul style="list-style-type: none"> <li>To ensure that the basic requirements prescribed under existing laws, rules and regulations are complied with before processing claims for payments.</li> </ul>							
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Prepared by:

  
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Approved by:

  
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 Regional Director

Note: Status of implementation may either be (a) Fully Implement, (b) Ongoing, (c) Not implemented, (d) Partially implemented, or (e) Delayed