

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Regional Office No. 5
Legazpi City

**Status Report on COA Finding for FY 2014
As of March 31, 2015**

Audit Findings	Audit Recommendations	Management Comments/ Actions Taken	Timeline	Supporting Documents (photocopy attached)	Internal Auditors Validation
2014 Audit Report					
1. Unused Cash balances as of December 31, 2014 totaling P2,781,095.60 were deposited/transferred to the Cash in Bank-LCCA contrary to COA-DBM-DOF Joint Circular No. 1-97 dated January 2, 1997.	Require the Management to remit the unexpended balances to the National Treasury to avoid exposure of said funds to possible misuse and/or misappropriations. Refrain from transferring unused cash balances to the Cash in Bank-LCCA.	Remitted to the Bureau of Treasury the amount of P2,781,095.60.		OR No. 46147	
2. Unreleased checks totaling P22,375,882.32 were not adjusted as of December 31, 2014 thereby affecting the fair presentation of the account in the financial statements.	Require the Accountant to prepare necessary adjustments for the unreleased checks to correct the balance of the Cash in Bank, as of the year-end, for the fair presentation of the account in the financial statements pursuant to existing laws, rules and regulations.	Assured the Audit team that adjustments will be prepared should there be unreleased checks for CY 2015.			
3. Of the P102,250,461.00	Direct all concerned officers and employees	The Office had been strict in the enforcement of the			

<p>unliquidated Cash Advances to Officers and Employees and fund transfers to various LGUs and NGOs/POs, as of December 31, 2014, P37,002,433.57 or 36.19 percent remained outstanding for more than 6 months to over 3 years due to the failure of management to strictly enforce liquidation contrary to Section 89 of PD 1445 and COA Circular Nos. 97-002 dated February 10, 2007; 94-013 dated December 13, 1994; and 2007-001 dated October 25, 2007.</p>	<p>to immediately settle their unliquidated cash advances, otherwise, cause the withholding of salaries pursuant to COA Circular No. 97-002 dated February 10, 1997. No additional cash advances shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.</p> <p>Initiate the undertaking of the legal remedies provided for under COA Circular No. 2012-004.</p> <p>Prepare an inspection report/monitoring schedule covering and prior year's projects and formulate alternative measures to effect immediate submission of the liquidation reports of the Proponents to determine if funds released were properly utilized in accordance with the provisions of the MOA.</p> <p>Strictly adhere to the provisions of COA Circular Nos. 94-013 and 2007-001 on the</p>	<p>"no liquidation of prior cash advance, no additional cash advance" policy. A memorandum to the IMSD was issued last July 11, 2014 directing the division not to process request for cash advances of those with prior unliquidated cash advances.</p>			
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	liquidation of funds released to LGUs and NGOs/POs and enforce the terms and conditions provided for in the MOA.				
4. Procurement of equipment undertaken by the agency was not in accordance with its approved Annual Procurement Plan (APP) for CY 2014 contrary to the revised Implementing Rules and Regulations (IRR) of Republic Act No. 9184.	Require the management to comply with the provisions of the revised IRR of RA 9184. A supplemental APP must be prepared and approved by the Head of the Procuring Entity prior to the procurement of any requirement that are immediately needed by the concerned office not included in the APP.	The management agreed to comply with the provisions of the revised IRR of RA 9184 on the preparation of a supplemental APP prior to the additional procurement.	-		
5. The agency's failure to renew the registration of its two (2) motor vehicles for CY 2014 would entail unnecessary expenses of penalty charges/fines for late/expired registration, thus, contrary to COA Circular No. 2012-003.	Require management to be cautious in the exact date of car registration expiry to avoid unnecessary expenses of penalty charges/fines for late/expired registration.	The subject motor vehicles were already registered with the LTO, with Official Receipt dated February 4, 2015.		OR Nos. 653823310 & 354778815	
6. Payments amounting to P50,088,858.79 were made despite lack of documentary requirements contrary to Section 4(6) of PD 1445, Section 168 ©, Volume 1 of GAAM and COA Circular No. 2012-001 dated June 14, 2012, thus, the propriety/regularity of the	Strictly observe the pertinent laws, rules and regulations on documentary requirements for government transactions. Require concerned RO personnel to submit to COA the lacking documents.	Lacking documents for SPESD transactions have been submitted to the Audit Team on March 2015. For other transactions, management assigned two (2) regional staffs to prepare/locate/secure the lacking documents to the Audit Team.			

transactions cannot be fully established.					
7. Reports of Checks Issued, paid disbursement vouchers and supporting documents for CY 2014 were either submitted late or not submitted at all, contrary to the Revised Rules and Regulations on the Settlement of Accounts (RRSA), hence, prevented the timely review and audit of the transactions.	Require the Accountant to expedite the submission of the subject Monthly RCI and supporting DVs to the COA Auditor and henceforth, strictly, adhere to the provisions of the RRSA on the submission of the above said reports.	Two (2) regional staffs to prepare/locate/secure the lacking documents to the Audit Team.			Memorandum dated March 5, 2015
8. The Agency has not yet adopted the Philippine Public Sector Accounting Standards (PPSAS) contrary to COA Resolutions No. 2014-003 dated January 24, 2014.	Require the Accountant-designate to coordinate with their Central Office for seminar schedules to be abreast on the adoption of the PPSAS and to comply with the mandate per COA Resolution No. 2014-003.	Reports for CY 2015 will already be in accordance with Philippine Public Sector Accounting Standards (PPSAS).			
9. Not all of the qualified beneficiaries of DOLE-RO V livelihood project (goat dispersal) were found out to have actually received the goats intended for them, thus, depriving them of the benefit that could have been derived from it contrary to DOLE's thrust alleviating poverty incidence in the region.	Conduct further investigation and submit a report on the findings noted by the Audit Team as presented in Annex G, particularly those found to have not actually received the goats intended for them, and if warranted, take appropriate actions against the person responsible for the transactions.	A letter dated February 12, 2015 addressed to PFO-Cam. Sur was issued by the Regional Director instructing her to explain the discrepancy between the total number of goats purchased and those that have been issued and received by the beneficiaries.			

	Conduct regular monitoring of livelihood projects funded by the RO to ensure that the projects were efficiently and effectively implemented.				
10. Had there been proper coordination between the DOLE RO V concerned offices, the insurance paid for by it for the DOLE TUPAD workers who did not show up during the implementation phase could have constituted a waste of project funds.	<p>Instruct the concerned PFO inform the TSSD ahead of time should there be any changes in the master list of qualified beneficiaries to ensure that project fund utilized for the payment of the corresponding insurance will not be put to waste</p> <p>Ensure that replacement are required insurance coverage before they are contracted to work.</p>	A memorandum was issued to clarify the matter and it was found out that the "no show" beneficiaries had already been posed to Bureau of Workers with Special Concerns (BWSC), the program manager for the TUPAD Project. <i>u</i>			

Prepared/Submitted by:

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Certified by

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