**OVERSEAS WORKERS WELFARE ADMINISTRATION**

**MANAGEMENT COMMENTS / ACTIONS TAKEN**

**CY 2014 ANNUAL AUDIT REPORT ISSUED BY COA**

**As of November 2015**

| **OBSERVATIONS** | **RECOMMENDATIONS** | **COMMENTS/ACTION TAKEN** | **VALIDATION** |
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| 1. **FINANCIAL AND COMPLIANCE**
 |
| ***Unreliable balances of various accounts***1. **There is no assurance of the correctness of the balances of Cash Collecting Officers, Due from Regional Welfare Office, Investments, Property, Plant and Equipment (PPE), Other Assets, Accounts Payable and Other Payables amounting to P33,714,618, P16,686,117,765, P184,279,083, P344,014,286, P564,775,641, and P49,198, 272, respectively, due to various deficiencies.**
	1. **Cash Collecting Officers (102) with a balance of P33,714,618**
2. **Head Office (HO)**
	1. **Due from Regional Welfare Office (reciprocal account)**
3. **HO**
	1. **Investments with a balance of P16,686,117,765**
	2. **Property, Plant and Equipment (PPE) with a balance of P184, 279,083**
4. **HO**
5. **RWOs**

**Various deficiencies noted in the audit of PPE accounts in RWOs III, CAR, IX and ARMM cast doubts on the accuracy of its presented balance. These included among others, non-compliance with COA Circular no. 80-124 on the conduct of annual physical inventory and reconciliation of accounting and property records, and erroneous computation of depreciation expenses**.* 1. **Other Assets with a balance of P344,014,286**
		1. **Loans Receivable**
1. **HO**

.1. **RWOs**
	* 1. **Miscellaneous Receivable**
2. **HO**
	1. **Accounts payable with a balance of P564,775,641**
3. **HO**
4. **RWOs**
	1. **Other Payables with a balance of P49,198,272**
5. **HO**
 | We recommended that Management:1. Ensure that Report of Collections are properly supported with complete documents including remittance advice or deposit slips as the case may be, to ensure proper and timely recording of the same and in compliance with Part VI of MOI No. 18 series of 2001;
2. Inform the foreign posts to completely fill up deposit slips/remittance advice (include depositor’s name) to facilitate the identification of the deposit/account and perform monthly reconciliation of bank accounts;
3. Inform/coordinate with the foreign posts concerned for them to check/follow-up the remittances made but not credited by LBP;
4. Adhere to the provisions of Section 7 (b), Article V of the Omnibus Policies of OWWA and Part VI of the Memorandum of Instructions No. 18 series of 2001 on the remittance of all collections; and
5. Revisit the provisions of Section 7 (b), Article V of the Omnibus Policies of OWWA and in Part VI of the Memorandum of Instructions No. 18 series of 2001 on the deposit and remittance of collections to ascertain whether these are still applicable to all foreign posts or maybe subject for revision.

We recommended that:1. The Accountants of the HO and the RWOs ensure that all accounting entries affecting reciprocal accounts are based on the entry stated in the Debit/Credit Memorandum (DM/CM). The DM/CM should be prepared by the office that initiated the transaction and ensure that all the items found in the GL are supported with entries in the GJ;
2. The Head of Regional Operations Coordinating Services instruct all Accountants of the RWOs to take initiative of requesting the subsidiary ledger from HO as basis for the preparation of reconciliation statement of reciprocal accounts with the Head Office Accounting Division, prior to the preparation of RWOs’ financial statements;
3. The Accountants of both the HO and RWO prepare and take up the necessary adjusting entries for reconciling items identified in the reconciliation process; and
4. The Management ensure that a particular OWWA personnel be assigned to look into this unreconciled balance of reciprocal accounts.

We recommended that:1. FIMO coordinate with the AD for the regular reconciliation of records on Investments; and
2. The AD analyze and reconcile the balances of investments in Marketable Securities account to ensure the accuracy and validity of the ending balances and prepare the necessary adjusting entries to correct the balances.

We recommended that Management:1. Strictly comply with the provisions of Manual on the NGAS-Corporate specifically on the following:
* Maintenance of the subsidiary ledgers such as PPE Ledger Card (PPELC) and PPE Ledger Card- specific item (PPELC-SI) and assure that they were reconciled;
* Use of PC to record the description, transfer/ acquisition, disposal and other information to be kept by the Supply and Property Unit for each PPE; and
* Issuance/renewal of PAR every three years or every time there is a change in property accountability.
1. Ensure adherence to COA Circular no. 80-124 dated January 18, 1980 on the conduct of inventory of all assets of GOCC and reconciliation of the Accounting and Inventory Records.
2. Require the accounting personnel to compute/re-compute depreciation expenses, in accordance with the guidelines prescribed in COA Circular Letter 2004-003 and COA Circular 2003-007, to come up with the correct amount and subsequently take up appropriate adjusting entries;
3. Comply with COA Circular No. 2005-002 dated April 14, 2005 on the proper accounting treatment for small tangible items;
4. Require the PPMD to coordinate
* With the AD to update their “OWWA Property Codes” so as to correctly classify items which were erroneously categorized and provide proper classification for items which were not yet sorted according to class; and
* With RWOs to gather information as to PPE items under their custodianship.

We recommended that Management:1. Submit the schedule or list of OFW loan borrowers and aging of account; and
2. Exert extra effort in strengthening the collection of receivables from OFW loan borrowers.

We recommended that Management:1. Provide adequate ADA, in compliance with International Public Sector Accounting Standard (IPSAS) 3;
2. Require the accounting personnel to re-compute the balance of ADA in accordance with Section 1.1 to 1.3 of the unnumbered Basic Guidelines on the Regional Accounting System of OWWA dated November 8, 2010;
3. Comply with Paragraph 44 of the International Public Sector Accounting Standards (IPSAS) on Financial Statement Disclosure; and
4. Exert extra efforts to identify the borrowers/payors and credit the total payment to the respective ledger account to arrive at the correct balance of Loans Receivable.

We recommended that Management:1. Set up appropriate provision for the ADA for long overdue accounts, in compliance with IPSAS 3;
2. Ensure the maintenance of updated subsidiary ledgers and the preparation of corresponding Schedule/Aging of Receivables;
3. Require the AD:

 (a) completely and accurately record all transactions to strictly monitor the status of payment in compliance with Republic Act No. 10022; (b) ensure that the data encoded in the CRJ are properly checked to ensure correctness of information; and (c) prepare adjusting entries to reclassify the repatriation cost of directly hired OFWs from Miscellaneous Receivables account to Other MOOE-Repatriation Assistance (Land Based), chargeable against Emergency Repatriation Fund (ERF).We recommended that Management:1. Strictly comply with Section 144 of Manual on NGAS Volume III;
2. Immediately effect the necessary adjusting entries for the reclassification of accounts;
3. Exert effort to ascertain if the balance of Accounts Payable still have valid claimants; and
4. Cause the submission of the related schedule of payable accounts and aging of Accounts Payable.

We recommended that Management:1. Ensure that recording of Accounts Payable is based on actual delivery of goods and rendition of services pursuant to the Manual on NGAS-Corporate; and
2. Review the long overdue accounts payable and effect necessary management actions thereon. If deemed necessary, revert the corresponding amount to its appropriate equity account.

We recommended that Management:1. Immediately record the payment of trustee fee not yet reflected in the books and effect the other necessary adjusting entries; and
2. Submit the schedule Other Payable – Others necessary to support the account.
 | To ensure compliance with Part VI of MOI No. 18 series of 2001 on the opening of account and daily deposits of collectionb.1 To instruct posts to completely fill up deposit slips/remittance advice.b.2 To ask concerned officers to prepare the monthly reconciliation of bank accounts/deposits.1. To send communication to the collecting officers at Post to verify their remittances/ transfers made to LBP.

To reiterate to the collecting officers of strict adherence to the provisions on the remittance of all collectionsTo revisit/review the provisions on the deposit and remittance of collections to ascertain whether these are still applicable to all foreign posts or maybe subject for revision.To attach the Debit/Credit Memorandum to the Fund Transfers made to the RWOs and to ensure that all the items found in the GL are supported with entries in the GJ.a.1 P48,215,331 and P22,797,095a.2 P490,626.07 instead of P390, 626.07.To instruct The Regional Accountants to take initiative of requesting the subsidiary ledger from HO as basis for the preparation of reconciliation statement of reciprocal accounts with the Head Office Division.1. P48,215,331 and P22,797,095,

To prepare and take up the necessary adjusting entries for reconciling items identified in the reconciliation process.To consider the recommendation that particular personnel be assigned to look into this unreconciled balance of reciprocal accounts.FIMO and Accounting Division to make regular reconciliation of records.To analyze and reconcile the balances to and to prepare the necessary adjusting entries to correct the balances.To strictly comply with the provision of Manual of NGAS-Corporate.Maintenance of Subsidiary Ledgers and assure they are reconciledTo use Property Card (PC) for each PPETo request for an extension up to June 2015 on the preparation of the CY 2014 RPCPPE due to the volume of work and lack of manpower. To maintain record of the issuance and renewal of PAR starting 2015.To ensure adherence to COA Circular no. 80-124 on the conduct of inventory of all assets and reconciliation of the Accounting and Inventory Records.To conduct recomputation of depreciation expenses, in accordance with the guidelines prescribed to come up with the correct amount and subsequently take up appropriate adjusting entries  P 235,461.96To instruct RWO ARMM to comply with the COA Circular on the proper accounting treatment for small tangible items.To update Property Codes so as to correctly classify items which were erroneously categorized and provide proper classification for items which were not yet sorted according to classTo exercise due care in classifying properties according to category and to reconcile balances with PPMD to ascertain the correct balances of the accountsRegular coordination with AD on the classification of items and RWOs for the info as to the PPE items under their custodianshipTo issue Memo regarding the conduct of Physical Count/Inventory of Property and EquipmentTo implement the audit recommendations.To ask for a leeway in the preparation and renewal of PARs to be able to organize the documents needed before assigning and transferring accountabilities on the PPE to its various employees.To create a Committee to perform physical count and to ensure that property records are accurate and reconciled with accounting records. RWO III- P1,290,338 P 338,867 RWO CAR- P3,347,945 RWO ARMM - P1,515,953 Tangible Assets – P608,151 RWO IX - P1,799,521To submit the schedule or list of OFW loan borrowers and aging of account as available.To enhance the collection efforts and take legal action, if necessary. To provide adequate Allowances for Doubtful Accounts (ADA) in compliance with IPSAS  P2,009,165 (RWO IV-A)    P 2,555,340 (RWOVI)To recompute and adjust the balance of ADA in accordance with existing rules P2,009,165 (RWO IV-A)To include full disclosure on the credit risk and conditions of the collateral on the Notes to Financial Statements. RWO IIIRWO CARTo include in the monthly action plan of the Family Welfare Officers the visit to various borrowers during their official travel to the assigned provinces in order to verify status of the OFW loan availees as well as inform and remind them of their obligationsTo look for records/documents to identify the borrowers and credit the total payment to their respective ledger account. P 471,172 (RWO IV-B)To reconcile discrepancies and to update borrower’s account, another set of collection/demand/follow-up letters will be given to borrowers.RWO IV – B To set up appropriate provision for the ADA for long overdue accounts.To revise MOI on Repatriation with specific guidelines on the payment/collection scheme for OWWA repatriation-related advances To maintain updated subsidiary ledgers and prepare the corresponding Schedule/Aging of ReceivablesTo require AD to (a) to update subsidiary ledgers and completely and accurately record all transactions to strictly monitor the status of payment  (b) to ensure that the data encoded in the CRJ are properly checked and information are correct P873,010 P271,104 P601,906 (c) to prepare the necessary adjusting entries to reclassify the repatriation cost of directly hired OFWs. P558,795To prepare the adjusting entries to correct the overstatement of account (401) and (403) To effect the necessary adjusting entries for the reclassification of accountsTo ascertain if the balance of the outstanding Accounts Payable still have valid claimantTo submit the related schedule of payable accounts and aging of Accounts Payable. P 213,857,146To ensure that recording of Accounts Payable is based on actual delivery of goods and rendition of services 1. RWO VIII - P 1,147,861 2. RWO ARMM- P 1,097,832 P753,716 -Scholarship  Program P344,116 -Health and  Rehabilitation ProgramTo review the long overdue accounts payable and effect necessary management actions. 1. RWO XII - P 238,769  2. RWO ARMM  P753,716 - Scholarship Program P344,116 - Health and Rehabilitation Program  To review /record the payment of trustee fee not yet reflected in the books. (P 7,687,656)To review entries made for the liquidation of accrued unliquidation of cash advancesTo submit the schedule Other Payable – Others necessary to support the account. | **Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented** **On-going** *(Review of MOI is on-going)* **Fully Implemented****Fully Implemented****Fully Implemented****( JEV submitted on 20 May 2015)****Fully Implemented****( JEV No. 15-01-021P)****Fully Implemented****(JEV #15-03-030P)****Fully Implemented****(JEV #15-03-030P)****Fully Implemented****Fully Implemented****Fully Implemented***(Report on RPCPPE for FY 2014 was submitted on June 15, 2015)***On-going***(Preparation of PAR to be signed by end-user is on-going)***On-going***(Updating/ renewal of PAR for new items acquired and changes in accountability)***On-going****Fully Implemented****On-going***(Correction of Classification of newly acquired properties for 2015 onwards)***On-going** **On-going****Fully Implemented***(Prepared Memo for dissemination to RWOs and Overseas Posts.)***Fully Implemented****Partially Implemented** **Partially Implemented****Fully Implemented****Fully Implemented****On-going***(1st quarter of 2016)***On-going****Fully Implemented****JEV No. 2015-03-065****Not implemented***(Amount represents collateralized Loans Receivable)***Fully Implemented****On-going** **Fully Implemented***(RWO CAR - The list of collaterals of loan availees with past due accounts is already prepared and shall be included in the notes to Financial Statement.)***Fully Implemented****(RWO III)****On-going***(RWO IVB - Collection/ demand/follow-up letters were already given to FELSF loan availees and requested the loan availees to furnish copies of their validated deposit slips to facilitate correction and adjustment of individual ledgers.)***On-going** **On-going** **Fully Implemented***(Revised MOI on Repatriation with specific guidelines on the payment/ collection scheme for OWWA repatriation-related advances.)***Fully Implemented****Fully Implemented** **Fully Implemented (JEV#15-06-076P)****Fully Implemented****(JEV # 15-06-077P)****Fully Implemented (JEV#s 15-06-163D & 15-06-075P)****Fully Implemented (JEV#s 15-06-163D & 15-06-075P)****On-going****Fully Implemented****Fully Implemented** **Fully Implemented****per JV No. 15-093 dated 30 January 2015)****On-going** **Fully Implemented** **Fully Implemented** **(per JV No. 15-093 dated 30 January 2015)****On-going** **On-going****On-going****(Partial Implementation adjustment per JEV#15-06-162D)****Fully Implemented** |
| ***Various deficiencies pertaining to cash advances***1. **Granting and liquidation of cash advances were not in accordance with the guidelines stated in COA Circular No. 79-002 dated February 10, 1997.**
2. **HO**
3. **RWOs**

  | We recommended that:1. Management require strict compliance with COA Circular No. 97-002 dated February 10, 1997 on the granting and liquidation of cash advances, as well as imposition of appropriate sanctions for non-compliance thereat;
2. The AD
* Ensure adherence with the provisions of the NGAS Manual that require the maintenance of updated SLs, and the conduct of reconciliation of SL balances with their respective control account every end of each month;
* Continuously monitor the granting and liquidation of cash advances thru the use of SLs;
* Conduct inventory of the liquidation reports submitted by employees which are still for processing and in cases where the submission of liquidation reports were beyond the prescribed period;
	+ Immediately verify and record liquidation reports submitted in order to update the corresponding accounts;
	+ Ensure that appropriate accounting entries were taken up; and
	+ Issue memorandum to remind the AO on the necessity to immediately liquidate their cash advance in compliance with COA Circular No. 97-002 dated February 10, 1997;

Consider the hiring/ designating additional personnel to handle the processing and updating of subsidiary ledgers for purposes of monitoring the cash advances. | To ensure adherence to COA Circular No. 97-002. To ensure adherence with the provisions of the NGAS Manual To continuously monitor the granting and liquidation of cash advances thru SLs;To conduct inventory of liquidation reports which are still for processing and which were beyond the prescribed periodTo verify and record liquidation reports submitted  To ensure that appropriate accounting entries were taken upTo issue memorandum to remind the AO on the necessity to immediately liquidate their cash advance b. P154,803 (RWO CAR) P104,419 (RO VI)Management to consider the recommendation of hiring/designating additional personnel to handle monitoring of cash advances.. To fully liquidate cash advances RWO CAR – P154,803RWOVI – P104,419 | **Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented***(Per letter sent to AOs DOLE officers & employees dated September 2015 & some were RTDs)***Fully Implemented***(All cash advances previously granted are already fully liquidated.)***Fully Implemented** |
| ***Disbursements not appropriately documented***1. **Various disbursement transactions in RWOs I, III, VI, VIII and CARAGA were not properly supported with required documentation, contrary to Section 4 (6) od P.D. No. 1445 and COA Circular No. 2012-001 dated June 14, 2012. This included non-compliance with COA Circular No. 77-61 dated September 26, 1977 re: documentation for fuel consumption and COA Circular no. 97-004 dated July 1, 1997. Said deficiencies cast doubts on the validity and regularity of related disbursement transactions**.
 | We recommended that Management:1. Ensure that disbursements are supported with complete documentations, in compliance with Section 4 (6) of P.D. No. 1445 and COA Circular No. 2012-001 dated June 14, 2012;
2. Ensure compliance with Section 2 of COA No. 77-61 dated September 26, 1977 re: disbursement for fuel consumption, which may include the following:
* Designation of an employee who shall be responsible for the preparation of properly accomplished and serially numbered Trip Tickets, Monthly Report of Official Travels and Monthly Report of Fuel Consumption; and
* Supported with Monthly Report of Official Travels and Monthly Report of Fuel Consumption for the evaluation, otherwise, these maybe a ground for the issuance of Notice of Suspension in audit.
1. Require suppliers to sign Purchase Orders and indicating the date of acceptance pursuant to COA Circular No. 97-004 dated July 1, 1997.
 | To ensure that disbursements are supported with complete documentations, in compliance with existing rules 1. RWO 1 -120,000
2. RWO III-194,942
3. RWOVI- P126,997
4. RWO VIII-

P1,309,5541. RWO CARAGA

 P243,182 P179,789To ensure compliance with Section 2 of COA No. 77-61 re: disbursement for fuel consumption. To designate an employee who shall be responsible for preparation of the required the properly accomplished documents.RWO IIIRWO CARAGATo support disbursement with Monthly Report of Official Travels and Monthly Report of Fuel Consumption  P194,942 (RWO III) P179,789 (CARAGA P374,730 To require suppliers to sign Purchase Orders and indicate the date of acceptance.c. P664,147 (RWO VI) | **Fully Implemented****on 03 Feb. 2015***(Furnished with copy of Lease Contract)***Fully Implemented****Fully Implemented****Fully Implemented****On July 2015***(Submitted the lacking documents.)***Fully Implemented***(Monthly Fuel Consumption Report has been submitted to COA for the period Jan – Oct 2014 together with its supporting documents.)***Fully Implemented** **Fully Implemented** **Fully Implemented** |
| ***Various deficiencies noted related to the rental of computer items***1. **Various deficiencies were noted in the audit of the Contract of Lease for the usage of computer items entered into by OWWA NCR.**
 | We recommend that Management:1. Strictly comply with Sections 46, 48 and 52 of RA. 9184 – the Government Procurement Reform Act;
2. Include all the necessary information needed in the contract and purchase order and strictly comply with Section VII of the COA Circular No. 78-84 dated August 1, 1978;
3. Prepare acceptance and inspection report for deliveries of all items purchased/leased and ensure that the date of actual receipt of deliveries is affixed on the delivery receipt;
4. Make representation with the supplier for the possibility of amending the provision of the contract that prohibits the RWO NCR to pre-terminate the same;
5. Ensure that incurrence of expenditures complies with the provisions of COA Circular No. 2012-003 dated October 29, 2012;
6. Include in the proposed budget the cost of procuring IT equipment;
7. Refrain from granting advance payment for the rentals of desktop and laptop computers and strictly comply with the provisions of Section 88 of PD1445 and Section 366 of GAAM, Volume I; and
8. Instruct the Administrative and Finance Division to record the necessary adjustments on the overstatement of rent expense.
 | To strictly comply with Sections 46, 48 and 52 (Public bidding) of R.A. 9184 – the Government Procurement Reform Act on Public Bidding To properly accomplished and include all the necessary information needed in the contract and purchase order and strictly comply with COA Circular To prepare acceptance andInspection report of deliveries of all items purchased/leased and ensure that the date of actual receipt of deliveries is affixed.To make representation with the supplier for the possibility of amending the provision of the contract that prohibits to pre-terminate the sameTo ensure that the incurrence of expenditures complies with the provisions of COA CircularTo include in the proposed budget the cost of procuring IT equipmentTo adhere with the provisions of Section 88 of PD1445 and Section 366 of GAAM, Volume ITo record the necessary adjustments on the overstatement of rent expense. | **Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented** |
| ***Delayed deposit of collections***1. **Collections under the custody of the designated Collecting Officers (CO) were not properly safeguarded, due to delayed deposit and/or were not deposited intact daily, as noted in the audit of RWO III and VI**.
 | We recommended that Management:1. Adhere strictly to Section 32 of the Revised Cash Examination Manual requiring that collections be deposited intact and daily;
2. Consider forging an agreement with the LBP for the daily pick up of collections for deposit;
3. Demand the immediate deposit of the long outstanding balance of collection.
 | To strictly comply with the provision that collections be deposited daily and intactRWO IIIRWO VI To consider negotiation with the LBP for the daily pick up of collections for depositTo demand the immediate deposit of the long outstanding balance of collection  RWO III - P50,398 RWO VI - P23,822  | **Fully Implemented****Fully Implemented****Not Feasible***(Management coordinated with AGDB but there is a circular from BSP which requires a client a minimum daily deposit of P300,000.00 for the bank to enter into an agreement with the client. The average daily deposit of RWO 3 for CY 2014 did not reach such minimum requirement, hence AGDB turned down the request for pick-up.)***Fully Implemented****Not Implemented** |
| ***Erroneous accounting treatment for various object of expenditures***1. **Audit of OWWA – HO, RWOs IV-B and III revealed erroneous accounting treatment for various objects of expenditures, thereby resulting to understatement and/or overstatement of affected accounts.**
2. **HO**
3. ***RWOs***
 | We recommended that:1. The AD:
* Prepare the necessary adjusting entries to correct the Prepaid Insurance account and other affected accounts; and
* Closely monitor the expiration of the prepaid insurance and record the corresponding expense in the year it expired to ensure accuracy and fairness of reported balance in the financial statement.
1. RWOs:
* Take up the necessary adjusting entries in the books of accounts;
* Strictly comply with Section 61 of PD 1445 and Section 157 of GAAM Volume I; and
* Classify expenditures under the appropriate accounts, in accordance with COA Circular No. 2004-008 dated September 20, 2004
 | To prepare the necessary adjusting entries to correct the Prepaid Insurance account and other affected accountsP26,836 -Insurance ExpenseP249,242-Retained EarningsTo closely monitor the expiration of the prepaid insurance and record the corresponding expense in the year it expired. P276,078 - HO P26,836 - Insurance ExpenseP249,242 - Retained Earnings  P537,588 - Prepaid InsuranceTo take up the necessary adjusting entries in the books of accountsTo strictly comply with the regulations on the recording of payables To classify expenditures under the appropriate accounts, in accordance with COA Circular  P438,561 (RWO III) | **Fully Implemented** **Fully Implemented****Fully Implemented****(RWO IV-B)****Fully Implemented****(RWO IV-B)****Fully Implemented**  |
| ***Unremitted employees share of GSIS Premium and loan payments***1. **Employees’ share of GSIS Life and Retirement Insurance Premiums and loan payments amounting to P880,147 or 99.46 per cent of the total balance of Due to GSIS (413) account remained unremitted as of December 31, 2014, contrary to Section 6 of Republic Act (R.A.) 8291.**
 | We recommended that:1. Expedite the reconciliation of the accounts and remit immediately to the GSIS the amount due for remittance; and
2. Henceforth, strictly comply with the provision of Section 6 of R.A. 8291.
 | To prepare the reconciliation of the accounts and remit to the GSIS the amount due for remittanceTo strictly comply with the provision of Section 6 of R.A. 8291. | **Fully Implemented (Reconciliation Report was submitted on 19 May 2015)** |
| ***OWWA properties not covered with insurance***1. **Physical assets amounting to P 1,354,439 in RWO II were not insured with the General Insurance Fund of the Government Service Insurance System contrary to Section 5 of Republic Act No. 656 as amended by Presidential Decree 245 thereby exposing these assets to risk of non-indemnification in cases of natural or man-made calamity.**
 | We recommended that the Management ensure that the property and equipment of RWO II are covered with the GIF of the GSIS. | To include in the annual budget the provision of insurance expense for the property and equipment of RWO II  | **Fully Implemented (on September 8, 2015)** |
| ***Non-booking of the cost of audit services***1. **The non-recording of the unremitted cost of audit services for the years 2002 to 2005 and 2007 to 2014 in the total amount of P91,935,425 resulted in the misstatement of expenses, liabilities and Retained Earnings.**
 | We recommended that Management:1. Request from the Board of Trustees a supplemental budget for the cost of audit from CY 2002 to 2005 and 2007 to 2014;
2. Include in the annual budget the provision for the audit cost until such time that a law shall be enacted which will clearly specify that OWWA is an NGA;
3. Require the Accounting Division to recognize the liabilities for unpaid cost of audit services in the books of accounts in order that the reported liabilities, expenses and other affected accounts of the agency will be correctly reported; and
4. Remit the same to the Bureau of the Treasury.
 | To wait for the enactment of law/charter that will classify the Agency  P91,935,425 -Audit fee as of  December 31, 2014 | **Deliberations is on –going at Congress**  |
| ***Implementation of Gender and Development (GAD) Plan and Programs***1. **For CY 2014 the Agency Implemented Gender and Development (GAD) Plan and Programs in compliance with the Philippines’ commitment to international conventions and various laws, rules and regulations*.***
 | We recommended that Management improve their GAD plan and budget by increasing the allotted budget for GAD programs/activities to comply with R.A. 9710 and subsequently pursue their implementation. | To reformulate the 2015 GAD Plan and Budget and provide catch-up strategies for the fulfilment of GAD related endeavors. P1,400,000 | **Fully Implemented** |
| 1. **VALUE FOR MONEY AUDIT**
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| ***Uncollected costs of tickets advanced to various repatriated OFWs in the total amount of P137,382,666***1. **Due to lack of proper monitoring and the inability to adopt a more efficient system of collection, Miscellaneous Receivable (149-5) – HO pertaining to the total ticket costs advanced to various OFWs in the total amount of P137,382,666 as of December 31, 2014 remained uncollected. Consequently, these deficiencies depleted the repatriation funds for OFWs which can be used for other related programs/projects**.
 | We recommended that Management:1. Ensure that there are updated records of principal employers or agencies;
2. Consider the creation of an office that will be directly responsible for the monitoring of collections from principal employers or agencies which should include monitoring and sending of statement of accounts and collection/demand letters to inform said principal employers or agencies (including the old accounts) of their obligation to pay not only the ticket cost but also the applicable legal interest as stated in the Rules and Regulations Implementing the Migrant Workers and Overseas Filipino Workers Act of 1995, as amended by R.A. No 10022; and

 1. Coordinate with the Philippine Overseas Employment Administration (POEA) to apply the sanctions stated in Rule XIII Section I of the Omnibus Rules and Regulations Implementing the Migrant Workers and Overseas Filipino Workers Act of 1995 against the concerned defaulting employment/recruitment agencies.
 | To ensure that there are updated records of principal employers or agencies;To consider the creation of an office that will be directly responsible for the monitoring of collections from principal employers or agencies. Continue coordination with POEA in ensuring to apply the sanctions/rules against the concerned defaulting employment/recruitment agencies.To revise MOI on Repatriation with specific guidelines on the payment/collection scheme for OWWA repatriation-related advances | **On-going****On-going***(Units concerned to conduct meeting/coordination)* **On-going** **Fully Implemented***(Revised MOI on Repatriation with specific guidelines on the payment/collection scheme for OWWA repatriation-related advances.)* |
| ***Uncollected loans receivables depleted the funds for other welfare programs***1. **Lack of legal actions and unknown whereabouts of some of beneficiaries caused the difficulty of collecting loans receivables from OFW and/or their dependents. Said Loan Receivable amounting to P88,260,806 remained dormant in the books of accounts, as disclosed in the audit of Regional Welfare Offices (RWOs) II, III, IVB, VI, X, XII and Autonomous Muslim Mindanao Region (ARMM).**
 | We recommended that Management:1. Ensure that prescribed procedures and collections as embodied in the loan documents and Memorandum of Instruction No. 001, series of 2009 are being followed; and
2. Exert all possible efforts and means to collect the loans receivables which may include retrieval of related documents/information as basis for collection, forfeiture of collaterals, etc.
 | To consider collection through a lawyer or collection agent1. RWO II -P 19,051,581

2. RWO III - P 38,568,3423. RWO IVB -P 8,704,7724. RWO VI - P 11,073,035 5. RWO X - P 7,891,319 6. RWO XII - P 2,066,759 7.RWO ARMM - P 904,998To send collection/ demand/follow up letters to Groceria and FELSF loan availees.To instruct Officers on official travel were to conduct visits and monitoring of all OWWA livelihood programs.RWO IV – BRWO XIITo task the Family Welfare Officers to do project monitoring/assessment of various OWWA livelihood programs in their respective area specifically the Groceria and FELSF availees,RWO will refer to ROCS the request for write-off of dormant accounts to the book of accounts to the Commission on Audit (COA) Regional Level/higher authorities.  | **On-going** **On-going** **On-going** **On-going**  |
| ***Programs for OFWs not properly implemented and monitored***1. **Evaluation of some of the Programs implemented in various RWOs revealed that in some instances, the required documentary requirements prescribed in the applicable guidelines of the various Programs were not strictly imposed. Likewise, no monitoring and assessment of the effectiveness of the programs were conducted. Also, due to the delay in the implementation of Cash for Work Assistance Program (CWAP) in RWO VII, it was unable to efficiently meet its objective in augmenting the income of OWWA members or their families affected by Typhoon Yolanda in Northern Cebu and the 7.2 magnitude earthquake in Bohol Province during CY 2013.**
 | We recommend that Management:1. Strictly adhere with the specific guidelines contained in the respective Memorandum of Instructions of the various Programs for implementation, particularly on the following:
* Compliance with the documentary requirements such as requirements for the availment of the benefits of the OWWA Programs;
* Guidelines on monitoring; and
* The manner of releasing the funds to beneficiaries.
1. Ensure that evaluation of the effectiveness be conducted; and
2. Implement properly programs similar to CWAP so that its objectives will be achieved.
 | To comply with the documentary requirements/ specific guidelines contained in the respective Memorandum of Instructions of the various Programs for implementation.To satisfy the documentary, monitoring and reporting requirements of the program to meet the program objectives.To conduct monitoring and assessment of the effectiveness the programs To ensure that the objective of the programs will be achieved.To conduct interview with SESP Scholars after completion of their course.RWO I RWO CARAGATo assign Family Wellfare Officers to monitor ELAP beneficiaries livelihood component effective April 2015 and to submit status report of each beneficiary.To conduct monitoring and evaluation on the projects and undertakings completed by the LGUs in Bohol and Cebu Provinces for CWAP programs | **On-going***With an on-going tracer study on SESP and EDSP conducted by the Institute for Labor Studies (ILS)***On-going***(Interviewed SESP Scholars through telephone calls to ascertain if they are employed or not. To send OWWA Scholar Graduates Tracer to SESP graduates.)***On-going****Fully Implemented***(RWO VII - Release of ELAP has been supported with business permit and other documents to ensure that goods and services given to them is for its purpose. However, only 14 of 26 were remain operational and some other closed their business due to bankruptcy and other reasons)* |
| ***Non-disposal of unserviceable properties***1. **Audit of RWO VI and ARMM revealed that unserviceable properties amounting to P654,824 were not yet disposed thus exposing them to further deterioration and entailing additional expenses to OWWA in terms of rental/warehousing cost, contrary to Section 502 of the GAAM Volume I.**

Audit of RWO VI and RWO ARMM disclosed that unserviceable properties worth P336,329 and P318,695, respectively, or a total of P654,824 were not yet disposed. | We recommended that Management comply with the provisions of Section 502 of GAAM Volume I for proper disposal of unserviceable properties. | Concerned RWOs will secure approval to the Home Office for the disposal of unserviceable properties. RWO VIRWO ARMM | **On-going** **On-going** *(Only P111,114.64 is classified as Unserviceable Properties. The remaining amount of Php 207,580.90 represents the land received as collateral for the Livelihood Development Program for OFWs under National Livelihood Support Fund.)* |
| 1. **AUDIT OF FOREIGN POST**
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| **Financial and Compliance Audit*****Non-compliance with Administrative*** Order ***(AO) No. 168, series of 2013***1. **The requirement under Administrative Order (AO) No. 168, series of 2013, for the opening of local currency savings/current account for MOOE and collection from membership contributions, both in the name of the WelOf, was not observed. The collection from membership contributions were merely kept inside the safety deposit box until remitted to the OWWA Manila account, while the funds intended for the operations of OWWA Milan was deposited to the personal account of the WelOf.**
 | The team recommended that OWWA Milan coordinate with the Philippine Consulate Government (PCG) for the opening of two accounts, one for collections of OWWA Membership contributions and the other for OWWA MOOE. | To coordinate with the Philippine Consulate Government (PCG) for the possible opening of two (2) accounts, one for collections of OWWA Membership contributions and the other for OWWA MOOE as may be allowed by host country laws. | **On-going***Continuous negotiation with the bank for possible opening of accounts*  |
| ***Accountable Officers not bonded***1. **Section 1 of Presidential Decree (PD) 1445 and Treasury Circular No. 02-2009 dated August 6, 2009 which requires for the fidelity bonds for accountable officers was not complied with. The Accountable Officers (AOs) were not bonded and/or bonds were already lapsed as noted in the audit of OWWA, Riyadh, including Central Region Operations, Riyadh, Kingdom of Saudi Arabia, and Hongkong, China. In effect, government funds were unsecured from possible loss through defalcation, shortages or unrelieved losses.**
 | The audit teams recommended that the WelOf and other concerned Accountable Officers strictly comply with the requirement for fidelity bond, as prescribed in Section 1 of. Presidential Decree (PD) 1445 and Treasury Circular No. 02-2009 dated August 6, 2009. | OOCS to coordinate with HRMDD on the renewal of Fidelity Bond of Welfare Officer / Administrative Staff.WelOf and AS – Hongkong, ChinaTo provide the Office of the Auditor with copies of the valid Fidelity Bond.To monitor status of bond and advice concerned WelOfs/SDOs/DCO to submit required documents for renewal. | **Fully Implemented****Fully Implemented****Fully Implemented****Fully Implemented** |
| ***Accountable Officers not using safety vaults and not complying with Section 7 (b), Article V, of the Omnibus Policies***1. **The absence of a safety vault and/or of there is a safety vault but safety dial combination is not already functioning, as noted in the audit of OWWA Hongkong, China and Singapore. Furthermore, in the audit of London, United Kingdom and Milan, Italy, the required frequency of deposit stated in Section 7 (b), Article V, of the Omnibus Policies of the OWWA dated September 19, 2003 was not strictly followed, thus exposed OWWA funds to risk of possible loss.**
 | The teams recommended the following:1. That the WelOf of OWWA Hongkong, China to make representation with OWWA Home Office for the acquisition of a safety vault;
2. That the Labor Attache II of OWWA, Singapore who is administratively supervising the WelOf/SCO, be furnished the key in a sealed envelope. It is further recommended that the dial safe combination be restored and the sealed copy of the new combination be furnished the Labor Attache II; and
3. Ensure strict compliance with Section 7 (b), Article V, of the Omnibus Policies of the OWWA that requires deposit of collections of membership contributions on a daily basis.
 | The WelOf will make request with OWWA HO for the acquisition of the safety vault. To furnish the Labor Attache with the key together with a copy of the new combination of the dial safe as soon as it is restoredTo strictly comply with the provision on daily deposit of collections of membership contributions  | **Fully Implemented***Fund was already released to Post to purchase the new safety vault***Fully Implemented****On-going***(Milan Post - continuous negotiation with the Italian Commercialista re: documentation requirements to open bank account)***Fully Implemented****( weekly deposits of collections)***London Post-with approval from OWWA HO request for exemption from the Policy of Daily Deposits* |
| ***Annual physical inventory of properties not conducted and non-compliance with some related control measures***1. **Various deficiencies were noted in the audit of properties of OWWA Central Regional Operations, and Riyadh, both of Kingdom of Saudi Arabia, Singapore, Hongkong, China and Milan, Italy, such as the foreign post do not have property officer, required annual inventory not conducted, and/or related required documentations, for purposes of control, were not complied with and such other deficiencies noted. Said deficiencies exposed government properties to possible losses, misuse, damage or deterioration. As a result of aforesaid deficiencies, total accountabilities of the Property Officers cannot be established.**
 | The teams recommended that Management:1. Strictly comply with the provisions of Manual on the NGAS-Corporate specifically on the following:
* Use of proper form of reporting which is the RPCPPE indicating therein all the necessary information
* Maintenance of subsidiary ledgers such as Property, Plant and Equipment Ledger Card (PPELC) and PPE Ledger Card – specific item (PPELC-SI);
* Use of Property Card (PC) to record the description, transfer/acquisition, disposal and other information to be kept by the Supply and Property Unit for each PPE; and
* Renewal of PAR every three years of every time there is a change in property accountability.
1. Ensure adherence to Section 79 of P.D. 1445 that prescribed the procedures on the destruction or sale of unserviceable property and COA Circular no. 80-124 dated January 18, 1980 on the conduct of inventory of all assets of GOCC and reconciliation of the Accounting and Inventory Records.
 | To use the form of RPCPPE in reporting and indicate all the necessary informationTo maintain the required subsidiary ledgersWelfare Officer -CROWelfare Officer -RiyadhWelfare Officer -SingaporeWelfare Officer Hongkong To use Property Card (PC) to record the description, transfer/acquisition, disposal and other information to be kept by the Supply and Property Unit for each PPE; andTo renew PAR every three years of every time there is a change in property accountability.Adherence to the prescribed procedures on the destruction or sale of unserviceable property and on the conduct of inventory of all assets and reconciliation of the Accounting and Inventory Records. | **Fully Implemented** **Fully Implemented** *Physical Inventory conducted in October 07, 2014 and report submitted in prescribed format***On-going****Fully Implemented***Hongkong Post -designated a particular AS as Property Officer to assist WelOf in all property and inventory***Fully Implemented** |
| ***Deficiencies related to Cash Advances***1. **Audit of OWWA Singapore and Central Regions Operations, Riyadh, Kingdom of Saudi Arabia revealed deficiencies pertaining to Cash Advances. Cash advances for revolving funds of OWWA Singapore were granted for expenses covering three months and six months, contrary to Section 4.4.2 of COA Circular No. 90-331 which limits cash** **advances for expenses. Furthermore, audit of OWWA Central Region Operations, Riyadh, Kingdom of Saudi Arabia revealed that cash advances granted to the former WelOf totaling $74,251.40 remained unliquidated as of audit date, contrary to COA Circular No. 97-002 dated February 10,1997.**
 | The team recommended that Management:1. Limit the granting of the amount of cash advance in accordance with Section 4.4.2 of COA Circular No. 90-331; and
2. Ensure that liquidation of cash advance be in accordance with COA Circular No. 97-002 dated February 10, 1997.
 | To grant cash advance in accordance with the existing guidelines/policiesTo remind WelOfs/AS to comply with the existing guidelines/policies in the liquidation of cash advance 1. $74,251.40 (CRO-Riyadh, KSA)

Welfare Officer - Singapore  Welfare Officer - CRO Welfare Officer - Riyadh  | **Fully Implemented****Fully Implemented****Fully Implemented** |
|  ***Non-compliance with NGAS-prescribed Cash Receipts Record (CRR) and Cash Disbursements Record (CDR*)** **20. The Accountable Officers of OWWA Riyadh, Kingdom of Saudi Arabia, Hongkong, China, Singapore and London, United Kingdom, did not adopt the NGAS-prescribed Cash Receipts Records (CRR) and did not properly accomplished the Cash Disbursement Record (CDR) to account for the collection of the Post and for the utilization of cash advances, resulting in the absence of ready information on the balance of accountability on a given date.** | The teams recommended that the concerned WelOf:1. Adopt the prescribed forms as stated in COA Circulars 2003-006 and 2004-003 dated December 2, 2003 and June 24, 2004, respectively;
2. Cause the preparation of the CRR to reflect the actual daily collections and deposits and running balance to establish the accountability on collections at any given date; and
3. Properly accomplish the CDR to record, monitor and report transactions involving the grant of cash advances/payments charged thereto, and liquidation thereof by disbursing accountable officers.
 | To adopt the prescribed forms of CRR and CDR in recording collections and deposits and disbursements.Welfare Officer – Riyadh To use CRR to reflect the actual daily collections and deposits and running balance to establish the accountability on collections at any given dateWelfare Officer - HongkongTo properly accomplish the CDR to record, monitor and report transactions involving the grant of cash advances/ payments charged and liquidations c. S$63,007 (Singapore) | **Fully Implemented***Submitted Electronic Cash Disbursement Records***Fully Implemented***WelOf resolved to comply with the use of CRR for better recording and monitoring of collections and deposits.***Fully Implemented****Fully Implemented****(for collections)****Partial Implementation** **(for CA on MOE & PF)***(London Post -adopted the prescribed forms CRR/CDR from Jan2014-Sept 2015 for collections; CDR January to Sept 2015.)* |
| **VALUE MONEY FOR AUDIT**  |
| ***Absence of plans/targets for Programs implemented***1. **The effectiveness of program implementation and extent of program accomplishments of Information Technology Program of OWWA Hongkong, China and Reintegration Program of OWWA London, United Kingdom could not be assessed due to the absence of plans and/or targets.**
 | We recommended that the Post set annual plans and targets for the programs to aid in the evaluation of performance and assessment of extent of program accomplishment vis-à-vis the plans and targets. | PPDO, together with OOCS to craft guidelines on the implementation of programs on-site, to include setting plans and targets for each programWelfare Officer - HongkongWelfare Officer - London | **Fully Implemented**Plans and targets for IT Program are all contained in the Annual Work and Financial Plan (WFP)**Fully Implemented** 2014 WFP Reformulated Accomplishment Report  |
| ***Absence of standards for the annual targeted activities of WelOfs***1. **Audit of OWWA London, United Kingdom revealed that the performance of the WelOf cannot be effectively measured because of the absence of standards for the annual targeted activities.**
 | The Team recommended that the WelOf establish the standard number of trainings to be conducted and the targeted participants required for each activity for the year taking into consideration the budgetary requirements and the period within which the trainings are to be conducted. | PPDO, together with OOCS to craft guidelines on the implementation of programs on-site, to include setting plans and targets for each programTo prepare and plan the annual targeted activities | **On-going** **Fully Implemented**Submission of Plans and Targets 2014; Accomplishment 2012-2015. |