

**OVERSEAS WORKERS WELFARE ADMINISTRATION
MANAGEMENT COMMENTS / ACTIONS TAKEN
CY 2015 ANNUAL AUDIT REPORT ISSUED BY COA
As of August 2016**

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
A. FINANCIAL AND COMPLIANCE			
<p>Unreliable balances of various accounts</p> <p><i>1. Validity, reliability and accuracy of the account balances of Advances to Officers and Employees, Property, Plant and Equipment (PPE), Non Currents Assets – Other Assets, Accounts Payable, Other Liability - Other Payables, and Reciprocal accounts amounting to P49.901 million, P188.145 million, P221.748 million, P853.585 million, P751.150 million and P 0, respectively, cannot be ascertained due to various deficiencies.</i></p> <p>1.1 Advances to Officers and Employees with a balance of P49.901 million</p> <p>a. Head Office (HO)</p> <p>a.1 Fifty Four per cent of the balance of Advances to Officers and Employees account totaling P27.595 million and US\$440,570 as of December 31, 2015, the balance of which are granted more than 3 to 20 years that were comprise of advances for travels that should have been liquidated promptly. Subsidiary Ledgers (SL) were not regularly updated contrary to Section 12 of New Government Accounting System (NGAS) Volume No. 2. These noted deficiencies affected the fair</p>	<p>We recommended that Management:</p> <p>1. Require the AD to update the SLs for cash advances and ensure regular updating of the same for monitoring purposes. Based on the updated SLs:</p> <p>a. Compute the amount of unliquidated AOs cash advances which are due for liquidation and require immediate liquidation of the same;</p> <p>b. Ensure compliance with Section 4.1.2 of COA Circular No. 97-002 dated February 10, 1997 that prohibits granting of additional cash advance to AOs with unliquidated balance;</p> <p>c. Conduct inventory of the cash advances that should be liquidated on or before the end of the current year and immediately demand the submission of liquidation reports; and</p> <p>d. Strictly implement the sanctions set in Section 5.1.3 of COA Circular No. 97-002;</p> <p>2. Refund the cash advance granted to OWWA Bahrain if procurement cannot be pursued because of various constraints, in adherence to Paragraph 5.7 of COA Circular No. 97-002 dated February 10,1997;and</p>	<p>To compute the amount of unliquidated AOs cash advances which are due and require immediate liquidation.</p> <p>To comply with Sec. 4.1.2 of COA Circular No. 97-002 that prohibits granting of additional cash advance to AOs with unliquidated balance;</p> <p>To conduct inventory of cash advances and demand the submission of liquidation reports for the due accounts.</p> <p>To implement the sanctions set in Sec. 5.1.3 of COA Circular No. 97-002; (withholding of salary etc.)</p> <p>To request authority from the Board to use the alternative method of procurement (shopping) for this major non-regular transaction and the authority to utilize the amount to purchase a</p>	<p>Fully Implemented Sent demand letters to the Accountable Officers.</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>On-going Post Bahrain committed to purchase the vehicle on or before September 15,</p>

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<p>presentation of the year-end balance.</p> <p>a.2 Cash advance amounting to US\$23,543 or P1.109 million which was granted to OWWA Bahrain more than two months ago remain unused and not returned/refunded.</p>	<p>3. Consider hiring / designating additional personnel especially in the processing, recording and updating of SLs for Cash Advances.</p>	<p>different vehicle or a vehicle with lower specifications from that earlier approved, given the unavailability of the previously approved.</p> <p>To consider designating additional personnel for processing, recording and updating of SLs Cash advances.</p>	<p>2016.</p> <p>On-going To be addressed on the new structural staffing pattern pursuant to RA 10801 – OWWA Act</p>
<p>1.2 Property, Plant and Equipment (PPE) with a balance of P188.145 million</p> <p>a. HO</p> <p>a.1 The existence, reliability and accuracy of the P188.145 million balance of the PPE account cannot be ascertained contrary to COA Circular No. 80-124 and Section 490 and 491 of Government Accounting and Auditing Manual (GAAM) Volume 1 NGAS Volume II, because of non-preparation of Report of Physical Count of Property, Plant and Equipment (RPCPPE) and lack of reconciliation of property records, non-maintenance by concerned divisions of the indispensable requirements/documentations to monitor movements/ conditions of the PPE assets, non-submission of Inventory and Inspection Report for Unserviceable Properties (IIRUP) and erroneous computation of Depreciation Expense.</p> <p>a.1.1 Inability of the Inventory Committee to prepare Report of Physical Count of Property, Plant and Equipment (RPCPPE)</p>	<p>We recommended that Management undertake the following:</p> <ol style="list-style-type: none"> 1. Issuance of Office Order for inventory taking must be accompanied by Inventory guidelines or definite plan for efficient and effective inventory taking. Also, the deadline set for the submission of the RPCPPE to COA in a proper form as prescribed which is supposed to be on or before January 31 of the ensuing year must be indicated therein; 2. Submission of Inventory Report must be made within the prescribed period as stated in COA Circular No. 80-124 dated January 18,1980; 3. Strict adherence to Section 491 of GAAM Volume I pertaining to the reconciliation of balances per books and per Inventory report; 4. Documentation of all movements and/or conditions of PPE items to facilitate reconciliation and properly pinpoint accountabilities. This must include the maintenance of PPE Ledger Cards; 5. Submission by the Inventory Committee of the final IIRUP to AD for appropriate book adjustments. Immediately dispose the same in accordance with pertinent government regulations on property disposal; and 	<p>a. Preparation of process flow and guidelines on the procedures of annual physical inventory of PPE</p> <p>b. Preparation and issuances of SO for 2016 Inventory</p> <p>Submission of Inventory Report for 2015 to COA</p> <p>Submission of 2015 Inventory Report to Accounting Division for reconciliation</p> <p>Preparation and issuances of MR/PAR</p> <p>Submission of Final IIRUP by the Inventory Committee</p> <p>To AD for appropriate book adjustments</p>	<p>Partially Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented (Submission of Final IIRUP)</p>

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<p>a.1.2 AD's records does not reconcile with that of Procurement and Property Management Division (PPMD) records.</p> <p>a.1.3 Non-maintenance by concerned divisions of the indispensable requirements / documentations to monitor movements / conditions of the PPE assets.</p> <p>a.1.4 Non submission of Inventory and Inspection Report for Unserviceable Properties (IIRUP)</p> <p>a.1.5 Erroneous Computation of Depreciation Expense of Property, Plant and Equipment.</p>	<p>6. Re-compute depreciation expense in accordance with Section 68 of NGAS Volume I following the monthly basis for recording Depreciation</p>	<p>Consolidation and reconciliation of Inventory Report for Central Offices including Unserviceable Properties</p> <p>Finalization of Inventory Report</p> <p>Submission to COA of the Final Report of Physical Count of PPE as of December 31, 2015</p>	<p>Fully Implemented JEV# 15-12-305P prepared and submitted to COA.</p> <p>On-going Reconciliation of AD</p>
<p>1.3 Non-Current Assets – Other Assets with a balance of P221.748 million</p> <p>a. HO</p> <p>a.1 Allowance for Doubtful Accounts (ADA) was incorrectly provided for Due from NGAs and Receivables - Disallowances/Charges contrary to Chapter 2 of NGAS Manual.</p> <p>a.2 Various lapses / deficiencies on Loans Receivable account that include incomplete schedule or list of OFW loan borrowers to show the details of the account, for being outstanding in the books for several years, and notwithstanding of this, although allowance for doubtful accounts was provided for the total Non- Current Receivables, the exact amount provided for Loans</p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Assess / evaluate the collectability of the accounts through aging of receivables, among others; 2. On the basis of the assessment/evaluation, determine appropriate provision to be applied as ADA, to adhere with IPSAS 3 entitled Accounting Policies, Changes in Accounting Estimates and Errors, specifically paragraphs 37 and 38. Subsequently, effect necessary adjusting entries; 3. Submit the supplemental schedule or list of OFWs loan borrowers, if any; 4. Consider the option of creating an Office which 	<p>To assess / evaluate the collectability of the accounts through aging of receivables,</p> <p>To determine appropriate provision as Allowance for Doubtful Accounts and effect necessary adjusting entries.</p> <p>To submit supplemental list of OFWs loan borrowers.</p> <p>To create a Collection Unit composed of two</p>	<p>Fully Implemented JEV# 15-12-313P to set-up ADA was prepared and submitted to COA.</p> <p>Fully Implemented Submitted Schedule of List of OFWs to COA on April 11, 2016</p> <p>Fully Implemented</p>

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<p>Receivable (126) Head Office, among others, was not disclosed.</p> <p>a.3 The existence and accuracy of the carrying balance of Miscellaneous Receivable OWWA (149-5) amounting to P152.198 million as of December 31, 2015 is uncertain due to the significant discrepancies noted between the balance per books/supporting schedule and the amount confirmed by the Recruitment/Employment Agencies. Further, possibility of collection of P128.369 million or 95.79 per cent of the account balance is unlikely since debtors did not reply on the confirmation or they could not be located.</p> <p>a.4 Due from NGAs peso account amounting to P133.942 million that included accounts with dormant balances for three to eight years, misclassification of accounts and absence of related records and supporting documents affects the accuracy and validity of the account.</p>	<p>will be directly responsible for monitoring of collections from OFW loan borrowers and Employment/Recruitment Agencies which may include monitoring and sending of statement of accounts and collection/demand letters for the information of said borrowers in their obligation to pay;</p> <p>5. Direct the Chief Accountant and staff to exert effort to locate pertinent records/schedules and supporting documents to verify the nature/purpose of the recorded transactions and determine the existence and validity of the dormant accounts' balances;</p> <p>6. Review, analyze and effect adjustment and/or reclassification, if necessary, of these dormant accounts; and</p> <p>7. Collect the receivables and/or require the liquidation from the NGAs and other concerned parties.</p>	<p>personnel that will be directly responsible for monitoring of collections from OFW loan borrowers and Employment / Recruitment Agencies which may include monitoring and sending of statement of accounts and collection/demand letters to borrowers ;</p> <p>AD will exert effort to locate pertinent records / schedules and supporting documents to verify the nature/purpose of the recorded transactions and determine the existence and validity of the dormant accounts' balances;</p> <p>To review, analyze and effect adjustment and/or reclassify, if necessary of the dormant accounts; and</p> <p>To exert effort to collect receivables and/or require the liquidation from the NGAs and other concerned parties.</p>	<p>Created ADHOC Committee per SO#210 s. of 2016 dated 30 June 2016</p> <p>Fully Implemented Notices/Billings will be sent to the various agencies (on-going)</p> <p>Fully Implemented JEV# 15-12-307P was prepared and submitted to COA</p> <p>On-going</p>
<p style="text-align: center;">AGENCY</p> <p>1. Maritime Training Council (MTC)</p> <p>2. Department of Labor and Employment (DOLE)</p> <p>3. Philippine Overseas Employment Administration</p> <p>4. National Labor Relation Commission (NLRC)</p> <p>5. International Labor Organization (ILO)</p>	<p style="text-align: center;">TOTAL</p> <p>P 31, 044,058</p> <p>15, 857, 302</p> <p>52, 049,386</p> <p>119, 010</p> <p>520, 841</p>		

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<p>6. Bureau of Local Employment</p> <p>7. Occupational Safety and Health Center (OSHC)</p> <p>8. Provincial Government of Misamis Oriental (PGMO)</p> <p>9. Institute for Labor Studies (ILS)</p> <p>10. Others</p>	<p>3, 940</p> <p>3,940</p> <p>31, 500,000</p> <p>200, 000</p> <p>29, 000</p>		
<p>1.4 Accounts Payable with a balance of P853.585 million</p> <p>a. HO</p> <p>a.1 The accuracy, validity and existence of the year-end balance of Accounts Payable (AP) – Head Office (HO) of P275.995 million was doubtful due to inclusion of accounts amounting to P205.198 million which are dormant for more than five years and accounts with abnormal/negative balances of P48.610 million.</p> <p>b. REGIONAL WELFARE OFFICES (RWOs)</p> <p>b.1 Balance of Accounts Payable account of RWO National Capital Region (NCR), XII, and Autonomous Region of Muslim Mindanao (ARMM) cannot be relied upon due to accounts which are not supported with SLs/schedules, inclusions of outstanding amount for scholarship beneficiaries totaling P0.962 million who were not able to comply with their documentary requirements and those with terminated contracts as scholars, payables for “Handog Pamasko” program amounting to P20,000 without</p>	<p>We recommended and Management agreed to require the AD to verify and review related records/documents, analyze the transactions and prepare the necessary adjusting entries.</p> <p>We recommended that Management require the AD to reconcile the balances of Other Payable account and effect the necessary adjusting entries.</p>	<p>To verify and review the related records / documents and prepare the necessary adjusting entries.</p> <p>AP-Peso P215, 165,556.15</p> <p>AP-Dollar P59, 342,000.86</p> <p>AP-Euro P1, 487,556.63</p> <p>To require the AD to reconcile the balances of Other Payable account and effect the necessary adjusting entries.</p> <p>RWO NCR P75,907,997.24</p> <p>RWO ARMM OFWDSP-P245,210.00 HealthPro-P334,116.00 HPamasko-P20,000.00</p> <p>RWO XII –P7.050M</p>	<p>Fully Implemented JEV#s 15-12- 278D and 15-12-302P were prepared and submitted to COA</p> <p>On-going</p> <p>Fully Implemented</p> <p>Fully Implemented Adjusting entry has been posted on April 29, 2016 JEV No. 15-408</p> <p>On-going</p>

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<p>specific payees and dormant accounts amounting to P28.626 million.</p> <p>1. Audit of RWO NCR disclosed that the accuracy of the balance of Accounts Payable in the amount of P75.908 million cannot be ascertained since they were not supported with SLs/schedules and a total of P28.282 million or 37.26 per cent had been outstanding for more than two years and insufficiency of supporting documents to prove the validity of accruals amounting to P466, 442.</p>			For compliance
<p>1.5 Other Liability Accounts with a balance of P751.150 million</p> <p>a. HO</p> <p>a.1 The abnormal / negative balances of P20.281 million of Other Liability -Trustee Fees, dormant balances of sub account Others Peso and Others Payable – Dollar totaling P5.666 million for more than five years, and adjusting entries with incomplete supporting documents, and inclusion in Performance/Bidders/Bail Bonds Payable of outstanding balances of performance/bidders/bail bonds aged over five years amounting to P2.642 million affected the fair presentation of the year-end balance.</p> <p>1.1 Others Peso and Others Payable – Peso and Dollar</p> <p>1.2 Performance/Bidders/Bail Bonds Payable</p>	<p>We recommended that Management require the AD to reconcile the balances of Other Payable account and effect the necessary adjusting entries. We also recommended that Management:</p> <ol style="list-style-type: none"> 1. Submit justification why the bonds remained outstanding; and 2. Require the AD to review and analyze the account and to prepare the necessary adjusting entries. 	<p>To reconcile the balances of Other Payable account and effect the necessary adjusting entries.</p> <p>To submit justification why the bonds remained outstanding.</p> <p>To review & analyze and to prepare the necessary adjusting entries.</p>	<p>Fully Implemented Adjusted per JEV#16-01-022P</p> <p>Fully Implemented Submitted comments to COA on April 25, 2016</p> <p>Fully Implemented JEV# 15-12 -308P was prepared and submitted to COA.</p>

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<p>1.6 Reciprocal Accounts</p> <p>a. HO</p> <p>a.1 Discrepancies between the Due from RWO (142) and Due to HO (421) and Subsidy to RWO (872) and Subsidy from HO (653) amounting to P17.518 million and P 20.303 million, respectively, cast doubt on the reliability of the year-end balance.</p>	<p>We recommended that AD and the RWO Accountants:</p> <ol style="list-style-type: none"> 1. Analyze properly the Debit/Credit Memorandum before recording the inter-branch transactions; 2. Periodically send the detailed SL and reconcile the reciprocal accounts for the timely preparation of the RWOs of Statement of Reconciliation of Reciprocal Accounts, in accordance with the NGAS-Corporate Manual; and 3. Assign personnel to strictly monitor the recording of transaction in the HO and RWOs books. 	<p>To analyze properly the Debit/Credit Memorandum before recording the inter-branch transactions;</p> <p>To periodically send the detailed SL and reconcile the reciprocal accounts for the timely preparation of the RWOs of Statement of Reconciliation of Reciprocal Accounts, ; and</p> <p>To assign personnel to strictly monitor the recording of transaction in the HO and RWOs books.</p>	<p>Fully Implemented JEV#s 15- 12-309P and 15-12-310P were submitted to COA JEV#16-02-039P, 16-03-073P, 16-05,100P, 16-06-104P, 16-06-137-139P</p> <p>Fully Implemented Reconciliation is being done at the middle of the year.</p> <p>Fully Implemented</p>
<p>2. Collections totaling P3.857 million were not remitted within the period prescribed in Section 7 (b), Article V of the Omnibus Policies of OWWA, resulting in untimely recording of remittances and affecting fair presentation of the balances of Cash and other affected accounts.</p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Adhere to the provisions of Section 7 (b), Article V of the Omnibus Policies of OWWA and Part VI of the MOI No. 18 series of 2001 and remit immediately the unremitted collections; 2. Remind all AOs of the provisions of the policies, rules and regulations on the proper handling of collections. To avoid shortage of their operating funds, submission of their requests for replenishment should be submitted to the HO on time; 	<p>To adhere to the provisions of the Omnibus Policies and Part VI of MOI No. 18 series of 2001 on daily deposit of membership collection.</p> <p>To remind all AOs of the provisions of the policies, rules and regulations on handling of collections.</p> <p>Abu Dhabi – US\$10, 971.42</p>	<p>Fully Implemented With updated submission of remittances & reports</p> <p>Fully Implemented</p> <p>Fully Implemented The amount of \$10,971.42 was restituted already.</p>

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	<p>3 Propose alternative ways to remit collections from posts with government imposed restrictions on overseas remittance, such as, usage of online remittance;</p> <p>4 Make sure that Report of Collections is properly supported with complete documents to ensure proper and timely recording of the same; and</p> <p>5. Advise the Cash Division to create written guidelines that will govern the remittance of membership payments from posts with annual collections amounting to \$5,000 and below, and to remit collections when it reaches P10,000 or US\$250.</p>	<p>(deducted from differential of the collecting officer)</p> <p>To propose alternative ways to remit collections from posts with government impose restructure on overseas remittance.</p> <p>Greece – US\$32, 476.00</p> <p>To ensure Report of Collections is properly supported with complete documents and to ensure proper and timely recording of the collections.</p> <p>To prepare guidelines in remittance of collection of membership payment from posts with annual collections amounting to \$5,000.00 and below.</p>	<p>Fully Implemented Applied to 2nd semester allowances of Welof and AS</p> <p>Fully Implemented</p> <p>Fully Implemented</p>
<p>3. Fund accountabilities of Collecting and Disbursing Officers were exposed to possible losses due to several deficiencies noted in the results of cash examinations conducted in the HO and RWOs.</p> <p>a. HO</p> <p>a.1 Results of cash examinations of COs and Disbursing Officers (DOs) of the HO revealed several deficiencies and inefficient and improper handling of their accountabilities.</p> <p>1. Audit disclosed several deficiencies incurred by the COs of the HO which include incomplete/erroneous reporting of collections, untimely submission of Report of Collections (ROCs), non-preparation and/or not updated cashbooks, among others.</p>	<p>We recommended that Management:</p> <p>1. Instruct the AD to take up any unrecorded collections of the COs and ensure that the same are deposited to OWWA account. Also, advise the concerned employees in the AD to be more vigilant in checking and recording of membership collections making sure that the ROCs submitted by the COs reflect the complete and accurate information on their daily collections;</p> <p>2. Ensure that COs are:</p>	<p>a. To take up the unrecorded collections of the COs and ensure that the same are deposited to OWWA account and to be more vigilant in checking & recording of membership collections</p> <p>b. To instruct the Cos to reflect complete & accurate information in their ROCs.</p>	<p>Fully Implemented The reports of the concerned COs were submitted to AD for review and adjustments.</p> <p>Fully Implemented Reconciliation of reports is being done.</p>

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<p>i. Verification of ROCs prepared by two COs for the months of April to June 2015 revealed that some ORs, both issued and cancelled ORs, were not reported. It was noted that there were 30 cancelled ORs and several ORs issued for the total collection of P27, 806 which were not reported in the ROC and the same was not deposited, as shown in ANNEXES 7 and 8.</p> <p>ii. There were several errors in the ROCs, that is, ORs were reported twice, OR numbers per ROC did not tally with actual issuances, among others.</p> <p>iii. Report of Collections and/or cashbooks of said COs were either not timely submitted or not prepared at all, which are not in adherence to Sections 68 and 181 (c) of the GAAM Volume 1.</p> <p>iv. Audit revealed various lapses in internal control in the handling of funds of the COs which were not in adherence to Sections 65, 66, and 73 of the GAAM Volume I.</p>	<p>a. Strictly comply with the requirement for making deposit intact and daily, in accordance with Section 69 of PD 1445; and Section 73 of GAAM Volume I which states that pre-numbered official receipts shall be issued in strict numerical sequence; and</p> <p>b. Update regularly their cashbook and their ROCs are submitted timely, in compliance with Sections 68 and 181 (c) of GAAM Volume 1. This will facilitate the updating of SLs pertaining to their accountabilities;</p> <p>3. Issue a Memorandum to remind the concerned COs on the timeline of reporting their collections to ensure timely recording and reconciliation of accounts;</p> <p>4. Instruct the MPC to conduct a re-orientation on all current COs regarding the proper handling, recording and reporting of collections, likewise, formulate orientation and training program to be provided to the newly designated COs before their deployment, to ensure that they have knowledge on their responsibilities as well as on their awareness on government rules and regulations in handling government funds; and</p> <p>5. Make sure that proper internal control in the handling of funds of the COs is in place.</p> <p>a. Designate additional COs or collectors/tellers who hold regular/permanent positions that will assist COs in the satellite offices with voluminous transactions to be able to comply with the reporting requirements of COs; and</p> <p>b. Ensure that all COs are covered by a valid and unexpired fidelity bond while performing as such. Also, assign personnel that will handle and monitor the filing and renewal of</p>	<p>To ensure COs comply with requirement for making deposit intact daily.</p> <p>To advise the COs on the regularly updating their cashbook and timely submission of ROCs.</p> <p>To issue memorandum reminding concerned COs on the reporting timeline of their collections.</p> <p>a. To instruct MPC to conduct re-orientation on all current COs regarding the proper handling, recording and reporting of collections.</p> <p>b. To formulate orientation and training program that should be provided to newly designated COs prior to their deployment.</p> <p>To request additional COs or collectors / tellers who hold regular / permanent positions that will assist COs.</p> <p>To ensure all COs are covered by a valid and unexpired fidelity bond while performing as such.</p>	<p>Fully Implemented</p>

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	the fidelity bonds of all COs and her AOs.		
<p>a.2 Two Special Disbursing Officers (SDOs) of the HO did not have cashbox nor safety vault to keep safe their cash; one SDO had a cashbox and steel cabinet but used it for her personal money; the cashbooks of SDOs were not regularly updated; and four SDOs were not properly bonded. These practices are not in keeping with proper internal control and contrary to Section 101 of PD 1445, thus exposed the funds to possible loss, theft or misuse.</p>	<p>We recommended and Management agreed to ensure that funds under the custody of AOs are properly safeguarded through:</p> <ol style="list-style-type: none"> 1. The issuance of cashbox where the AOs can keep safe the public funds under his/her accountability; Personal money have not to be mixed with official cash/cash items; 2. Require the AOs for the proper maintenance of cashbook and reconciling thereof the balance with the accounting records, in compliance with Paragraphs b and c, Section 181 of GAAM Volume I; and <p>Monitor regularly the expiry dates and the sufficiency of the fidelity bonds of AOs and ensure the renewal of said bonds before expiration to comply with Section 101(2) of PD 1445, Paragraph 7.2 of Treasury Circular No. 02-2009 dated August 6, 2009, and COA Circular No. 97-002 Paragraphs 7.3 and 7.5.</p>	<p>To issue cashbox where the AOs can keep safe the public funds under his/her accountability;</p> <p>To require the AOs for the proper maintenance of cashbook and reconciling the balance with the accounting records</p> <p>To monitor regularly the expiry dates and the sufficiency of the fidelity bonds of AOs and ensure the renewal of said bonds before expiration</p>	<p>Fully Implemented Cashbox & cashbook were already provided.</p> <p>Personal monies were already separated from cash advance</p> <p>Fully Implemented</p> <p>Fully Implemented Monitoring and renewal of expired bonds are being done</p>
<p>b. RWOs</p> <p>b.1 Several deficiencies were noted in the handling of fund accountabilities by the Collecting/Disbursing Officers of RWO NCR and IX, that included improper safekeeping of funds, and non-maintenance of the records of collections, deposits, remittances and disbursement transactions in violation of Sections 26, 27, 28, 38, 39 and 40 of Manual on the New Government Accounting System (MNGAS) Volume II, JO personnel and/or permanent employees who are not bonded are allowed to act as COs, among others.</p> <p>1.1 JO personnel and/or permanent</p>	<ol style="list-style-type: none"> 1. See to it that only permanent employees be designated as COs and ensure that they are bonded in conformity with Sections 65 and 66 of GAAM, Volume I, respectively; 2. Ensure that proper internal control is in place particularly in the handling of funds by AOs, in compliance with Sections 101 and 123 of PD 1445. Undertake measures to lessen the risk of handling large amount of cash during holidays, like remitting the collections to the Cashier of the HO for safekeeping in the cash vault for the meantime or any other way that the Management may see fit to address the issue. 	<p>To ensure that only permanent employees are designated as COs and are bonded.</p> <p>To ensure that proper internal control is in place particularly in the handling of funds and to undertake measures to lessen the risk of handling large amount of cash.</p> <p>To provide cashbox to SDO to be safe kept in security vault.</p>	<p>RWO NCR Fully Implemented</p> <p>RWO NCR Fully Implemented</p>

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<p>employees who are not bonded are allowed to act as COs at NAIA Terminal I, contrary to the provisions of Sections 65 and 66 GAAM Volume 1.</p> <p>1.2 The operation of the collection unit of the OWWA-NCR at NAIA Terminal I is 24/7 with three shifting, wherein the duty of the CO is from 8:00 AM to 5:00 PM on weekdays only. During other shifting, the three JO personnel who are not bonded were assigned as COs. During holidays and weekends, other regular employees of OWWA-NCR and/or other JO personnel who are not bonded are also designated as COs.</p> <p>Lapses in the internal control system were noted, which is not in consonance with Sections 101 and 123 of the PD 1445. NAIA Terminal I collections during holidays which accumulated to as much as P257, 377 were just kept in a cashbox inside the drawer. It was further disclosed that one SDO does not have vault or even a cash box where she can safely keep the funds. She only kept the cash in her locker. The liquidation vouchers of said DO and its supporting documents were not stamped "PAID".</p>	<p>Provide a cashbox to SDO to be safe kept in the security vault. Make sure that Disbursement Vouchers (DVs) and its supporting documents for the liquidation of cash advances were stamped "PAID"; and</p> <p>3. Require the CO and/or contractual employees who are handling collections to strictly comply with Section 73 of GAAM in the preparation of ORs.</p>	<p>To make sure that DVs and its supporting documents for liquidation of cash advances are stamped "PAID"; and</p> <p>To require the CO and/or contractual employees who are handling collections to strictly comply with GAAM in the preparation of ORs.</p>	<p>RWO NCR Fully Implemented</p> <p>RWO NCR Fully Implemented</p>
<p>b.2 In the audit of RWO IX, it was noted that the CO and the DO were unable to maintain the required records for collections, deposits, remittances and disbursement transactions, contrary to Sections 26, 27, 28, 38, 39 and 40 of MNGAS Volume II and the required permanent record book for accountable forms, thus causing difficulty in establishing their accountabilities. The AOs also was not able to render a report of accountability at least once a month to the Audit Team in the form prescribed under Sections 95 and 98,</p>	<p>We recommended that Management:</p> <p>1. Require the AOs concerned (Collecting and Disbursing) to post all the transaction such as collections, deposits, remittances, cash advances and disbursements which include the Petty Cash Fund (PCF) in the Cashbook/CRR/CDR/CkDR for the period CYs 2013 to 2015 and all the succeeding financial transactions;</p> <p>2. In cases an AO ceases to act in her official capacity as such, shall submit to the Audit Team</p>	<p>To require AOs concerned to post all the transaction which include the Petty Cash Fund (PCF) in the Cashbook/ CRR/ CDR/ CkDR for the period CYs 2013 to 2015 and all the succeeding financial transactions;</p> <p>To submit to the Audit Team concerned a report of AOs accountability supported with an</p>	<p>On-going</p> <p>On-going</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
<p>GAAM Volume I.</p> <p>1. Non-maintenance of the records of collections, deposits, remittances and disbursement transactions, as prescribed in Sections 26, 27, 28, 38, 39 and 40 of MNGAS Volume II describe the proper maintenance of cashbooks, Cash Receipt Record (CRR) and Check Disbursement Record (CkDR).</p> <p>2. The AOs (Collecting, Disbursing and Property) inability to maintain the required permanent record book for accountable forms, and render a report of accountability at least once a month to the Audit Team in the prescribe form, contrary to Sections 95 and 98, GAAM Volume I, thus, we find it difficult to determine whether: a) all accountable forms are properly recorded and accounted for and b) existing facilities of the AOs provide adequate protection against loss of accountable forms.</p>	<p>concerned a report of her accountability duly supported with an official turn-over of responsibility to the incoming AO; and</p> <p>3. Submit the permanent record book for verification and the corresponding report of Statement of Accountability by the AOs concern on a monthly basis.</p>	<p>official turn-over of responsibility to the incoming AO; and</p> <p>To submit permanent record book for verification and the corresponding report of Statement of Accountability by the AOs concern on a monthly basis.</p>	<p>Fully Implemented Accountable forms received from OWWA Head Office and those procured blank checks from the depository bank are properly recorded and accounted for.</p>
<p>4. The amount and manner of payment of the honorarium of the Program Manager of Kalinga sa Marino (KSM) by the HO was not in accordance with Department of Budget and Management (DBM) Budget Circular No. 2007-2 dated October 1, 2007, resulted in overpayment of honorarium totaling P225,916. Related tax applied was not in accordance with the appropriate tax rate.</p>	<p>We was recommended that Management:</p> <p>1. Discontinue the monthly payment for honorarium to the Project Manager and strictly adhere to Items 4.4, 4.5, and 4.9 of DBM Budget Circular No. 2007-2 for the proper disbursements for honorarium;</p> <p>2. Require the Project Management Committee of the KSM Project to create a performance evaluation plan to aid in determining the correct amount of honorarium; and</p> <p>3. Require the Project Manager to return the excess honorarium and ensure to apply the</p>	<p>To adhere to DBM Budget Circular No. 2007-2 with regards to the payment of honorarium.</p> <p>To require the Project Management Committee of the KSM Project to create a performance evaluation plan to aid in determining the correct amount of honorarium; and</p> <p>To require the Project Manager to return excess honorarium and ensure to apply the</p>	<p>Submitted comments / justification to COA</p> <p>As regards the appropriate taxes due, the AD had zero</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
	appropriate tax rate on the said taxable income.	appropriate tax rate on the said taxable income.	out the withholding tax of OWWA employees at the end of the year.
<p>5. <i>Taxes withheld by RWO-NCR from employees and suppliers/creditors amounting to P0.512 million remained unremitted to the Bureau of Internal Revenue (BIR), in violation of Sections 2.58 (A) 1 and 2 (a) and 2.81 of Revenue Regulation (RR) No. 2-98</i></p>	<p>We recommended and Management agreed to:</p> <ol style="list-style-type: none"> 1. Require Accounting and Finance Division (AFD) to take up the appropriate adjusting entry and to reconcile the Due to BIR account and make the necessary adjusting entries; and 2. Strictly implement the requirement of BIR in the withholding and remittances of taxes as provided 	<p>To require Accounting and Finance Division (AFD) to take up the appropriate adjusting entry and to reconcile the Due to BIR account and make the necessary adjusting entries; and</p> <p>To implement the requirement of BIR in the withholding and remittances of taxes.</p>	<p>Partially Implemented JEV#2016-03-0111 for adjustment was prepared</p> <p>Fully Implemented</p>
<p>6. <i>Payments made by RWO NCR for the services rendered by the JO Personnel were not in accordance Civil Service Commission (CSC) Memorandum Circular No. 17 series of 2002. Deficiencies were noted in the payments for services rendered by instructors.</i></p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Require the AFD to compute the salaries of JO personnel on a daily basis. Henceforth, strictly observe the provision of Section 1 of CSC Memorandum Circular No. 17 series of 2002; and 2. Ensure that all services of instructors are covered with a contract. 	<p>To require the AFD to compute the salaries of JO personnel on a daily basis.; and</p> <p>To ensure that all services of instructors are covered with a contract.</p>	<p>Justifications/explanations was submitted</p> <p>Fully Implemented</p>
<p>7. <i>Burial assistance of P20,000 and insurance benefits of P100,000 which were granted to the husband and/or wife of the deceased OWWA employee were not in accordance with Sections 2 and 3 of the OWWA Omnibus Policies.</i></p>	<p>We recommended that Management grant burial assistance of P20, 000 and insurance benefit of P100, 000 only to those entitled thereto, as provided for in the OWWA Omnibus Policies.</p>	<p>To grant burial assistance of P20, 000 and insurance benefit of P100, 000 only to those entitled thereto, as provided for in the OWWA Omnibus Policies.</p>	<p>Submitted memorandum dated July 1, 2016 to management.</p>
<p>8. <i>Disbursements for electronic gadgets, specifically for the cellular phones, were</i></p>	<p>We recommended that Management:</p>		

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
<p><i>deemed excessive since high-end or expensive models were availed of by some personnel and some even availed more than one unit each. This was brought about by the absence of a management policy pertaining to the limitation on the entitlement of OWWA personnel on the usage of said electronic gadgets.</i></p>	<ol style="list-style-type: none"> 1. Formulate and adopt policies to limit the entitlement of OWWA personnel on the usage of electronic gadgets. The policy that one unit per Officer/employee and be limited only to the organic personnel of OWWA must be included in the said policy; 2. Require the General and Administrative Service (GAS) to recall the extra units from the concerned officers/employees; and 3. Ensure compliance with COA Circular No. 2012-003 dated October 29, 2012. 	<p>Preparation of policy guidelines on the entitlement for the usage of electronic</p> <p>Inventory of CPs and other electronic gadgets</p> <p>Recall of extra units from the concerned officers / employees</p> <p>To comply with COA Circular No. 2012-003 dated October 29, 2012.</p>	<p>For approval</p> <p>Complied</p> <p>Complied</p> <p>Complied</p>
<p>9. The Agency implemented Gender and Development (GAD) Plan and Programs in compliance with the PCW, NEDA and DBM Joint Circular No. 2012-01, not only for the Organization focused activities but as well as for the benefit of its major clients, the OFW members.</p>	<p>We recommended that Management may consider some improvement for its GAD plans by increasing the allotted budget for GAD programs/ activities for their employees' gender and development needs.</p>	<p>To consider inclusion of budget allocation for selected overseas posts to conduct their own GAD programs and activities.</p>	<p>Fully Implemented</p> <p>For CY 2016, the GAD Focal Committee has already worked for the inclusion of budget allocation for selected OWWA posts to conduct their own GAD Programs and activities.</p>
B. PERFORMANCE AUDIT / PROGRAM EVALUATION (HO AND RWOs)			
<p>10. Out of the 32 Overseas Filipino Workers - Reintegration Program (OFW-RP) beneficiaries interviewed, 20 or 62.50 per cent were not able to sustain their income generating activities, thereby the program was not able to create employment that will provide steady income stream for these OFW-RP beneficiaries. Due to unpaid loans of these OFW-RP beneficiaries, a total of P17.2 million was already charged to OWWA as of May 31, 2015. Identified causes include; some provisions of the covering Implementing Rules and Regulations (IRR)</p>	<p>We recommended that:</p> <ol style="list-style-type: none"> 1. Management coordinate with LBP to ensure compliance with the provisions of the IRR regarding: <ol style="list-style-type: none"> 1.1 The amount of loan to be granted, with the maximum limit of 80 per cent capitalization for the business being proposed by the Program Beneficiaries; 1.2 That only one OFW per family (spouse or child) within the first degree of 	<p>To coordinate with LBP on compliance with the provisions of the IRR.</p>	<p>On-going</p> <p>OWWA provides/ conducts EDT to loan borrowers. It is Landbank that evaluates, processes and approves/ disapproves loan application.</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
<p><i>were not strictly complied, guidelines on requirement for collaterals were not properly defined, insufficiency of trainings provided for the program beneficiaries and lapses in monitoring of the accounts.</i></p>	<p>consanguinity or affinity shall be eligible to apply under the program; and</p> <p>1.3 Submission of Land Bank-LPMG of the required monthly report, for purposes of monitoring;</p> <p>2. That OWWA and Landbank amend some provisions of the IRR particularly on the following:</p> <p>2.1 Properly specified provisions regarding the requirement for collaterals; and</p> <p>2.2 May consider to lower the minimum loanable amount of P300,000 since some Program beneficiaries stated that it is more than what they needed for in their proposed businesses;</p> <p>3. The EDT training be conducted more extensively to include proper business planning and adequate knowledge and skill on the type of business selected by interested Program beneficiaries, and such other trainings deemed necessary for the success of the proposed business;</p> <p>4. Ensure that borrowers were properly informed on the importance of Business Plan, not only as a requirement in obtaining a loan but also as a tool to ascertain the probability of the success of the business; and</p> <p>5. Management to maintain a database for Program beneficiaries, which may contain information of at least the amount of loan granted, the outstanding balance and interest thereon as of a given date, the status of the loan, the collateral if any, remarks whether the</p>	<p>To remind LBP-LPMG on the submission of monthly report.</p> <p>To enhance MOA and its IRR amending certain provision.</p> <p>To conduct EDT training more extensively to include proper business planning and adequate knowledge and skill on the type of business.</p> <p>To include business plan in the EEDT under Phase 4 on Project Proposal Development.</p> <p>The MISD, in coordination w/ PPDD and ROCS, shall devise a system which shall contain all information on the program beneficiaries' accounts / projects.</p>	<p>Reminded LBP-LPMG. Delays of reporting was due to LBP's re- assignment of personnel.</p> <p>The loan security referred to in the IRR under Lending Policies is the same as collateral which is the "object of financing"</p> <p>Fully Implemented To implement the enhanced EDT approved by BOT</p> <p>Ongoing Included in the EEDT under Phase 4 is the Project Proposal Development. A simplified standard business plan format was drafted.</p> <p>Ongoing The Management and Information Services Division (MISD), in coordination with Planning and Program Development</p>

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	loan is still current, past due, restructured, or subrogated, the amount charged to the Guarantee Fund and other information deemed necessary to properly monitor the Program implementation		Division (PPDD) and Regional Operations Coordination Services (ROCS), shall devise a system.
<p>11. The objective of enabling the returning OFWs to be able to earn income out of self-employment through the “BalikPinas, BalikHanapbuhay” (BPBH) Program was not achieved for the Program beneficiaries interviewees of RWO NCR, RWO I, RWO III and RWO V, thereby defeating its purpose and depriving said beneficiaries of the benefits that could be derived therefrom. Furthermore, the implementation of the Program was not properly monitored.</p>	<p>We recommended that RWO Management:</p> <ol style="list-style-type: none"> 1. Enforce the provision of Section II of OWWA MOI No. 006 which states that only OWWA members who have decided to return to the country for good after their overseas employment shall be entitled to the assistance; 2. Ensure that trainings and releasing of the starter kits to the beneficiaries shall be on a timely basis, to provide immediate relief to returning member-OFWs who were displaced from their jobs; 3. Provide trainings relevant to the business proposals of the OFW applicants; 4. Make representation with the OWWA Top Management to restudy the implementing guidelines of the BPBH program taking into consideration the needs of the beneficiaries; 5. Request to the HO for additional personnel to augment their work force, if necessary. In this way, monitoring of the agency’s programs and projects will be facilitated so that effectiveness of the Program can be properly evaluated; 6. Complete and update the database files of the BPBH Program beneficiaries; and 7. Conduct validation / monitoring of the livelihood projects of the beneficiaries / recipients to monitor effectiveness of the program. Relative to this, regular reporting is 	<p>To enforce the provision of Section II of OWWA MOI No. 006.</p> <p>To ensure that trainings and releasing of the starter kits to the beneficiaries shall be on a timely basis, to provide immediate relief to returning member-OFWs who were displaced from their jobs</p> <p>To provide trainings relevant to the business proposals of the OFW applicants;</p> <p>To make representation with the Top Management to restudy the implementing guidelines of the BPBH program taking into consideration the needs of the beneficiaries</p> <p>To monitor the agency’s programs and projects so that effectiveness of the Program can be properly evaluated (HO)</p> <p>To complete and update the database files of the BPBH Program beneficiaries; and</p> <p>To conduct validation / monitoring of the livelihood projects of the beneficiaries / recipients to monitor effectiveness of the program.</p>	<p>RWO NCR Fully Implemented</p> <p>RWO NCR Fully Implemented</p> <p>RWO NCR Fully Implemented</p> <p>Fully Implemented</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
	necessary for proper monitoring.		
<p>12. The remaining balance of funds for Programs which were already suspended since CYs 2008 to 2011 amounting to P17.063 million as of December 31, 2015 for three field offices namely OWWA NCR, RWO IV-B and RWO IX were not yet transferred to OWWA - HO OWWA could have utilized such amount for other programs and projects or could have placed said funds in high-yielding investments to earn higher interest income.</p>	<p>We recommended and Management agreed to recall all the remaining balance of these Program funds from OWWA RWOs, except that for the current account of CLP and FELSF, the minimum maintaining balance shall be retained for purposes of collection through deposit from the loan borrowers.</p>	<p>To recall the remaining balance of these Program funds from OWWA RWOs, except that for the current account of CLP and FELSF, the minimum maintaining balance shall be retained for purposes of collection through deposit from the loan borrowers.</p>	<p>Fully Implemented</p>
<p>13. Operation of OFW Hospital Facility at Provincial Government of Misamis Oriental (PGMO) was not properly monitored, of which OWWA invested a total amount of P31.5 million for its establishment. Audit disclosed that various provisions of the covering MOA were not complied with, such as non-submission of the Monthly Report by the PGMO, among others. Moreso, corresponding implementing guidelines on the recovery scheme of OWWA's investment was not formulated. Consequently, the effectiveness of the Program cannot be measured to provide value on the Investment made.</p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Coordinate with the PGMO for the following: <ol style="list-style-type: none"> 1.1 Formulation of implementing guidelines on the recovery scheme of OWWA's investment; and 1.2 Creation of the seven-man Management Board wherein OWWA shall have three seats; 2. Require the PGMO to comply with the requirement for the submission of Monthly Reports; 3. Revisit the terms and conditions of the MOA to come up with better terms applicable to the situation; and 4. Require the AD to update information relative to the implementation of this project and the related account. 	<p>To formulate implementing guidelines on the recovery scheme of OWWA's investment; and</p> <p>To propose the convening of the board prior to the accreditation of the hospital as Level 1 health facility category.</p> <p>To require the PGMO to comply with the submission of Monthly Reports</p> <p>To revisit the terms and conditions of the MOA to come up with better terms applicable to the situation.</p> <p>To require AD to update information relative to the implementation of the project and the related account.</p>	<p>OWWA and PGMO shall formulate guidelines to operationalize the recovery scheme and that the latter shall furnish the former with monthly reports on the fund balance, however, there were two constraints affecting the fulfillment of these guidelines:</p> <p>As agreed during the meeting, the provincial government will submit monthly updates on the fund balance reflecting the interest earned. The applicable interest rate is six per cent which is the average of the last auction of five-year Treasury.</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
			<p>To revise terms and conditions of the MOA to come up with better terms applicable to the situation.</p> <p>It was discussed during the joint meeting to require the AD to update information relative to the implementation of this project and the related account's accrued interest as reflected in the report submitted.</p>
<p>14. Some deficiencies were noted in the implementation of SUP by RWO IV-B, that include variation in the tuition fees although the same courses and the training centers were attended by the SUP availeds, discrepancies on the information per Education and Training Unit (ETU) Verification System as against the actual availments of SUP beneficiaries and granting of scholarship even after 96 to 221 days from the date of their arrival in the Philippines and/or disembarkation, which is not in accordance with Section III of the MOI No. 001 Series of 2007.</p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Submit justification/explanation on the difference in tuition fees of the training centers with the same course; 2. In the exercise of its fiscal responsibility as embodied in Section 4.4 of PD 1445 and Section 13 of GAAM, consider the adoption of appropriate control measure regarding implementation of the SUP particularly on the expenses for trainings of Program availeds; 3. Require the personnel in charge to be careful in entering information in the ETU Verification System; and 4. Require the personnel in charge to be cautious in processing the SUP applications to ensure that they are still entitled to avail the program in accordance with MOI No. 001 series of 2007. 	<p>To submit justification / explanation on the difference in tuition fees of the training centers with the same course;</p> <p>To consider the adoption of appropriate control measure regarding implementation of the SUP particularly on the expenses for trainings of Program availeds;</p> <p>To require the personnel in charge to be careful in entering information in the ETU Verification System; and</p> <p>To require the personnel in charge to be cautious in processing the SUP applications to ensure availeds are still entitled to avail the program.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
C. AUDIT OF FOREIGN POSTS			
<p>C.1 Financial and Compliance Audit (Foreign Posts)</p> <p>15. Delayed Remittances of Collections for the Voluntary Membership Program (VMP) and non-maintenance of official bank account exposes OWWA funds to possible loss through theft or negligence.</p>	<p>We recommended and the Posts agreed for the following:</p> <ol style="list-style-type: none"> 1. Increase the frequency of remittances. If the OWWA-Qatar Post finds daily remittances to be impractical and costly, then a twice-a-week remittance may suffice to comply with the requirement. It should be noted that the POLO in Doha deposits its collections daily. Since the Welfare Officer (WelOf) holds office in the same compound, simultaneous visits to the bank may be arranged; and 2. Authorize the opening of separate bank account for OWWA funds from personal funds of the AOs, if feasible. 	<p>To increase the frequency of remittances, if daily remittance is impractical, or to make arrangement with the bank .</p> <p>To open separate bank account for OWWA funds from personal funds of the AO, if feasible.</p>	Fully Implemented
<p>16. WelOfs did not maintain CRR and CDR prescribed by COA under Circular No. 2003-006 dated December 2, 2003 and Circular No. 2004-003 dated June 24, 2004, respectively. In some instances although the same were being maintained these were not properly accomplished.</p>	<p>We recommended and the WelOfs of the six foreign posts agreed to comply with the COA Circulars particularly on using the prescribed accounting forms, CRRs, CDRs and CBRs to monitor and control the accuracy of reported cash balances at a given period.</p>	<p>To comply with the COA Circulars particularly on using the prescribed accounting forms, CRRs, CDRs and CBRs to monitor and control the accuracy of reported cash balances at a given period.</p>	Fully Implemented
<p>17. Several deficiencies were noted in the recording and reporting of receipt, utilization and liquidation of cash advances in OWWA-South Korea, Madrid and Greece Posts, thereby casting doubts on the accuracy of related reports. The same were found not in accordance with the</p>	<p>We recommended and the WelOfs agreed to the following:</p> <ol style="list-style-type: none"> 1. Accurately and promptly record the receipt and utilization of cash advances to keep track of the correct balance of accountability at any given day. Supporting documents be properly filed, numbered and segregated for easy 	<p>To accurately and promptly record the receipt and utilization of cash advances to keep track of the correct balance of accountability at any given day;</p>	Fully Implemented

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
<p><i>requirements under the Manual of NGAS as prescribed by the COA Circular No. 2002-002 dated June 18, 2002. Supporting documents were not properly filed, numbered and segregated. Further, book records were not reconciled periodically with accounting records at HO.</i></p>	<p>retrieval upon demand during the audit;</p> <ol style="list-style-type: none"> 2. Use the pre-numbered Cash Voucher to standardize and enhance the Post's internal control over payments to its payees; 3. Record the transactions for cash advances and disbursements in US Dollar and its equivalent Euro to facilitate reconciliation with the HO; 4. Periodically reconcile the book records maintained at Post with the accounting records at the HO; and 5. Immediately liquidate the outstanding cash advances as of July 6, 2015 in OWWA, Madrid Spain. Future cash advances be liquidated within the period prescribed under COA Circular No. 97-002, otherwise sanctions provided therein should be enforced. The prompt liquidation of cash advances is essential for the proper matching of costs against revenues which in turn, is necessary for proper presentation of the accounts in the financial statements. 	<p>To use the pre-numbered Cash Voucher to standardize and enhance the Post's internal control over payments to its payees;</p> <p>To record the transactions for cash advances and disbursements in US Dollar and its equivalent Euro to facilitate reconciliation with the HO;</p> <p>To periodically reconcile the book records maintained at Post with the accounting records at the HO; and</p> <p>To require OWWA, Madrid Spain to immediately liquidate the outstanding cash advances as of July 6, 2015 for proper matching of costs against revenues which in turn, is necessary for proper presentation of the accounts in the financial statements.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>
<p>18. The AOs did not retain photocopies of cancelled ORs, Certificates of Membership (COMs) and Invoices resulting in difficulty in the verification of accountability.</p>	<p>We recommended and Management agreed to adhere to the requirements under Letter C of the Instructions of Appendix 54, Manual of NGAS Volume II on the retention of duplicate copy at Post to facilitate validations of collections and disbursements and verification of accountability. We further recommended that the AO request the recipient of the documents at OWWA HO to acknowledge receipt of all documents submitted to them to have an assurance that all documents sent are duly received by that Office.</p>	<p>To coordinate with the HO to facilitate increase of the amount of bond to correspond with their total accountability and the renewal of bond pursuant to Treasury Circular No. 02-2009.</p>	<p>Fully Implemented</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
<p>19. The Fidelity Bond relative to the accountability of the AOs as not sufficient to cover the cash and property accountabilities and had already expired in violation of Sections 5.1 and 7.2 of Treasury Circular No. 02-2009 dated August 6, 2009 issued by the BTr.</p>	<p>We recommended that the AO coordinate with the HO to facilitate increase of the amount of bond to correspond with their total accountability and the renewal of bond pursuant to Treasury Circular No. 02-2009, in order to protect the interest of the government.</p>	<p>To coordinate with the HO to facilitate increase of the amount of bond to correspond with their total accountability and the renewal of bond pursuant to Treasury Circular No. 02-2009.</p>	<p>Fully Implemented</p>
<p>20. Examination of the Accountability of the CO of OWWA-CRO, Kingdom of Saudi Arabia revealed inconsistencies of information on the ROCs and Accountability.</p>	<p>We recommended that the AOs exercise utmost diligence and ensure accuracy in the recording of financial transactions of the Post to prevent similar occurrences in the future.</p>	<p>To exercise utmost diligence and ensure accuracy in the recording of financial transactions of the Post to prevent similar occurrences in the future.</p>	<p>Fully Implemented</p>
<p>21. The requirement under MOI No. 018, s. 2001 and DOLE AO No. 190 series of 2012, for the use of the local currency equivalent of the OWWA contribution of twenty five dollars (US\$25) based on the prevailing exchange rate of the preceding month was not observed. The membership collections of OWWA Seoul, South Korea and Athens, Greece were made at a fixed amount resulting in overcharges on the amount paid by OFWs using the local currency on said foreign posts.</p>	<p>We recommended and Management agreed that OWWA Seoul, South Korea and Athens, Greece adhere to the provisions of MOI No. 018, series of 2001 and DOLE AO No. 190, series of 2012 on the collection of the OWWA membership contribution.</p>	<p>To remind concerned Posts to adhere with the provisions of MOI and No. 018, series of 2001 and DOLE AO No. 190, series of 2012 on the collection of the OWWA membership contribution using the prevailing local currency rate of the preceding month.</p>	<p>Fully Implemented</p>
<p>22. Various deficiencies were noted in the audit of various OWWA-Overseas Post regarding property management that included among others, incomplete and erroneous information in the inventory report for properties and equipment, various deficiencies encountered during the conduct of inventory taking, unserviceable property not properly accounted for, non-</p>	<p>We recommended and Management agreed that the AOs:</p> <ol style="list-style-type: none"> 1. Exclude the unserviceable and lost property in the inventory of Serviceable Property; 2. Assign and attach property tags on the property; 	<p>To exclude the unserviceable and lost property in the inventory of Serviceable Property;</p> <p>To assign attach property tags on the property;</p>	<p>Fully Implemented</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
<p><i>maintenance of indispensable records in monitoring properties by AOs. Consequently, these deficiencies affect the reliability of the presented balance of PPE Account.</i></p> <p>22.1 Erroneous and Incomplete Entries in the RPCPPE.</p> <ol style="list-style-type: none"> 1. Inclusion of unserviceable properties and lost properties in the RPCPPE. 2. Several items included in the Inventory Report had no values nor do they have property numbers. In some instance, property numbers assigned to individual properties are different with what were indicated in the report while some other items have no property tags attached on them. 3. The unit value column per RPCPPE contained the total value for items comprise of two units instead of the unit value per item. <p>22.2 Items included in the Report of Unserviceable Property were not verified and were not disposed.</p> <p>22.3 The NGAS prescribed forms of RPCPPE and IIRUP were not adopted in the preparation of the reports.</p> <p>22.4 Semi-expendable property or items with serviceable life of more than one year but small enough to be considered as PPE were included in the Inventory Report.</p> <p>22.5 Indispensable Record is not maintained by the Property Officer.</p>	<ol style="list-style-type: none"> 3. Account for the missing properties; 4. Store the unserviceable equipment in an orderly manner and request authority from the HO for its disposal; 5. Prepare the RPCPPE and IIRUP yearly in the prescribed form, in accordance with Appendix 63 and Section 66 of NGAS Manual, Volume II. The Report must include only those PPE items physically present; 6. Exclude from the Inventory Report the semi-expendable property or items with serviceable life of more than one year but small enough to be considered as PPE; 7. Ensure proper documentation of the movements of PPE items, that include maintenance of Property Cards and the use of ARE; and 8. As regards the non-provision of valuation, we reiterated the recommendation that proper valuation or appraisal of the properties be done at the Post and that the same be reflected in the inventory report. 	<p>To account for the missing properties;</p> <p>To store the unserviceable equipment in an orderly manner and request authority from the HO for its disposal;</p> <p>To prepare the RPCPPE and IIRUP yearly in the prescribed form and report must include only those PPE items physically present;</p> <p>To exclude from the Inventory Report the semi-expendable property or items with serviceable life of more than one year but small enough to be considered as PPE;</p> <p>To ensure proper documentation of the movements of PPE items, that include maintenance of Property Cards and the use of ARE; and</p> <p>To reflect in the inventory report the proper valuation or appraisal of the properties and be done at the Post.</p>	

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTION TAKEN	VALIDATION
<p>C.2 Program Evaluation (Foreign Posts)</p> <p>22. The implementation of the Programs and Services particularly the Welfare Assistance Program at the OWWA Post in Madrid, Spain cannot be objectively and effectively assessed due to lack of plans or targets.</p>	<p>To make the reports on accomplishments more meaningful and useful and ensure the achievement of the objectives of the law, it was recommended that it include significant qualitative and quantitative data such as, but not limited to the following:</p> <ol style="list-style-type: none"> 1. Quantitative targets and the corresponding costs involved to facilitate computation of accomplishments in terms of percentages and costs; 2. Accomplishment to date and the percentage of accomplishment; 3. Problems encountered in the implementation of programs/activities and actions made to resolve the same, if any; and 4. Reasons for not meeting the desired outputs/targets and recommendations to address the same. 	<p>To include quantitative targets and the corresponding costs involved to facilitate computation of accomplishments in terms of percentages and costs;</p> <p>To accomplish to date the percentage of accomplishment;</p> <p>To identified and resolve problems encountered in the implementation of programs / activities; and</p> <p>To address the reasons for not meeting the desired outputs / targets and recommendations.</p>	<p>Fully Implemented</p>