

OVERSEAS WORKERS WELFARE ADMINISTRATION

**AGENCY ACTION PLAN and
STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2018**

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implemen- -tation	Reason for Partial Delay/ Non Implementation, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
1	<p>FINANCIAL AUDIT</p> <p><i>Unreliable balance of Cash and Cash Equivalents amounting to P1.384 billion</i></p> <p>1. The consolidated balance of the Cash and Cash Equivalents amounting to P1.384 billion as of December 31, 2018 is unreliable due to (a) discrepancy between the balances per bank and per book, (b) non-preparation of monthly Bank Reconciliation Statement (BRS), (c) unadjusted misstatements and (d) dormant accounts.</p> <p>Audit of Cash and Cash Equivalents account disclosed that the accuracy and reliability of its consolidated balance totaling P1.384 billion as of December 31, 2018 were doubtful due to delayed/non-submission of the monthly BRS preventing the timely analysis of the Cash in Bank balance. Consequently, the</p>	<p>It was recommended and Management agreed to:</p> <p>(a) comply with the timely preparation and submission of BRS together with complete supporting documents;</p> <p>(b) prepare the monthly BRS in accordance with the format shown in Appendix 80 of GAM Vol. II;</p> <p>(c) use the BSP closing rate in the conversion of foreign currencies into pesos at year-end for fair presentation in the FS.</p>		FMS/Accounting Division ROCS	January 2019	June 2019	On-going		Accounting Division stated that the discrepancy in the amounts per book and per bank was due to the Outstanding Checks and other reconciling items which were identified in the Bank Reconciliation Statements. Adjusting entries have already been made as per JEV#s 2019-

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	<p>reconciling item, if any, could not be detected and adjusted promptly thereby affecting its fair presentation in the FS. Moreover, there were some unadjusted misstatement committed in Regional Welfare Offices (RWOs) 1 and 4B. Below is the summary of the deficiencies noted in audit of said account:</p> <table><tr><th>OWWA Office</th><th>Observations</th><th>Amount</th><th>Assert ion/s</th></tr><tr><td>Central Office</td><td>Discrepancy between the balance per book and per bank which was not adjusted due to late/non-submission of BRS</td><td>95,804,950.26</td><td>Accura cy</td></tr><tr><td>National Capital Region (NCR)</td><td>Discrepancy between the balance per book and per bank which was not adjusted due to late/non-submission of BRS.</td><td>2,487,951.41</td><td>Accura cy</td></tr><tr><td>RWO 1</td><td>Cash in Bank-Local Currency, Current Account (CIB-LCCA) was not adjusted for Stale Checks.</td><td>160,000.00</td><td>Accura cy</td></tr><tr><td>RWO IVB</td><td>Understatement of Petty Cash</td><td>35,000.00</td><td>Accura cy</td></tr><tr><td>RWO V</td><td>BRS on the agency's cash-in-bank accounts were not prepared and submitted to the Auditor as required under COA Circular No.</td><td></td><td></td></tr></table>	OWWA Office	Observations	Amount	Assert ion/s	Central Office	Discrepancy between the balance per book and per bank which was not adjusted due to late/non-submission of BRS	95,804,950.26	Accura cy	National Capital Region (NCR)	Discrepancy between the balance per book and per bank which was not adjusted due to late/non-submission of BRS.	2,487,951.41	Accura cy	RWO 1	Cash in Bank-Local Currency, Current Account (CIB-LCCA) was not adjusted for Stale Checks.	160,000.00	Accura cy	RWO IVB	Understatement of Petty Cash	35,000.00	Accura cy	RWO V	BRS on the agency's cash-in-bank accounts were not prepared and submitted to the Auditor as required under COA Circular No.								<p>01-003, 2019-01-010 to 019, 2019-01-029, 2019-01-031 to 070, 2019-02-081 to 088 and others in March 2019.</p> <p>On the other hand, Regional Operations Coordination Service (ROCS) will recommend to AFMO and FMS to invite all regional accountants for a harmonization meeting.</p>
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		96-011 dated Oct. 2, 1996 due to the alleged failure of the Bank to furnish the agency with the monthly bank statements, thus the correctness of the reported year end balances could not be immediately verified.		Accura cy								
	RWO VI	Dormant accounts for programs that were already fully implemented	66,324.13	Accura cy								
	RWO IX	Non-preparation/submission of monthly BRSs for the Local Currency Current Accounts and Savings Accounts and failure to book up the interest earned on the saving account	25,643,291.14 1,711.166 .28	Accura cy								
	The discrepancies between the balance per book and per bank of the Central Office and NCR amounting to P95,804,950.26 and P2,487,951.41, respectively, could have been adjusted immediately had the monthly BRS prepared and submitted in accordance with pertinent Sections of the GAM on BRS. Likewise, the same concern on the non-preparation/submission of monthly BRS was reported by RWOs V and IX.											

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	<p>Moreover, Cash in Bank-Foreign Currency accounts in the Central Office were understated by P27,462,305.76 due to the use of the average conversion rate instead of the closing rate which was not in accordance with par. 27, Philippine Public Sector Accounting Standards (PPSAS) and Section 4, Chapter 16 of the GAM for NGAs, Vol. 1 which states as follows:</p> <p>“Sec. 4. Measurement at Reporting Date. At each reporting date:</p> <p>a. Foreign currency monetary items shall be translated using the closing rate.”</p> <p>Hereunder is the table showing the computation for the above-mentioned variance, to wit:</p> <table><tr><th>Account Name</th><th colspan="3">Amount</th></tr><tr><th></th><th>Per Book</th><th>Per Audit (at Closing Rate)</th><th>Variance</th></tr><tr><td>Cash in Bank -Foreign Currency, Savings Account</td><td></td><td></td><td></td></tr><tr><td>LBP (EURO) (€42,395.39)</td><td>2,531,332.14</td><td>2,556,908.37</td><td>25,576.24</td></tr><tr><td>BP(Dollar)(US\$1,013,199.97)</td><td>27,029,512.95</td><td>53,419,955.22</td><td>26,390,442.27</td></tr><tr><td>DBP(Dollar) (US\$283,389.12)</td><td>13,895,120.70</td><td>14,941,407.96</td><td>1,046,287.26</td></tr><tr><td>Total</td><td>43,455,965.79</td><td>70,918,271.55</td><td>27,462,305.76</td></tr></table>	Account Name	Amount				Per Book	Per Audit (at Closing Rate)	Variance	Cash in Bank -Foreign Currency, Savings Account				LBP (EURO) (€42,395.39)	2,531,332.14	2,556,908.37	25,576.24	BP(Dollar)(US\$1,013,199.97)	27,029,512.95	53,419,955.22	26,390,442.27	DBP(Dollar) (US\$283,389.12)	13,895,120.70	14,941,407.96	1,046,287.26	Total	43,455,965.79	70,918,271.55	27,462,305.76						
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2	<p><i>Unreliable Balance of Accounts Payable amounting to P551.788 million</i></p> <p>2. The accuracy, validity and reliability of the Accounts Payable (AP) with a balance of P551.788 million as of December 31, 2018 could not be ascertained due to non-submission of (a) Aging Schedules and pertinent supporting documents and (b) non-maintenance of Subsidiary Ledgers (SLs).</p> <p>Review of the AP account disclosed that the accuracy, validity and existence of its consolidated balance of P551,787,758.92 were doubtful due to non-submission of (a) Aging Schedules and pertinent supporting documents and (b) non-maintenance of SLs. The summary of the deficiencies noted in the audit of the said account is provided below:</p> <table><tr><th>OWWA Office</th><th>Observations</th><th>Amount</th><th>Assertion/s</th></tr><tr><td>NCR</td><td>Absence of Aging Schedules and the non-maintenance of the SLs</td><td>74,899,796.31</td><td>Accuracy and validity</td></tr><tr><td>RWO II</td><td>Non-preparation and non-maintenance of SLs</td><td>128,895,394.76</td><td>Accuracy and validity</td></tr><tr><td>RWO VIII</td><td>Absence of Aging Schedules</td><td>8,695,193.93</td><td>accuracy and validity</td></tr></table>	OWWA Office	Observations	Amount	Assertion/s	NCR	Absence of Aging Schedules and the non-maintenance of the SLs	74,899,796.31	Accuracy and validity	RWO II	Non-preparation and non-maintenance of SLs	128,895,394.76	Accuracy and validity	RWO VIII	Absence of Aging Schedules	8,695,193.93	accuracy and validity	<p>It was recommended and Management agreed to require the:</p> <p>(a) Accounting Unit (AU) of RWO-NCR and RWO-VIII to prepare the respective Aging Schedule of Accounts Payable as of December 31, 2018 and submit the same to the audit team not later than the 30th day following the end of the year; and</p> <p>(b) AU of NCR and RWO II to maintain an SL for each of the payees comprising the Payable account and periodically update in pursuance to the instructions C and D of Appendices 5 and 6, respectively, of GAM for NGAs, Volume II. Further, any difference between the SL and the general account should be reconciled immediately and adjusted accordingly.</p>					On-going	<p>Noteworthy to mention are the following updates as to Management actions taken on the foregoing recommendations:</p> <ul style="list-style-type: none">RWO NCR has submitted the aging schedule of accounts payable as of December 31, 2018 on March 20, 2019, a day after the exit conference and informed that payees with negative balances in the subject
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	Non-submission of the Aging Schedules and other necessary supporting documents of the AP and the non-maintenance of SLs prevented the team to verify and validate the accounts of the payees. In addition, confirmation procedure to verify the existence of the payees was not done due to lack of information showing their complete addresses. Because of these noted deficiencies, the accuracy, validity and reliability of the AP balance of P551,787,758.92 could not be ascertained.							<p>schedule will be subjected for adjustment on the first quarter of 2019 financial statements. This, however, is still subject to validation in determining the accuracy and validity of the recorded AP.</p> <ul style="list-style-type: none">• RWO II, on the other hand, claimed that they have already prepared SLs as well as schedules for each	

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									fund/progra m and will also update the same on a monthly/quar terly basis. The Accountant will work out for the aging of all Accounts Payable due to Suppliers. Lastly, letters will be sent to OWWA Scholars about their uncollected scholarship grants.
3	<i>Dormant and Long Outstanding Loans Receivable amounting to ₱260.543 million and non-provision of Allowance for Impairment-Loans Receivable amounting to P13.055 million</i> 3. The accuracy and validity of long outstanding Loans Receivable	It was recommended and Management agreed to: (a) require the Accountant to maintain/update the loan receivable subsidiary ledgers to monitor collections of loan amortizations and the respective		FMS/Accounting Division ROCS	January 2019	June 2019	On-going		ROCS stated that a harmonizatio n/reconciliati on meetings between Central Office and

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	<p>amounting to ₱260.543 million as of December 31, 2018 could not be ascertained and its collectability seems doubtful due to (a) non-availability of updated subsidiary ledgers, debtors' addresses and significant information, (b) low collection efficiency and (c) non-provision of Allowance for Impairment-Loans Receivable amounting to ₱13.055 million.</p> <p>Audit of the Loans Receivable account disclosed that the accuracy and validity of the dormant and long outstanding loans receivable amounting to ₱260,543,996.26 could not be ascertained and its collectability could not be determined due to (a) non-maintenance of aging schedules, updated Subsidiary Ledgers (SLs), addresses and/or contact information of the debtors , (b) low collection efficiency and (c) non-provision of Allowance for Impairment Losses on Loans Receivable amounting to ₱13.055 million.</p> <p>Below is the summary of the reported deficiencies in the RWOs relative to the audit of Loans Receivable account:</p>	<p>outstanding balances of the concerned members.</p> <p>(b) strengthen its collection effort for outstanding loan receivable by sending collection/ demand letters and/or resorting to legal remedies to enforce collection of accounts, if warranted;</p> <p>(c) require the Accountant to analyze the long outstanding/dormant accounts for possible write-off in accordance with COA Circular 2016-005 dated December 19, 2016.</p> <p>(d) set up/recognize an Allowance for Impairment on Loans Receivables-FELSF amounting to P13,055,955.04 to ensure the fairness of presentation of the agency's financial statements.</p>						Regional Accountants will be done.	

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	<p>The results of the audit disclosed that the reasons for the low collection efficiency of the said dormant and outstanding loans receivables from the debtor beneficiaries were the following: (a) bankruptcy of the business funded by the livelihood loan programs and the debtors' current unemployed status due to sickness or old age, (b) change in the debtors' home addresses that the Agency cannot locate their current whereabouts, (c) debtors' death and (d) debtors' assumption that the loans were dole outs from the government.</p> <p>Moreover, absence of the updated SLs and debtors' addresses contributed to the very minimal collection due to lack of pertinent information/data necessary in the sending of collection/demand letters to the debtor beneficiaries. The consistent inability of the Agency to enforce collection resulted in dormant and outstanding loan receivables for more than 10 years.</p> <p>Likewise, audit of this account disclosed that in RWO V, no provision on Allowance for Impairment on loans receivable was set up to recognize the loss</p>								

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	that the agency would sustain due to non-collectability of the loans amounting to ₱13,055,959.04 under its FELSF Program which had been dormant and outstanding for five to nine years despite continuous monitoring and sending of demand letters by the agency to the concerned beneficiaries.								
4	<p><i>Unreliable balance of Property, Plant and Equipment (PPE) amounting to P218.553 million</i></p> <p>4. The consolidated balance of PPE as of December 31, 2018 in the amount of P218.553 million is unreliable due to (a) non-maintenance of Property, Plant and Equipment Ledger Cards (PPELC) and Property Cards (PCs); (b) failure to conduct physical count/reconciliation of physical inventory report with accounting records; (c) misclassification of semi-expendable property to PPE; and (d) erroneous computation of Accumulated Depreciation.</p>	<p>We recommended and Management agreed to require:</p> <p>(a) Accounting and Property Divisions to prepare/maintain/update the PPELCs and the PCs, respectively, in accordance with the pertinent provisions of the GAM;</p>		Accounting Division/PPMD ROCS	January 2019	June 2019	Partially Implemented		PPMD and Accounting Division has already updated the PPELCs and PCs and will continue to maintain them in accordance with the pertinent provisions of the GAM. In addition, AFMO/GAS will conduct training for all regional

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	<p>Section 38, Chapter 10 of the GAM, Vol. I provides that:</p> <p>“The entity shall have a periodic physical count of PPE, which shall be done annually and presented on the Report on the Physical Count of Property, Plant and Equipment (RPCPPE) (Appendix 73) as at December 31 of each year. This shall be submitted to the Auditor concerned not later than January 31 of the following year. Equipment found at station and losses discovered during the physical count shall be reported to the Accounting Division/Unit for proper accounting/recording.”</p>	<p>(b) Inventory Committee to conduct actual physical count of all existing PPE once a year to be witnessed by a representative of COA to ascertain its physical existence and condition and prepare the RPCPPE prescribed under Sections 38 and 42(g), Chapter 10, GAM, Vol. 1;</p>			August 2019	Jan. 2020	On-going		<p>supply officers.</p> <p>Inventory Committee will conduct actual physical count of all existing PPE starting August 2019 to ascertain its physical existence and condition and will prepare the RPCPPE as prescribed in the GAM.</p>
	<p>Section 42, Chapter 10 of the GAM, Vol I states that:</p> <p>“The Chief Accountant shall maintain the PPELC for each category of PPE including work and other animals, livestock, etc. The PPELC shall be kept to record promptly the acquisition,</p>	<p>(c) Accounting and Property Divisions to reconcile their records with the RPCPPE and make the necessary adjusting entries/appropriate actions for the discrepancy, if any;</p> <p>(d) Accounting Division to reclassify all property and</p>			June 2019	Jan. 2020	On-going		<p>An on-going RPCPPE preparation is being done by PPMD.</p>

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	<p>description, custody, estimated useful life, xxx. For check and balance, the Property and Supply Office/ Unit shall likewise maintain PC for PPE in their custody to account for the receipt and disposition of the same. The balance per PC shall be reconciled with the PPELC by the Accounting Division/Unit xxx.”</p> <p>Section 42 (g) thereof further provides that:</p> <p>“Report on the Physical Count of Property, Plant and Equipment (Appendix 73) form shall be used to report the physical count and condition of PPE by type as at given date, including those which are unrecorded and those which could not be accounted for. It shows the balance of PPE per property cards and per count and the shortage/overage, if any. It shall be rendered by the Inventory Committee, on its</p>	<p>equipment with capitalization threshold of below P15,000 to semi-expendable property in accordance with the pertinent provision of the GAM.</p> <p>(e) Accountant to prepare the necessary adjusting entries to correct the amount of accumulated depreciation recorded in the books of accounts for the subject motor vehicles.</p> <p>(f) Property Division to coordinate with the Accounting Division in the use of the account names prescribed in the Revised Chart of Accounts (GAM Vol. III) for uniformity and proper classification of the accounts in the financial statements.</p>					Fully Implemented	Accounting Division provided the PPMD with the list of account names prescribed in the revised GAM Chart of Accounts in the GAM for uniformity purposes and proper	

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	<p>yearly physical count of properties by the entity.”</p> <p>Audit of PPE disclosed the following deficiencies noted in the Central Office and some Regional Welfare Offices RWOs):</p> <table><tr><th>OWWA Office</th><th>Deficiencies Noted</th><th>Amount Involved</th><th>Assertion/s</th></tr><tr><td>Central Office</td><td>(a)Non-maintenance of PPELC; (b)incomplete Property Cards; and (c) non-reconciliation of Physical Inventory Report with accounting records difficult</td><td>P181,183,838.94</td><td>Existence, Completeness, Accuracy</td></tr><tr><td>RWO I</td><td>Overstatement of Accumulated Depreciation- Motor Vehicle due to erroneous computation of depreciation</td><td>P260,076.09</td><td>Accuracy</td></tr><tr><td>RWO II</td><td>(a)No physical count conducted and reconciliation with accounting records; and (b)non-maintenance of PPELC</td><td>P8,518,725.66</td><td>Existence, Completeness, Accuracy</td></tr><tr><td>RWO IV-B</td><td>(a) No physical count/RPCPPE submitted and (b) non-maintenance of PPELC</td><td>P1,305,380.30</td><td>Existence, Completeness, Accuracy</td></tr><tr><td>RWO IX</td><td>(a)No physical count conducted; (b) non-maintenance of property ledger cards and property cards; and (c) overstatement of PPE due to misclassification of semi-expendable property to PPE</td><td>P1,605,313.34</td><td>Existence, Completeness, Accuracy</td></tr></table>	OWWA Office	Deficiencies Noted	Amount Involved	Assertion/s	Central Office	(a)Non-maintenance of PPELC; (b)incomplete Property Cards; and (c) non-reconciliation of Physical Inventory Report with accounting records difficult	P181,183,838.94	Existence, Completeness, Accuracy	RWO I	Overstatement of Accumulated Depreciation- Motor Vehicle due to erroneous computation of depreciation	P260,076.09	Accuracy	RWO II	(a)No physical count conducted and reconciliation with accounting records; and (b)non-maintenance of PPELC	P8,518,725.66	Existence, Completeness, Accuracy	RWO IV-B	(a) No physical count/RPCPPE submitted and (b) non-maintenance of PPELC	P1,305,380.30	Existence, Completeness, Accuracy	RWO IX	(a)No physical count conducted; (b) non-maintenance of property ledger cards and property cards; and (c) overstatement of PPE due to misclassification of semi-expendable property to PPE	P1,605,313.34	Existence, Completeness, Accuracy						classification of the PPE.
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					From	To			
	<p><i>Non-Maintenance of PPELC and PC</i></p> <p>As illustrated above, the Central Office, RWOs II, IVB and IX did not maintain PPELC. Instead of PPELC, the Central Office had only a schedule/list of PPE which did not provide all the information contained in the former which is not in accordance with the above provisions of the GAM. It was informed, however, that to date, the Accounting Division has started the preparation of the PPELC for some items procured by foreign posts.</p> <p>Likewise, RWOs II and IX did not maintain PC in violation of the above-cited provision of the GAM. On the other hand, validation of the maintenance of PC at the Central Office disclosed that not all PPE items have corresponding PC. Thus, reconciliation between the PC, PPELC and the Physical Inventory Report could not be performed by the Property and Accounting Divisions.</p> <p>No Physical Count Conducted</p> <p>Results of our audit disclosed that no physical count of PPE as of December 31, 2018, was conducted in RWOs II, IV-B</p>								

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	<p>and IX, thus no RPCPPE was submitted to the Auditor for verification.</p> <p>Overstatement of PPE amounting to 659,294.69</p> <p>Section 3, Chapter 10 of the GAM states that the cost of an item of PPE shall be recognized as asset if and only if it meets the capitalization threshold of P15,000. Further, Section 4 of the same Chapter states that the capitalization threshold of P15,000 represents the minimum cost of an individual asset recognized as a PPE on the Statement of Financial Position.</p> <p>On the contrary, audit report of the RWO IX disclosed that the Regional Accountant failed to reclassify asset with unit cost of below P15,000.00 to semi-expendable property thus, overstating the PPE account by P 659,294.69.</p> <p>Overstatement of Accumulated Depreciation amounting to P260,076.09</p> <p>Review of the depreciation schedule in RWO I revealed that no depreciation was recognized for Motor Vehicle in CY 2018. However, the balance of Accumulated</p>						On-going		RWO I agreed to comply with our recommendations.

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	<p>Depreciation- Motor vehicle as of December 31, 2018 was overstated by P260,076.09 due to erroneous computation of depreciation of previous years, as follows:</p> <table><tr><th rowspan="2">Vehicle</th><th rowspan="2">Date Acquired</th><th rowspan="2">Estimated Useful Life (in months)</th><th rowspan="2">Age as of 12/31/18</th><th rowspan="2">Unit Cost</th><th rowspan="2">Salvage Value (10%)</th><th colspan="3">Accumulated Depreciation</th></tr><tr><th>Should be</th><th>Per Books</th><th>Difference</th></tr><tr><td>Izusu Crosswind</td><td>12/21/15</td><td>84</td><td>36</td><td>1,170</td><td>117,000</td><td>451,285.71</td><td>710,022.86</td><td>258,737.15</td></tr><tr><td>Carryboy</td><td>5/26/14</td><td>84</td><td>55</td><td>76,200</td><td>7,620</td><td>44,903.37</td><td>46,242.51</td><td>1,338.94</td></tr><tr><td>Total</td><td></td><td></td><td></td><td></td><td></td><td>496,189.28</td><td>756,265.37</td><td>260,076.09</td></tr></table> <p>The overstatement in the recognition of depreciation in previous years resulted in overstatement of Accumulated Depreciation which understated the carrying amount of Motor Vehicles as of December 31, 2018 by P260,076.09.</p> <p>Further, while the Accounting Division has already adopted the Revised Chart of Accounts (RCA), the Procurement and Property Management Division (PPMD) still uses the old account names in the RIPPE, thus making the reconciliation difficult for Accounting Division and the PPMD.</p>	Vehicle	Date Acquired	Estimated Useful Life (in months)	Age as of 12/31/18	Unit Cost	Salvage Value (10%)	Accumulated Depreciation			Should be	Per Books	Difference	Izusu Crosswind	12/21/15	84	36	1,170	117,000	451,285.71	710,022.86	258,737.15	Carryboy	5/26/14	84	55	76,200	7,620	44,903.37	46,242.51	1,338.94	Total						496,189.28	756,265.37	260,076.09							
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5	<p>5. Analysis of reciprocal accounts Subsidy to RWOs and Subsidy from CO disclosed that there were discrepancies between their records as of December 31, 2018 amounting to millions of pesos.</p> <p>Under the Government Accounting Manual (GAM), Volume III or the Revised Chart of Accounts, the account, Subsidy is used to record the amount of fund/assets transferred by the Central Office to the Regional Offices/Staff Bureaus of an agency or department</p> <p>The accounting entries to record these fund are illustrated below</p> <table><tr><td></td><td>Central Office</td><td>Regional Welfare Office</td></tr><tr><td>Release of Program Funds and MOOE</td><td>Subsidy to RWO xxx Cash in Bank xxx</td><td>Cash in Bank xxx Subsidy from CO xxx</td></tr></table> <p>As shown above, when funds are released by the CO to RWOs, the former debits account <i>Subsidy to RWO</i> while the latter credits account <i>Subsidy from CO</i>; hence, these accounts are reciprocal accounts</p>		Central Office	Regional Welfare Office	Release of Program Funds and MOOE	Subsidy to RWO xxx Cash in Bank xxx	Cash in Bank xxx Subsidy from CO xxx	In view of the above observations, it was recommended that the Central Office and the RWOs regularly reconcile their records and make the necessary adjusting entries, if any.		FMS/Accounting Division ROCS	January 2019	June 2019	On-going		Accounting Division stated that the discrepancies in the balances are due to unreconciled balances between the RWOs and Central Office due to time constraints as to the submission of the Financial Statements. Corresponding adjusting entry have been prepared for the discrepancy in the Subsidy to NCR as per
	Central Office	Regional Welfare Office													
Release of Program Funds and MOOE	Subsidy to RWO xxx Cash in Bank xxx	Cash in Bank xxx Subsidy from CO xxx													

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	<p>which should tally at any given time and be eliminated at the end of the year.</p> <p>We have sent confirmation letters to various RWOs to confirm if the balances of subsidy which they received from Central Office tally with the balance in the books of the latter as of December 31, 2018. Out of the 17 RWOs, only CAR, RWOs II, III, IV-B, ARMM and CARAGA responded, all of which disclosed discrepancies as shown in the table below:</p> <table><tr><th>RWO OFFICE</th><th>Per Central Office</th><th>Per ML/Confirmation of RWO</th><th>Difference</th></tr><tr><td>RWO - NCR</td><td>142,368,957.76</td><td>216,894,170.36</td><td>(181,525,413.60)</td></tr><tr><td>CAR</td><td>50,687,501.68</td><td>51,967,501.68</td><td>(880,000.00)</td></tr><tr><td>RWO - I</td><td>164,435,800.75</td><td>171,836,880.16</td><td>(7,400,879.41)</td></tr><tr><td>RWO - II</td><td>219,094,797.28</td><td>228,946,998.88</td><td>(8,972,201.60)</td></tr><tr><td>RWO - III</td><td>286,993,439.81</td><td>287,695,439.81</td><td>(700,000.00)</td></tr><tr><td>RWO - IV-A</td><td>262,607,686.75</td><td>276,137,822.75</td><td>(13,530,413.00)</td></tr><tr><td>RWO - IV-B</td><td>41,203,964.40</td><td>38,249,795.97</td><td>2,956,168.43</td></tr><tr><td>RWO-V</td><td>133,615,116.00</td><td>No reply</td><td></td></tr><tr><td>RWO-VI</td><td>142,740,267.75</td><td>141,503,974.40</td><td>856,293.36</td></tr><tr><td>RWO-VII</td><td>87,839,070.94</td><td>No reply</td><td></td></tr><tr><td>RWO-VIII</td><td>58,889,387.22</td><td>No reply</td><td></td></tr><tr><td>RWO-IX</td><td>151,933,264.00</td><td>138,341,870.89</td><td>(6,608,408.80)</td></tr><tr><td>RWO-X</td><td>60,383,473.19</td><td>69,765,235.09</td><td>(118,788.19)</td></tr><tr><td>RWO-XI</td><td>101,646,358.05</td><td>98,419,989.16</td><td>3,226,368.89</td></tr><tr><td>RWO-XII</td><td>93,221,347.50</td><td>No reply</td><td></td></tr><tr><td>ARMM</td><td>88,602,799.27</td><td>88,602,799.27</td><td>(0.00)</td></tr><tr><td>CARAGA</td><td>44,593,227.00</td><td>44,586,227.00</td><td>(68,000.00)</td></tr><tr><td>TOTAL</td><td>P1,311,588,402.25</td><td>P1,972,672,765.53</td><td>P 214,669,224.60</td></tr></table> <p>The above table showed that the total recorded balance of subsidy of nine RWOs is higher than the Central Office by ₱ 221,806,313.41, while that of four</p>	RWO OFFICE	Per Central Office	Per ML/Confirmation of RWO	Difference	RWO - NCR	142,368,957.76	216,894,170.36	(181,525,413.60)	CAR	50,687,501.68	51,967,501.68	(880,000.00)	RWO - I	164,435,800.75	171,836,880.16	(7,400,879.41)	RWO - II	219,094,797.28	228,946,998.88	(8,972,201.60)	RWO - III	286,993,439.81	287,695,439.81	(700,000.00)	RWO - IV-A	262,607,686.75	276,137,822.75	(13,530,413.00)	RWO - IV-B	41,203,964.40	38,249,795.97	2,956,168.43	RWO-V	133,615,116.00	No reply		RWO-VI	142,740,267.75	141,503,974.40	856,293.36	RWO-VII	87,839,070.94	No reply		RWO-VIII	58,889,387.22	No reply		RWO-IX	151,933,264.00	138,341,870.89	(6,608,408.80)	RWO-X	60,383,473.19	69,765,235.09	(118,788.19)	RWO-XI	101,646,358.05	98,419,989.16	3,226,368.89	RWO-XII	93,221,347.50	No reply		ARMM	88,602,799.27	88,602,799.27	(0.00)	CARAGA	44,593,227.00	44,586,227.00	(68,000.00)	TOTAL	P1,311,588,402.25	P1,972,672,765.53	P 214,669,224.60			January 2019	June 2019	On-going		<p>JEV#19-03-0145P while reconciliation with the various RWOs are still on-going. We will make the necessary adjusting entries once completed.</p> <p>ROCS will be recommending a quarterly meeting between central office and regional accountants.</p>
RWO OFFICE	Per Central Office	Per ML/Confirmation of RWO	Difference																																																																																	
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	<table border="1"><thead><tr><th>OWWA Office</th><th>Deficiencies Noted</th><th>Amount involved</th><th>Assertion</th></tr></thead><tbody><tr><td>Central Office</td><td>Non-maintenance of SLC and non- preparation of required forms and reports</td><td>13,037,754.95</td><td>Accuracy Existence</td></tr><tr><td>RWO-CAR</td><td>Unrecorded inventories</td><td>39,242.75</td><td>Accuracy</td></tr><tr><td>RWO-V</td><td>Overstated inventories</td><td>910,842.98</td><td>Accuracy</td></tr><tr><td>RWO-II</td><td>Non-preparation/ submission of Report on the Physical Count of Inventories</td><td>168,073.62</td><td>Accuracy Existence</td></tr></tbody></table> <p>Non-maintenance of SLCs</p> <p>The Accounting Division-Central Office did not maintain SLCs for each kind of supplies and materials to substantiate the balance in the general ledger contrary to Sections 9 and 17 of Chapter 8 of the GAM, Vol I. Instead, the purchases and issuances of inventories were recorded in a schedule using a periodic inventory system rather than the perpetual inventory contrary to the above provision of the GAM.</p>	OWWA Office	Deficiencies Noted	Amount involved	Assertion	Central Office	Non-maintenance of SLC and non- preparation of required forms and reports	13,037,754.95	Accuracy Existence	RWO-CAR	Unrecorded inventories	39,242.75	Accuracy	RWO-V	Overstated inventories	910,842.98	Accuracy	RWO-II	Non-preparation/ submission of Report on the Physical Count of Inventories	168,073.62	Accuracy Existence	<p>3. Accounting Division, Property Division and other divisions in-charge to reconcile their records regularly for proper management of inventory and its fair presentation in the financial statements.</p> <p>4. Accounting Unit in RWO CAR to record the cost of inventory items immediately upon receipt from the Supply Unit of the Inspection and Acceptance Report and photocopies of the Purchase Order and Delivery Receipt.</p> <p>5. Direct the Accountant in RWO V to adjust the pertinent accounts relative to the Semi-Expendable Property totaling P910,842.98 misclassified as Property, Plant and Equipment in consonance with Sec. 10, Chapter 8 of the GAM, Vol. I.</p>					
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	<p><i>Non-preparation of the required forms and reports</i></p> <p>Due to insufficient manpower in the Procurement and Property Management Division (PPMD)-Central Office, some of the functions relative to inventory management were transferred to various divisions/offices. Except for Office Supplies, the custody and issuance of inventory items as well as the preparation of various forms and reports were transferred to other divisions/offices.</p> <p>The different required forms and reports in Inventory monitoring provided under the GAM are as follows:</p> <p><i>a.</i> The Stock Cards (SC) is a form used in the Supply and/or Property Division/Unit for each type of supplies to record all receipts and issues made. xxx. The balance per stock card shall be reconciled regularly with the SLC maintained by the Accounting Division/Unit. (Pars. A and E, Appendix 58</p>								

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	<p><i>Instructions, GAM Vo. II)</i></p> <p>b. The Inventory Custodian Slip (ICS) is a form used by the Supply and/or Property Custodian to issue tangible items amounting to less than P15,000 to end-user to establish accountability over them.(<i>Par. A, Appendix 59 Instructions, GAM Vol. II)</i></p> <p>c. The Requisition and Issue (RIS) shall be used by the Requisitioning Division/Office to request supplies/goods/equipmen t/property carried in stock and by the Supply and Property Division/Unit to issue items requested.(<i>Par. A, Appendix 63 Instructions, of the GAM Vol. II)</i></p> <p>d. The Report on Supplies and Materials Issued (RSMI) is a form prepared by the Supply and/or Property</p>								

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	<p>Division/Unit to report/summarize all issues of inventories (by stock number) during the day.” (Par. A, Appendix 64 Instructions, GAM Vol. II)</p> <p>e. The Report on the Physical Count of Inventories (RPCI) is a form used to report the physical count of inventory items by type such as Office Supplies Inventory; Accountable Forms Inventory; Medical, Dental and Laboratory Supplies Inventory; Food Supplies Inventory, etc. which are owned by the agency/entity. It shall be prepared semi-annually by the Inventory Committee xxx”. (Par. A, Appendix 66 Instructions, GAM Vol. II)</p> <p>The above required forms and reports were prepared only for the Office Supplies but not for all the other kinds/types of inventory. The same</p>								

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					From	To			
	<p>observation was noted in RWO CAR wherein no RSMI was prepared and no SCs were maintained. Hence, proper accounting and monitoring of purchases and issuances could not be efficiently and effectively done thereby, affecting the reliability of the Inventory account balance.</p> <p><i>Unrecorded inventories</i></p> <p>Section 2(a), Chapter 2, GAM, Vol. 1 defined accrual basis as a basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid.) Therefore, the transactions and events are recorded in accounting records and recognized in the financial statements of the periods to which they relate.</p> <p>In RWO CAR, the costs of inventory items were recognized only upon payment of deliveries. Thus, office supplies received from suppliers in December 2018 amounting to ₱39,242.75 but were not paid as of year-end were not recorded in the books. As such, the</p>								

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	<p>balance of Inventories as presented in the financial statements was understated by ₱39,242.75.</p> <p><i>Overstated inventories</i></p> <p>Section 10, Chapter 8 of the Government Accounting Manual (GAM), Vol. I provides as follows:</p> <p>“Tangible items below the capitalization threshold of ₱15,000.00 shall be accounted as semi-expendable property. The following policies apply as follows:</p> <p> a. Semi-expendable property which were recognized as PPE shall be reclassified to the affected accounts.</p> <p> b. These tangible items shall be recognized as expenses upon issue to the end-user.</p> <p>The post-closing trial balance as of December 31, 2018 of RWO V showed that semi-expendable items totaling ₱ 910,842.98 were still carried in the books and were not taken up as expense as required in the aforementioned regulation. The breakdown is as follows:</p>								

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			Action Plan	Person/Dept. Responsible	Target Implementation Date											
					From	To										
	<table><tr><td>Semi-Expendable Items- Office Equipment</td><td>P 77,967.75</td></tr><tr><td>Semi-Expendable Items- Furniture & Fixtures</td><td>490,292.23</td></tr><tr><td>Semi-Expendable Items – IT Equipment and Software</td><td>342,583.00</td></tr><tr><td>Total</td><td>P 910,842.98</td></tr></table> <p>The subject semi-expendable items were already issued to the end-users but the Accountant inadvertently failed to adjust the items to their respective Expense accounts, thus, overstating the Inventories account and understating the Expense account thereby affecting the fair presentation of the agency’s financial statements as at year-end.</p>	Semi-Expendable Items- Office Equipment	P 77,967.75	Semi-Expendable Items- Furniture & Fixtures	490,292.23	Semi-Expendable Items – IT Equipment and Software	342,583.00	Total	P 910,842.98							
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7	<p>COMPLIANCE AUDIT</p> <p><i>Unliquidated cash advances amounting to P28.643 million</i></p> <p>7. Cash Advances of Central Office totalling P28.643 million remained unliquidated as of December 31, 2018 representing 15 percent of the total outstanding cash advances of P189.804 million, contrary to Section 89 of PD No. 1445, COA Circular No. 97-002 and Section 6 of COA Circular 2012-004, thus, affecting the fair presentation of the financial statements.</p>	<p>It was recommended and Management agreed that:</p> <p>a. Evaluate the degree of probability of collecting these unliquidated cash advances to determine which are for (a) write-off or for (b)issuance of demand collection letters;</p> <p>b. All past due cash advances should be immediately liquidated;</p>		FMS/Accounting Division			On-going	<p>Accounting Division submitted its comments on the following:</p> <p>a. Follow-up letter was sent on June 4, 2019 regarding the request for an authority to write-off the outstanding balances of deceased</p>								

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	<p>The account Advances consists of cash advances to Overseas and Central Office personnel for special programs and projects which are subject to liquidation. Of the total advances in 2018 of P189.804 million, P28,643,686.24 represents Central Office releases, P141,102,365.88 from Overseas releases, P8,738,624.10 from RWOs and P11,319,341 from Regular Funds.</p> <p>Our review of the account showed that cash advances in the amount of P28.643 million remain unliquidated as of December 31, 2018, the aging summary of which is shown below.</p> <table><tr><th>Year Granted</th><th>Balance as of December 31, 2018</th><th>Number of Years Outstanding</th></tr><tr><td>Current Year- 2018</td><td>P4,077,241.55</td><td>-</td></tr><tr><td>CY2017</td><td>(666,560.53)</td><td>1</td></tr><tr><td>CY 2016</td><td>1,608,225.30</td><td>2</td></tr><tr><td>CY 2015</td><td>12,059.75</td><td>3</td></tr><tr><td>CY 2014</td><td>19,230.28</td><td>4</td></tr><tr><td>CY 2013</td><td>25,913.19</td><td>5</td></tr><tr><td>CY 2012 -2008</td><td>1,314,634.33</td><td>6-10</td></tr><tr><td>CY 2007 and prior years</td><td>22,252,942.35</td><td>More than 10</td></tr><tr><td>Total Per Schedule</td><td>P28,643,686.22</td><td></td></tr></table> <p>Analysis of the total outstanding balance of cash advances granted to officers and employees showed that the unliquidated cash advances in the amount of P1,314,634.33 or 4.6 per cent remain unliquidated for six to ten</p>	Year Granted	Balance as of December 31, 2018	Number of Years Outstanding	Current Year- 2018	P4,077,241.55	-	CY2017	(666,560.53)	1	CY 2016	1,608,225.30	2	CY 2015	12,059.75	3	CY 2014	19,230.28	4	CY 2013	25,913.19	5	CY 2012 -2008	1,314,634.33	6-10	CY 2007 and prior years	22,252,942.35	More than 10	Total Per Schedule	P28,643,686.22		<p>c. Demand letters should be issued for those unliquidated cash advances which have exceeded the periods outlined in COA Circular 97-002; and</p> <p>d. Strict adherence to the provisions of Section 89 of PD 1445, and COA Circular 97-002 in the granting of future cash advances and the submission of the related liquidation reports and supporting documents be ensured.</p> <p>e. Analyse accounts with negative balances and adjust accordingly.</p>					<p>accountable officers. Said request was submitted last December 26, 2011.</p> <p>b. A letter request was submitted on May 31, 2019 to write-off the outstanding balances of various personnel who went on AWOL and who were deceased.</p> <p>c. With regards to the unused balances of the Cash advances of the overseas personnel, though COA Circular 97-002 states in 4.1.8 that "The</p>
Year Granted	Balance as of December 31, 2018	Number of Years Outstanding																																			
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8	<p>years and the amount of P22,252,942.35 or 77.7 per cent were dormant for more than ten years.</p> <p>Insufficient controls on the cash advances and accounts of Accountable Officers (AOs)</p> <p>8. Several deficiencies were noted in the cash and accounts of the AOs, which were contrary to the pertinent provisions of Presidential Decree (PD) No. 1445, GAM, Vol. I, Revised Cash Examination Manual (RCEM) and COA Circular No. 97-002 dated February 10, 1997, thus placing the Agency’s resources at risk.</p> <p>The pertinent law, rules and regulations on the proper handling and utilization of cash advances are provided as follows:</p> <p>Sec. 89 of PD 1445 states that:</p> <p>“Limitations on cash advance. No cash advance shall be given unless for a legally authorized specific purpose. A cash advance shall be reported on and liquidated as</p>			FMS/Accounting Division ROCS					<p>cash advance shall be used solely for the specific legal purpose for which it was granted. Under no circumstances shall it be used for encashment of checks or for liquidation of a previous cash advance” and 5.8 that “All cash advances shall be fully liquidated at the end of each year. Except for petty cash fund, the AO shall refund any unexpected balance to the Cashier/Collecting Officer who will issue the necessary</p>

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	<p>soon as the purpose for which it was given has been served. No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.”</p> <p>The relevant provisions of the GAM, Vol. I are as follows:</p> <p>Sec. 3(b), Chapter 2: “Every officer of any government agency whose duties permit or require the possession or custody of government funds or property shall be accountable therefor and for the safekeeping thereof in conformity with law. Every AO shall be properly bonded in accordance with law.”</p> <p>Sec. 39, Chapter 5: “Receipts and deposits shall be reported as follows:</p> <p style="padding-left: 40px;">a. At the close of the business day, the Collecting Officers shall prepare the RCD</p>	<p>In view of the foregoing, it was recommended and Management agreed to require the:</p> <p>(a) AOs of the CO be bonded pursuant to Chapter 2, Section 3 (b) of GAM, Vol. I;</p>						<p><i>official receipt”</i>, it has been requested that unused balance on cash advance be allowed to be deducted from the Officer’s succeeding cash advance as offsetting to the remaining cash balance, rather than requiring them to return the cash for the following reasons:</p> <p>1) Disbursing Officer can minimize paying for the bank remittance charges levied in various amounts depending on country of</p>	

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	<p>(Appendix 26) for submission to Accounting Office/Unit. The report lists all the ORs issued in numerical sequence including cancelled ones.</p> <p>b. The RCD shall be supported by documentary evidence such as duplicate copies of ORs and validated deposit slips.”</p> <p>Chapter 2 (7) of the Revised Cash Examination Manual states that:</p> <p>“An AO shall maintain his cashbook/CRR/CDR/CkDR and such other records or their equivalents as may be prescribed by the agency’s operating procedures, and reconcile with the accounting records at least quarterly,</p>	<p>(b) AOs to record transactions properly and immediately in the cashbook/CRR/CDR/CkDR to keep records up-to date, complete and accurate. Further, reconcile records regularly with the Accounting Division to ensure the accuracy of the balance of accountability at any given time;</p> <p>(c) AU to regularly update the SLs of all accountable officers so that accountability may be determined at any given time;</p> <p>(d) SDO of RWO V to report the liquidation of their cash advances in the RCDIsb as prescribed in Sec. 17 of the GAM, Vol. I;</p> <p>(e) Directors of RWOs III, VI and X not to grant additional cash advance to AOs unless</p>						<p>origin of the remittance of which Central Office will also be charged the same, as well as other related costs such transportation expenses, etc.</p> <p>2) Minimize time and effort in going to the bank/remittance center which can be dedicated in delivering services to client-OFWs.</p> <p>3) If offsetting will not be allowed, Central Office and the accountable officer will be paying higher bank charges</p>	

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	<p>unless the agency requires a more frequent reconciliation.”</p> <p>Moreover, Sec.17 of the GAM, Vol. I prescribes the accounting books, records, forms and reports to be prepared and maintained for disbursements out of cash advances. It provides, among others, that the Disbursing Officer shall prepare the RCDish as shown in Appendix 41 of the Manual to report the utilization by the concerned accountable officer of the cash advance/s granted for special purpose undertakings.</p> <p>Finally, the specific rules and regulations on the granting, utilization and liquidation of cash advances are provided for under COA Circular No. 97-002 dated February 10, 1997, as amended by COA Circular No. 2006-005 dated July 13, 2006.</p> <p>Audit of the cash and accounts of accountable officers disclosed non-compliance with the aforementioned law, rules and regulations, thus, exposing government funds to possible risk of loss, misuse or misappropriation.</p>	<p>the previous cash advance is fully liquidated pursuant to Section 89 of PD 1445 and COA Circular NO. 97-002 dated February 10, 1997;</p> <p>(f) Director of RWO IV-B to (1) strictly enforce the provisions on the liquidation of cash advances for timely recording of expenses incurred, (2) strengthen its internal control system to prevent the possible loss or misuse of government funds, (3) cause the refund of excess travelling allowances totalling ₱2,255.00 by various employees of RWO IV-B and henceforth, exercise due diligence in the computation of the amount of claim of employees pursuant to the provisions of Executive Order No. 298.</p>			January 2019	June 2019	On-going	<p>as compared to the offsetting is allowed.</p> <p>4) Offsetting will not affect the recorded gross amount of the succeeding cash advance where deduction is applied, and</p> <p>5) To speed up the process of the fund release at beginning of a new accounting period.</p> <p>The Accounting Division will not effect offsetting if the accountable will not submit Authority to</p>	

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					From	To																
	<p>The table below provides for the summary of the deficiencies noted in the audit of the cash and accounts of accountable officers:</p> <table><tr><th>OWWA Office</th><th>Observations</th></tr><tr><td>Central Office (CO)</td><td>Bonds of two accountable officers of the Central Office were already expired without renewal yet at the time of the Cash Examination contrary to Section 3 (b), Chapter 2 of the GAM. Cash Disbursements Records (CDRs) maintained by the Special Disbursing Officers (SDOs) were not up-to-date and did not reflect the actual status of funds at month end due to errors and delay in the recording of transactions. Further, said CDRs were not reconciled with the records of the Accounting Division contrary to Chapter 2 (7) of the RCEM.</td></tr><tr><td>NCR</td><td>The prescribed Report of Collections and Deposits (RCD) to record collections and deposits were not maintained by the Collecting Officer and Cashier. Likewise, the Accounting Unit did not maintain SLs for the cashier and each SDO contrary to Sec. 39, Chapter 5 of the GAM, Vol. I.</td></tr><tr><td>RWO III, VI and X</td><td>Additional cash advances were granted even if the previous ones were not yet fully liquidated. This practice is contrary to the provisions of Section 89 of PD 1445 and COA Circular No. 97-002 dated February 10, 1997.</td></tr><tr><td>RWO IV-B</td><td>Laxity in monitoring and weak internal control resulted in delays in liquidation and refund of the excess cash advances granted to officers and employees ranging from more than one year to two years contrary to Item 1.2 of COA Circular No. 2012-001 and Item 5.7 of COA Circular No. 97-002, thus, exposing the funds to possible loss or misuse. In addition, provisions of Executive Order (EO) No. 298 were not properly complied with which resulted in excess claim of travelling allowance totaling P2,253.00.</td></tr><tr><td>CO, NCR and RWO V</td><td>The balance of the accountability of the SDOs could not be established due to non-maintenance of SLs by the AU as required under Sec. 32 of Chapter 6, GAM, Vol. I and No. 7, Chapter II of the RCEM.</td></tr><tr><td>RWO V</td><td>A different Liquidation Report was being used by the designated SDOs to report the liquidation of their cash advances instead of the Report of Cash Disbursement (RCDish) as prescribed in Sec. 17 Chapter 5 of the GAM, Vol. I.</td></tr></table>	OWWA Office	Observations	Central Office (CO)	Bonds of two accountable officers of the Central Office were already expired without renewal yet at the time of the Cash Examination contrary to Section 3 (b), Chapter 2 of the GAM. Cash Disbursements Records (CDRs) maintained by the Special Disbursing Officers (SDOs) were not up-to-date and did not reflect the actual status of funds at month end due to errors and delay in the recording of transactions. Further, said CDRs were not reconciled with the records of the Accounting Division contrary to Chapter 2 (7) of the RCEM.	NCR	The prescribed Report of Collections and Deposits (RCD) to record collections and deposits were not maintained by the Collecting Officer and Cashier. Likewise, the Accounting Unit did not maintain SLs for the cashier and each SDO contrary to Sec. 39, Chapter 5 of the GAM, Vol. I.	RWO III, VI and X	Additional cash advances were granted even if the previous ones were not yet fully liquidated. This practice is contrary to the provisions of Section 89 of PD 1445 and COA Circular No. 97-002 dated February 10, 1997.	RWO IV-B	Laxity in monitoring and weak internal control resulted in delays in liquidation and refund of the excess cash advances granted to officers and employees ranging from more than one year to two years contrary to Item 1.2 of COA Circular No. 2012-001 and Item 5.7 of COA Circular No. 97-002, thus, exposing the funds to possible loss or misuse. In addition, provisions of Executive Order (EO) No. 298 were not properly complied with which resulted in excess claim of travelling allowance totaling P2,253.00.	CO, NCR and RWO V	The balance of the accountability of the SDOs could not be established due to non-maintenance of SLs by the AU as required under Sec. 32 of Chapter 6, GAM, Vol. I and No. 7, Chapter II of the RCEM.	RWO V	A different Liquidation Report was being used by the designated SDOs to report the liquidation of their cash advances instead of the Report of Cash Disbursement (RCDish) as prescribed in Sec. 17 Chapter 5 of the GAM, Vol. I.							Deduct otherwise, they will be required to remit the amount of unutilized amount from the cash advance. In addition, ROCS said that the Central Office/AFMO /FMS will remind AOs to strictly implement accounting and auditing rules.
OWWA Office	Observations																					
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9	<p><i>Delayed/Incomplete submission of reports</i></p> <p>9. The delayed and incomplete submission of financial reports in the Central Office and various RWOs beyond the prescribed periods hindered the timely verification and correction of</p>	We recommended and Management agreed to require the Accountant to submit the financial reports within due date as required by existing rules and regulations.		FMS/Accounting Division ROCS			Partially Implemented	Accounting Division, have submitted the Bank Reconciliation Statements (BRS) as of December 31, 2018 to your good office on														

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	<p>errors/deficiencies and timely reporting of the audit results to Management contrary to Section 122 of PD 1445, Section 60, Chapter 19 of GAM, Vol. I and Sections 7.1.1 and 7.2.1 of COA Circular No. 2009-006 dated September 15, 2009 and other existing regulations.</p> <p>Below are some reports to be submitted to COA for verification/examination:</p> <table><tr><th>Report</th><th>Due Date of Submission</th><th>Basis</th></tr><tr><td>Bank Reconciliation Statement (BRS)</td><td>Within 20 days from receipt of the Bank Statement</td><td>Sections 5 & 7, Chapter 21, GAM, Vol. I</td></tr><tr><td>Journal Entry Vouchers (JEVs), Report of Checks Issued (RCI), Disbursement Vouchers (DVs), Report of Collection and Deposit (RCD) and Official Receipts (ORs)</td><td>10th day after end of each month</td><td>Section 7.2.1.a of RRSA as prescribed under COA Circular No. 2009-006 dated Sept 15, 2009</td></tr><tr><td>Liquidation Reports</td><td>10 days from date of receipt of the Accountant</td><td></td></tr><tr><td>Monthly and Quarterly Trial Balances (TBs)</td><td>Within 10 days after the end of each month</td><td rowspan="3">Section 60, Chapter 19, GAM, Vol. I</td></tr><tr><td>Monthly and Quarterly Financial Statements (FS)</td><td>Within 10 days after the end of each month</td></tr><tr><td>Year-end TBs, FS and Supporting Schedules</td><td>February 14 of the following year</td></tr></table> <p>For CY 2018, the following offices have not complied with the preparation and/or submission of the required reports and schedules within the reglementary period that affected the timely audit of the Agency's financial transactions.</p>	Report	Due Date of Submission	Basis	Bank Reconciliation Statement (BRS)	Within 20 days from receipt of the Bank Statement	Sections 5 & 7, Chapter 21, GAM, Vol. I	Journal Entry Vouchers (JEVs), Report of Checks Issued (RCI), Disbursement Vouchers (DVs), Report of Collection and Deposit (RCD) and Official Receipts (ORs)	10 th day after end of each month	Section 7.2.1.a of RRSA as prescribed under COA Circular No. 2009-006 dated Sept 15, 2009	Liquidation Reports	10 days from date of receipt of the Accountant		Monthly and Quarterly Trial Balances (TBs)	Within 10 days after the end of each month	Section 60, Chapter 19, GAM, Vol. I	Monthly and Quarterly Financial Statements (FS)	Within 10 days after the end of each month	Year-end TBs, FS and Supporting Schedules	February 14 of the following year			January 2019	June 2019			<p>March 1, 2019 for the Current Accounts and on May 31, 2019 for the Savings Account.</p> <p>ROCS has taken note of this and agreed with it.</p>
Report	Due Date of Submission	Basis																									
Bank Reconciliation Statement (BRS)	Within 20 days from receipt of the Bank Statement	Sections 5 & 7, Chapter 21, GAM, Vol. I																									
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	<table><thead><tr><th>OFFICE</th><th>DEFICIENCIES NOTED</th></tr></thead><tbody><tr><td>Central Office</td><td>Delayed/non-submission of financial statements (FS), schedules and other required reports</td></tr><tr><td>RWO-NCR</td><td>Delayed submission of FS and supporting schedules (SS), TB and SS, BRSs</td></tr><tr><td>RWO-CAR</td><td>Non-submission of the Statement of Changes in Net Assets/ Equity and Statement of Comparison of Budget and Actual Amount</td></tr><tr><td>RWO IV-A</td><td>Delayed submission of monthly and quarterly TBs, quarterly FS, and Liquidation Vouchers</td></tr><tr><td>RWO IV-B</td><td>Delayed submission of TBs, FS and SS</td></tr><tr><td>RWO X</td><td>Delayed submission of BRSs, JEVs, Disbursement Vouchers (DVs), Liquidation Reports</td></tr><tr><td>RWO XI</td><td>Delayed submission of BRSs, DVs, Year-end FS, TBs and SS</td></tr></tbody></table> <p>Consequently, Management was deprived of the relevance and usefulness of timely reports and prevented them of the early detection and correction of possible errors.</p>	OFFICE	DEFICIENCIES NOTED	Central Office	Delayed/non-submission of financial statements (FS), schedules and other required reports	RWO-NCR	Delayed submission of FS and supporting schedules (SS), TB and SS, BRSs	RWO-CAR	Non-submission of the Statement of Changes in Net Assets/ Equity and Statement of Comparison of Budget and Actual Amount	RWO IV-A	Delayed submission of monthly and quarterly TBs, quarterly FS, and Liquidation Vouchers	RWO IV-B	Delayed submission of TBs, FS and SS	RWO X	Delayed submission of BRSs, JEVs, Disbursement Vouchers (DVs), Liquidation Reports	RWO XI	Delayed submission of BRSs, DVs, Year-end FS, TBs and SS							
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10	<p>Gender and Development (GAD)</p> <p>10. The Gender and Development (GAD) Plan and Budget (GPB) and GAD Accomplishment Report (AR) for CY 2018 prepared by</p>	<p>It was recommended and Management agreed to strictly comply with the requirements and format prescribed under PCW-NEDA-DBM Joint</p>		PPDD	June 2019	July 2019	On-going		As discussed during the Exit Conference with COA Auditors, it was viewed															

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	<p>Management were not accepted by the Philippine Commission on Women (PCW) for review and endorsement to the Department of Budget and Management (DBM) due to non-conformity with format prescribed PCW-NEDA-DBM Joint Circular No. 2012-01.</p> <p>Section 8.2 of the PCW-NEDA-DBM Joint Circular No. 2012-01 provides that:</p> <p>The GAD Plan Focal-Point System (GPFS) of the agency shall review all submitted GPBs and as needed, provide comments and recommendations for revision. xxx. The GFPS shall then submit the final GPBs and the corresponding GAD ARs to PCW for review and endorsement to DBM.”</p> <p>OWWA prepared its GAD Plan and Budget (GPB) for the Calendar Year (CY) 2018 with a total allotment of P444, 660,600.00 representing 8.638 per cent of the total OWWA budget of</p>	<p>Circular 2012-01 for the preparation, completion and submission of the GPB and GAD AR.</p>						<p>that the programs and projects of OWWA are 100% “GADable” , of which two among these programs were cited:</p> <p>1.Provision of temporary shelter through the Halfway Home catering female distressed OFWs, and</p> <p>2. Conduct of Financial Literacy catering both male and female OFWs including their respective dependents.</p> <p>Despite absence of GAD fund,</p>	

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	<p>P5,147,692,936.84 for the CY 2018 which composed of the following:</p> <p> Allotment from the General Appropriations Act of 2018 – P 875,682,000.00 OWWA Fund </p>								

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implemen- -tation	Reason for Partial Delay/ Non Implementa- -tion, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
									series of trainings and workshops under PCW in compliance with the preparation and implementation of GPB and submission of AR. The revised GAD 2018 AR and the 2019 GPB is being finalized and will be submitted to PCW this June 2019.

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implemen- -tation	Reason for Partial Delay/ Non Implementation, if applicable	Action Taken/ Action to be Taken
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					From	To			
11	<p><i>Compliance with Tax Laws</i></p> <p>11. OWWA withheld taxes from compensation and from goods and services purchased during the year in compliance with Republic Act (RA) No. 8424 otherwise known as the National Internal Revenue Code of 1997.</p> <p>Audit of tax withheld from compensation revealed that OWWA adopted the centralized payroll system effective July 2017. Wthholding of taxes from compensation of the OWWA CO and RWOs employees is centralized while remittances are decentralized. On the other hand, taxes from services and goods purchased from the suppliers and contractors were withheld and remitted in compliance with pertinent BIR rules and regulations, except for RWOs V, VII, IX and XII as mentioned in the table below which contains the audit observations on tax compliance by the CO and various RWOs:</p>			FMS/Accounting Division HRMDD ROCS			Fully Implemented		Accounting Division would like to clarify that OWWA Central Office’s unremitted taxes withheld from compensatio n amounting to ₱ 2,570,560.45 and from services and goods purchased as of December 31, 2018 amounting to ₱ 1,083,423.41 were subsequently remitted on January 15 and 31, 2019 respectively.

Ref.	Audit Observations		Audit Recommendations	Agency Action Plan				Status of Implemen- -tation	Reason for Partial Delay/ Non Implementation, if applicable	Action Taken/ Action to be Taken
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						From	To			
	RWO	Observations							In addition, the ROCS has taken note of this and agreed with it.	
	CO	Unremitted taxes withheld from compensation and from services and goods purchased as of December 31, 2018 amounting to P4,888,935.07 were subsequently remitted on January 31, 2019.								
	RWO-NCR	Unremitted taxes withheld from services and goods purchased as of December 31, 2018 amounting to P112,824.03 and 136,451.32 were subsequently remitted on January 10 and 23, 2019, respectively.								
	RWO – CAR	Unremitted taxes withheld from services and goods purchased as of December 31, 2018 amounting to P40,295.92 were subsequently remitted on January 10, 2019.								
	RWO – I	Unremitted taxes withheld from services and goods purchased as of December 31, 2018 amounting to P92,449.84 were subsequently remitted on January 9, 2019.								
	RWO – II	Unremitted taxes withheld from services and goods purchased as of December 31, 2018 amounting to P26,132.09 were subsequently remitted on January 10, 2019.								
	RWO – III	All taxes withheld from services and goods purchased were remitted to BIR								
		Unremitted taxes withheld from services and goods purchased as of								
	RWO – IV-A	December 31, 2018 amounting to P56,481.77 were subsequently remitted on January 10, 2019.								
	RWO – IV-B	All taxes withheld from services and goods purchased were remitted to BIR								
	RWO – V	As of December 31, 2018, total taxes withheld from payments made to suppliers amounted to P1,487,432.13 while remittances made totaled P1,236,247.62, leaving an unremitted balance of P251,184.51 as at the end of the year.								
	RWO – VI	All taxes withheld from services and goods purchased were remitted to BIR								
	RWO VII	No data available								
	RWO – VIII	All taxes withheld from services and goods purchased totaling to P682,840.53 for the CY 2018 were remitted to BIR.								
	RWO – IX	Taxes withheld from services and goods purchased are still subject to reconciliation, hence, the incomplete remittance.								
	RWO – X	Of the unremitted taxes withheld from services and goods purchased as of December 31, 2018 amounting to P81,053.41, P72,293.66 were subsequently remitted on January 9, 2019 and the remaining P8,759.75 will be refunded due to over withheld taxes.								
	RWO – XI	Unremitted taxes withheld from services and goods purchased as of December 31, 2018 amounting to P83,262.00 were subsequently remitted on January 9, 2019.								
	RWO – XII	No data available								
	RWO-CARAGA	All taxes withheld from services and goods purchased totaling to P292,089.24 for the CY 2018 were remitted to BIR.								
	RWO – ARMM	No data available								

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	<p>COMPLIANCE WITH REGULATORY BODIES</p> <p><i>Compliance with GSIS Laws</i></p> <p>OWWA is not fully compliant with the provisions of Republic Act 8291, otherwise known as the Government Service Insurance System (GSIS) Act of 1997, on the remittances of premium contributions to GSIS.</p> <p>OWWA is compliant with the <i>current</i> required remittance to GSIS. For the month of December 2018, the total amount of P5,043,054.40 for GSIS premium contributions and loan payments were remitted on January 7, 2019. However, there still exists a balance of P89,344.46 todate in the books pertaining to prior years which are for reconciliation/adjustment.</p> <p><i>Compliance with Pag-IBIG and PhilHealth Laws</i></p> <p>OWWA is compliant with the required remittances of Pag-IBIG and PhilHealth premium contributions. The balance of unremitted Pag-IBIG and PhilHealth</p>	<p>It was recommend that Management strictly comply with the GSIS rules and regulations on the timely remittances to GSIS of employees/employer premium contributions and employees' loan repayments within the prescribed period.</p>					Fully implemented		<p>According to Human Resource Management and Development Division (HRMDD), OWWA is updated in the remittance of premium contribution of employees (being done every 10th day of the month). The balance that appears in the books pertaining to prior years are premium contributions deducted not from the general payroll but</p>

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					From	To			
	premium contributions as of December 31, 2018 amounting to P154,532.64 and P348,908.73 were remitted on January 11 and January 9, 2019, respectively.								from individual vouchers on salaries of personnel re : first salary, step increments or salary differential. We experienced difficulty in transmitting remittance due to the internal server error of the GSIS-Electronic Billing and Collection on line System (GSIS-EBCS).
									We are continuously coordinating with the

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					From	To			
									GSIS regarding said matter.
	<p><i>Compliance with Property Insurance Law</i></p> <p>While RWO I, X and XI have insured all their insurable assets with the General Insurance Fund by the GSIS in compliance with Republic Act 656 or Property Insurance Law, RWO NCR only insured P1.070 million out of their P3.681 million PPE.</p>	We recommend that Management strictly comply with R.A. 656 or Property Insurance Law.			January 2019	June 2019	On-going		ROCS stated that AFMO/GAS will remind regional directors to strictly implement property insurance law.
	<p>RA No. 656 or the Property Insurance Law, as amended by PD No. 245 dated July 13, 1973, requires all government agencies to have their insurable properties, assets, and interests insured with the General Insurance Fund (GIF) administered by the GSIS to ensure compensation of the equivalent value thereof in case of loss thru fire, theft or any unforeseen events.</p> <p>Provided below is the summary of the audit observations in the RWOs:</p>								

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implemen- -tation	Reason for Partial Delay/ Non Implementation, if applicable	Action Taken/ Action to be Taken								
			Action Plan	Person/Dept. Responsible	Target Implementation Date												
					From	To											
12	<table><tr><th>RWO</th><th>Observations</th></tr><tr><td>RWO NCR</td><td>Out of the P3,681,803.82, net book value of the Property, Plant and Equipment (PPE) acquired during the years 2011 to 2018, only the motor vehicle costing P1,070,080 acquired in May 2017 was insured. The remaining amount of P2,611,803.82, which are mostly Information Technology and Office Equipment acquired during the years 2011 to 2018 were not covered by Insurance.</td></tr><tr><td>RWO I</td><td>Insured all of their insurable assets and paid premiums for the CY 2018 amounting to P18,579.41</td></tr><tr><td>RWO XI</td><td>Insured all of their insurable assets</td></tr></table>	RWO	Observations	RWO NCR	Out of the P3,681,803.82, net book value of the Property, Plant and Equipment (PPE) acquired during the years 2011 to 2018, only the motor vehicle costing P1,070,080 acquired in May 2017 was insured. The remaining amount of P2,611,803.82, which are mostly Information Technology and Office Equipment acquired during the years 2011 to 2018 were not covered by Insurance.	RWO I	Insured all of their insurable assets and paid premiums for the CY 2018 amounting to P18,579.41	RWO XI	Insured all of their insurable assets								
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RWO XI	Insured all of their insurable assets																
	Balik-Pinas Balik-Hanapbuhay Program																
	<p><i>Other Maintenance and Operating Expense - Programs and Services (Economic Benefits)</i></p> <p>12. The Balik-Pinas Balik-Hanapbuhay (BPPH) Program for CY 2018 totaling to P632.897 million was not properly monitored contrary to paragraph VI of Memorandum of Instructions (MOI) No. 005, Series of 2017. Further, releases in RWO I totaling P5,860,000.00 were not supported with the required documentations prescribed under</p>	<p>We recommended that Management require:</p> <p>a) The RWOs to conduct monitoring/validation of the livelihood projects undertaken by the beneficiaries/availees of the Program to ensure that the projects are implemented according as provided for by MOI No. 005, Series of 2017;</p> <p>b) Fill out the BPPH MR properly to provide complete and accurate information for an efficient and effective</p>		ROCS PPDD	1st Quarter of 2019	Prese nt	On-going		<p>ROCS will remind regional directors to submit complete reportorial reports.</p> <p>Furthermore, the Planning and Program Development Division stated that the OWWA acknowledges</p>								

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	<p>Section 4 of the said MOI, contrary to Section 4 (6) of Presidential Decree (PD) No. 1445, rendering the validity of the releases doubtful.</p> <p>Paragraph VI of MOI No. 005, Series of 2017, states as follows:</p> <p><i>“Initial monitoring shall be done a month after the release of the assistance/grant to ensure that the projects are implemented. Thereafter, the RWOs shall monitor all approved livelihood projects every six (6) months to ensure that the projects are implemented according to the business plan/proposal, and identify other interventions to help sustain the operation of the project.”</i> (Underscoring ours)</p>	<p>monitoring of the Program; and</p> <p>c) RWO I to submit the lacking documents for the various releases of grants under the BPBH Program.</p>							the observation of COA on the deficiency in the monitoring of BPBH program beneficiaries/a vailees. The increase in BPBH program-availment, as a result of the crises in the Middle East, made it extra difficulty for the Regional Welfare Offices (RWOs) to conduct monitoring/validation if projects awarded to qualified beneficiaries were indeed implemented. The time that may be
	<p>BPBH Program was implemented by the OWWA through Memorandum of Instruction (MOI) No. 7, Series of 2013. It is a non-cash livelihood support/assistance intended to provide</p>								

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	<p>immediate relief to returning member-OFWs, active or non-active, who were displaced from their jobs due to wars/political conflicts in host countries, or policy reforms controls and changes by the host government, or were victims of illegal recruitment and/or human trafficking or other distressful situations.</p> <p>The Program is a package of livelihood assistance amounting to Ten Thousand Pesos (P10,000.00) maximum consisting of a) techno-skills and/or</p>								<p>allotted by the RWOs’ staff for the conduct of monitoring/val idation is consumed by processing of new applications for the BPBH program.</p>
	<p>entrepreneurship trainings; b) Starter Kits/Goods; and/or c) such other services that will enable the target beneficiaries to quickly start a livelihood undertaking through self/wage employment.</p> <p>On May 10, 2017, the OWWA Administrator issued MOI No. 005, Series of 2017 amending MOI No. 7, Series of 2013, with the following modifications:</p> <p>The Program is a package of livelihood support/assistance intended to provide immediate relief to returning member-OFW, to wit:</p> <p>a) cash assistance amounting to Twenty Thousand Pesos</p>								<p>In view of the harmonization of OWWA and National Reintegration Center for OFWs’ (NRCO) programs and services, a meeting between the OWWA- Policy and Program Development Office (PPDO) and the NRCO was held in the 1st quarter of</p>

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	(P20,000.00) maximum as start-up or additional capital for the livelihood project; b) entrepreneurship development training; and c) other services that will enable the target beneficiaries to start/manage a livelihood undertaking through self-employment, such as provision of marketing linkages and job referral.								2019 which tackled, among others, the need to monitor/validate the implementation of livelihood projects of both the OWWA and NRCO program-beneficiaries.
	<p>For CY 2018 BPBH has a total approved budget of P784,200,000.00. As of December 31, 2018, the total amount of P758,890,000.00 was released to the RWOs while actual utilization to OFW beneficiaries totaling P632,897,315.00.</p> <p>The reported deficiencies noted relative to the audit of RWO-NCR and RWO-I are as follows:</p> <p>1. The BPBH Monitoring Report (MR) of the RWO-NCR as of December 31, 2018 disclosed that the Report was not duly accomplished. Likewise, we noted the following deficiencies in said Report:</p> <p>(a) Neither the initial monitoring nor the subsequent monitoring</p>								<p>In a Writeshop on the Transition of NRCO to OWWA held in May 2019, the NRCO had been assigned to take the lead in the conduct of monitoring/validation of all OWWA and NRCO livelihood program beneficiaries. Forging of</p>

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	required under the MOI after the release of the assistance/grant to the beneficiary/availee was done; (b) 56 beneficiaries have no complete addresses, only the names of the City/Municipality, which would make it impossible or difficult to conduct ocular inspection of the projects to determine whether or not the projects are implemented according to the business plan/proposal;								partnership with non-government organizations, private sector, and OFW organizations is likewise seen as an option to help OWWA/NRC O in monitoring/validating the
	(c) 46 beneficiaries were without Country of Previous Employment; (d) 12 beneficiaries did not have Repatriation Date; (e) 26 beneficiaries have no Date of Release for the amount granted; and (f) The Report was not duly signed by the proper authority. 2. RWO I releases for the BPBH program totaling P5,860,000.00 were not supported with the required documentations prescribed under Section 4 of OWWA Memorandum of								implementation of its livelihood program beneficiaries. A special committee on monitoring and evaluation of livelihood program beneficiaries shall be created to fast track and ensure OWWA's compliance with the

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	<p>Instructions (MOI) No. 5, series of 2017, contrary to Section 4 (6) of Presidential Decree (PD) No. 1445, rendering the validity of the releases doubtful.</p> <p>3. Moreover, review of the BPBH MR submitted by the RWOs to the Regional Operations Coordination Service (ROCS) is summarized in the table below:</p> <table><tr><th>RWO</th><th>Total Utilization</th><th>Total Beneficiaries</th><th>Total Beneficiaries Monitored</th><th>With Existing Livelihood Proj. One Month After Released</th><th>With Existing Livelihood Proj. Six Months After Released</th><th>Not Implemented</th><th>Stopped Operation</th><th>Can Not Be Located</th><th>For Monitoring</th></tr><tr><td>NCR</td><td>43,145,315</td><td>2,100</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>2,100</td></tr><tr><td>CAR</td><td>5,210,000</td><td>272</td><td>54</td><td>-</td><td>40</td><td>-</td><td>14</td><td>-</td><td>218</td></tr><tr><td>I</td><td>59,370,000</td><td>3,946</td><td>405</td><td>402</td><td>-</td><td>-</td><td>3</td><td>-</td><td>3,541</td></tr><tr><td>II</td><td>39,510,000</td><td>1,171</td><td>14</td><td>9</td><td>-</td><td>-</td><td>4</td><td>1</td><td>1,157</td></tr><tr><td>III</td><td>84,680,000</td><td>3,385</td><td>149</td><td>-</td><td>74</td><td>41</td><td>33</td><td>-</td><td>3,236</td></tr><tr><td>IV-A</td><td>93,770,000</td><td>4,685</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>4,685</td></tr><tr><td>IV-B</td><td>7,060,000</td><td>426</td><td>94</td><td>94</td><td>62</td><td>-</td><td>32</td><td>-</td><td>332</td></tr><tr><td>V</td><td>43,820,000</td><td>1,951</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>1,951</td></tr><tr><td>VI</td><td>64,370,000</td><td>2,382</td><td>39</td><td>-</td><td>39</td><td>-</td><td>-</td><td>-</td><td>2,343</td></tr><tr><td>VII</td><td>26,400,000</td><td>1,410</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>1,410</td></tr><tr><td>VIII</td><td>14,430,000</td><td>688</td><td>672</td><td>656</td><td>335</td><td>20</td><td>-</td><td>-</td><td>16</td></tr><tr><td>IX</td><td>110,890,000</td><td>4,984</td><td>567</td><td>468</td><td>193</td><td>2</td><td>93</td><td>3</td><td>4,417</td></tr><tr><td>X</td><td>13,610,000</td><td>959</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>959</td></tr><tr><td>XI</td><td>31,590,000</td><td>1,186</td><td>967</td><td>967</td><td>95</td><td>-</td><td>11</td><td>-</td><td>219</td></tr><tr><td>XII</td><td>50,690,000</td><td>2,099</td><td>93</td><td>93</td><td>82</td><td>-</td><td>11</td><td>-</td><td>2,006</td></tr><tr><td>CARAGA</td><td>175,200,000</td><td>1,045</td><td>467</td><td>457</td><td>286</td><td>-</td><td>21</td><td>8</td><td>578</td></tr><tr><td>ARMM</td><td>40,800,000</td><td>1,650</td><td>304</td><td>-</td><td>296</td><td>-</td><td>-</td><td>-</td><td>1,346</td></tr><tr><td>TOTAL</td><td>756,053,315</td><td>34,419</td><td>3,825</td><td>3,146</td><td>1,502</td><td>64</td><td>228</td><td>12</td><td>30,554</td></tr><tr><td colspan="3">Percentage over total beneficiaries</td><td>11.11%</td><td>82.25%</td><td>39.27%</td><td>1.67%</td><td>5.96%</td><td>.31%</td><td>88.89%</td></tr></table> <p>As can be gleaned from the above table, only 11.11% out of the 34,419</p>	RWO	Total Utilization	Total Beneficiaries	Total Beneficiaries Monitored	With Existing Livelihood Proj. One Month After Released	With Existing Livelihood Proj. Six Months After Released	Not Implemented	Stopped Operation	Can Not Be Located	For Monitoring	NCR	43,145,315	2,100	-	-	-	-	-	-	2,100	CAR	5,210,000	272	54	-	40	-	14	-	218	I	59,370,000	3,946	405	402	-	-	3	-	3,541	II	39,510,000	1,171	14	9	-	-	4	1	1,157	III	84,680,000	3,385	149	-	74	41	33	-	3,236	IV-A	93,770,000	4,685	-	-	-	-	-	-	4,685	IV-B	7,060,000	426	94	94	62	-	32	-	332	V	43,820,000	1,951	-	-	-	-	-	-	1,951	VI	64,370,000	2,382	39	-	39	-	-	-	2,343	VII	26,400,000	1,410	-	-	-	-	-	-	1,410	VIII	14,430,000	688	672	656	335	20	-	-	16	IX	110,890,000	4,984	567	468	193	2	93	3	4,417	X	13,610,000	959	-	-	-	-	-	-	959	XI	31,590,000	1,186	967	967	95	-	11	-	219	XII	50,690,000	2,099	93	93	82	-	11	-	2,006	CARAGA	175,200,000	1,045	467	457	286	-	21	8	578	ARMM	40,800,000	1,650	304	-	296	-	-	-	1,346	TOTAL	756,053,315	34,419	3,825	3,146	1,502	64	228	12	30,554	Percentage over total beneficiaries			11.11%	82.25%	39.27%	1.67%	5.96%	.31%	88.89%							monitoring requirements of its program guidelines.
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ARMM	40,800,000	1,650	304	-	296	-	-	-	1,346																																																																																																																																																																																																							
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Percentage over total beneficiaries			11.11%	82.25%	39.27%	1.67%	5.96%	.31%	88.89%																																																																																																																																																																																																							

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	<p>beneficiaries were monitored. Of the 3,825 monitored, 3,146 or 82.25% and 1,502 or 39.27% with existing project one month and six months, respectively, after released of the grant. Moreover, 64 beneficiaries were monitored that did not implement the project, 228 stopped operation and 12 cannot be located in their addresses indicated in the application form for the BPBH.</p> <p>Likewise, we have also noted the following deficiencies:</p>								
	<p>1. RWO-X did not submit BPBH-MR nor narrative report;</p> <p>2. RWO-II submitted a narrative report instead of the BPBH-MR;</p> <p>3. In view of the BPBH-MR, RWO IV-A submitted only a list of beneficiaries with the corresponding amount granted;</p> <p>4. RWO V did not submit BPBH-MR, only narrative report stating that the Office granted livelihood assistance to 2,327 beneficiaries, however, this did not tally with the report submitted by the Regional Operations Coordination Service (ROCS) that there were 1,951 BPBH beneficiaries for CY 2018 in the said Region;</p> <p>5. BPBH-MR of RWO VII provided that there were 1,410 beneficiaries with</p>								

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	<p>existing livelihood project, on the contrary, the column for DATE MONITORED indicated that there was no monitoring conducted;</p> <p>6. RWO VIII submitted 26 pictures of beneficiaries with existing projects instead of the required BPBH-MR;</p> <p>7. Neither the initial monitoring nor the subsequent monitoring required under the MOI after the release of the assistance/grant to the beneficiary/availee was done by the RWO-National Capital Region (NCR);</p>								
	<p>8. There was no initial monitoring (one month after released) for the Program by RWO-XII while subsequent monitoring (six months after released) was not executed by RWO-I;</p> <p>9. We have also observed that in almost all BPBH MRs, there were beneficiaries with project different from the business plan/proposal; and</p> <p>10. BPBH-MR for eleven (11) RWOs were not properly accomplished, such that there were beneficiaries with incomplete addresses, unfilled fields for Country of Previous Employment, Repatriation Date, Date of Release of Checks.</p> <p>The information in the BPBH-MR are necessary in determining compliance with the requirements of the MOI and monitoring of</p>								

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	<p>the projects if the goal and objectives of the Program are satisfactorily achieved.</p> <p>On the other hand, it was observed in RWO I that various releases of grants under the BPBH Program totaling P5,860,000.00 were not supported with the required documentations prescribed under Section 4 of the aforementioned OWWA MOI, contrary to Section 4 (6) of Presidential Decree (PD) No. 1445, rendering the validity of the releases doubtful.</p>								
	<p>In view of the foregoing observations, apparently the Program was not properly/closely monitored.</p> <p>Section 2 of Presidential Decree No. 1445 states that:</p> <p>“It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and</p>								

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13	<p>effectiveness in the operations of government. The responsibility to take care that such policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.”</p> <p><i>Tulong PUSO Program</i></p>								
	<p>Non-implementation of the Tulong Pangkabuhayan sa Pag-Unlad ng Samahang OFW's (Tulong Puso) Program</p> <p>13. The Tulong PUSO Program, with a total fund release of P88.450 million to all RWOs were not fully implemented in CY 2018 due to time constraints, lack of manpower and non-compliance with the requirements embodied under Memorandum of Instructions No. 006, Series of 2018, to the detriment of its intended OFW beneficiaries.</p> <p>The Tulong Pangkabuhayan sa Pag-Unlad ng Samahang OFW's (Tulong Puso) is a program funded by the Department of Labor and Employment</p>	<p>We recommended that Management hire contractual personnel to augment their workforce to ensure immediate implementation of the Tulong PUSO Program in accordance with Memorandum of Instructions No. 006, Series of 2018. This will enable the OFWs to start/continue livelihood undertakings and/or re-establish their lost or damaged livelihoods due to calamities.</p>		<p>FMS/Accounting Division ROCS</p>			<p>On-going</p>		<p>Accounting Division stated that the funding for the Tulong PUSO is sourced from the DOLE Integrated Livelihood and Emergency Employment Program (DILEEP) by the Department of Labor and Employment (DOLE) which</p>

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	<p>from its 2017 approved DILEEP budget. The guidelines and procedures of its implementation is prescribed under Memorandum of Instructions (MOI) No. 006 series of 2018 dated March 20, 2018 which provides the following:</p> <p>a. The Tulong PUSO Program is a one-time grant assistance in the form of raw materials, equipment, tools and jigs, and other support services that aims to support the formation, enhancement, or restoration of livelihood projects/undertakings of OFW Groups/Organizations.</p>								<p>was transferred to OWWA through a Memorandum of Agreement. This program aims to provide assistance for the formation, enhancement or restoration of livelihood undertaking of OFWs.</p>
	<p>b. It also aims to capacitate OFW groups to venture into livelihood undertaking through the conduct of enterprise development training and other social preparation interventions.</p> <p>Audit of the Tulong PUSO Program disclosed that OWWA Central Office released an initial fund of a ₱80,100,000.00 and additional fund of ₱8,350,000.00 covered by Check Nos. 222901 and 222902 dated April 23, 2018 and September 13, 2018, respectively, to all RWOs for the implementation of the program. However, the said amount was</p>								<p>The total fund received was ₱300M transferred to OWWA in three tranches dated December 13, 2017, January 24, 2018 and April 11, 2018. Of this amount, the total disbursements /transferred to</p>

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	<p>not fully utilized throughout CY 2018 contrary to the provisions of the aforementioned MOI due to limited time and manpower to implement the program. Likewise, the qualifications and requirements of the said program were difficult for the intended beneficiaries to comply with.</p> <p>Below is the summary of the amount released to each RWOs and the reported deficiencies relative to the audit of the Tulong PUSO program:</p>								<p>OWWA RWOs was P88.45M (P80.1M in April 2018 and P8.35M in September 2018).</p> <p>On April 05, 2018, the COA at DOLE, Intramuros issued a Notice of Suspension citing that there were no liquidation reports submitted. This was forwarded by DOLE to OWWA for our immediate action.</p> <p>On October 05, 2018, we initiated a meeting with DOLE-FMS</p>

OWWA Office	Observations	Amount Released to RWOs
RWO – NCR	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on April 2, 2019.	P5,000,000.00
RWO – CAR	Verification disclosed that on December 31, 2018 the total fund were recognized as expenses but the program would be undertaken in 2019 contrary to the accrual basis of accounting. However, on April 23, 2019, the RWO-CAR returned the total amount of P3,940,000.00 to OWWA CO. There were no available details regarding the balance of P1,060,000.00.	P5,000,000.00
RWO – I	On April 2, 2019, the RWO-I returned the total amount of P3,749,396.15 to OWWA CO. The total amount of P1,250,603.85 were distributed to three (3) OFW Organizations beneficiaries.	P5,000,000.00
RWO – II	On April 3, 2019, the RWO-II returned the total amount of P1,050,000.00 to OWWA CO. The total amount of P3,950,000.00 were distributed to twelve (12) OFW Organizations beneficiaries.	P5,000,000.00
RWO – III	Acknowledged the receipt of the P500,000 on April 30, 2018 and additional P8,350,000 on September 13, 2018. On March 15, April 1, and April 8, 2019, the RWO III returned the P1,250,000.00, P250,000.00 and P200,750.00, respectively to OWWA CO. The total amount of P7,149,250.00 were distributed to three (3) OFW Organizations beneficiaries.	P500,000.00 P8,350,000.00
RWO – IV-A	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on March 15, 2019.	P5,000,000.00
RWO – IV-B	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on April 17, 2019.	P5,000,000.00
RWO – V	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on March 27, 2019.	P5,000,000.00
RWO – VI	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on February 28, 2019.	P5,000,000.00
RWO – VII	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on March 15, 2019.	P5,000,000.00

COA Auditor at DOLE because our Regional Welfare Offices had just started to implement the Program but they reiterated that unused funds be returned immediately while the funds that had been transferred to OWWA RWOs be obligated until December 31, 2018.

On December 20, 2018, the amount of ₱211, 674, 879.92 (bank interest income included) was returned to DOLE with OR nos. 3598438 & 3598439. Of the remaining

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	<table><tr><td>RWO – VIII</td><td>The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on April 1, 2019.</td><td>P5,000,000.00</td></tr><tr><td></td><td>Verification disclosed that procurement of various raw materials, equipment, tools and jigs for the recipients of Tulong Puso Program amounting to P 2,362,758.93 were made through alternative mode of procurement instead of competitive bidding. Moreover, disbursement vouchers of the said procurement submitted for the said program amounting to P4,491,781.06 lack the necessary supporting documents in violation of Section 4 paragraph 6 of PD 1445, thus, casting doubt on the legality and propriety of the transactions. The total amount of P5,000,000.00 were fully utilized for the program and were distributed to fifteen (15) OFW Organizations beneficiaries.</td><td>P5,000,000.00</td></tr></table>	RWO – VIII	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on April 1, 2019.	P5,000,000.00		Verification disclosed that procurement of various raw materials, equipment, tools and jigs for the recipients of Tulong Puso Program amounting to P 2,362,758.93 were made through alternative mode of procurement instead of competitive bidding. Moreover, disbursement vouchers of the said procurement submitted for the said program amounting to P4,491,781.06 lack the necessary supporting documents in violation of Section 4 paragraph 6 of PD 1445, thus, casting doubt on the legality and propriety of the transactions. The total amount of P5,000,000.00 were fully utilized for the program and were distributed to fifteen (15) OFW Organizations beneficiaries.	P5,000,000.00							funds of P88.45M, only P33,485,342.85 were utilized and distributed to the recipients of the Program. The reported fund balance of P55,002,782.79 (bank interest														
RWO – VIII	The P5,000,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on April 1, 2019.	P5,000,000.00																										
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	<table><tr><td>RWO – IX</td><td>On February 20 and April 5, 2019, the RWO-X returned the total amount of P96,125.49 to OWWA CO.</td><td>P5,000,000.00</td></tr><tr><td>RWO – X</td><td>The total amount of P4,903,874.51 were distributed to fourteen (14) OFW Organizations beneficiaries.</td><td></td></tr><tr><td>RWO – XI</td><td>On March 15, 2019, the RWO-XI returned the total amount of P4,269,310.00 to OWWA CO. The total amount of P730,690.00 were distributed to two (2) OFW Organizations beneficiaries</td><td>P5,000,000.00</td></tr><tr><td>RWO – XII</td><td>On May 3, 2019, the RWO-XII returned the total amount of P97,201.15 to OWWA CO. The total amount of were P4,902,798.85 distributed to fourteen (14) OFW Organizations beneficiaries</td><td>P5,000,000.00</td></tr><tr><td>RWO – ARMM</td><td>On February 26, 2019, the RWO-ARMM returned the total amount of P750,000.00 to OWWA CO. There were no available details regarding the balance of P4,250,000.00.</td><td>P5,000,000.00</td></tr><tr><td>RWO – CARAGA</td><td>The P4,600,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on March 14, 2019.</td><td>P4,600,000.00</td></tr><tr><td>TOTAL</td><td></td><td>P88,450,000.00</td></tr></table>	RWO – IX	On February 20 and April 5, 2019, the RWO-X returned the total amount of P96,125.49 to OWWA CO.	P5,000,000.00	RWO – X	The total amount of P4,903,874.51 were distributed to fourteen (14) OFW Organizations beneficiaries.		RWO – XI	On March 15, 2019, the RWO-XI returned the total amount of P4,269,310.00 to OWWA CO. The total amount of P730,690.00 were distributed to two (2) OFW Organizations beneficiaries	P5,000,000.00	RWO – XII	On May 3, 2019, the RWO-XII returned the total amount of P97,201.15 to OWWA CO. The total amount of were P4,902,798.85 distributed to fourteen (14) OFW Organizations beneficiaries	P5,000,000.00	RWO – ARMM	On February 26, 2019, the RWO-ARMM returned the total amount of P750,000.00 to OWWA CO. There were no available details regarding the balance of P4,250,000.00.	P5,000,000.00	RWO – CARAGA	The P4,600,000 received for the said Program has not been utilized throughout CY 2018 and consequently returned to OWWA CO on March 14, 2019.	P4,600,000.00	TOTAL		P88,450,000.00						income included) will be returned to DOLE once fully liquidated. The above cited fund balance could had been listed as item for obligation as of 31 December 2018, however, the bidding process of majority of the
RWO – IX	On February 20 and April 5, 2019, the RWO-X returned the total amount of P96,125.49 to OWWA CO.	P5,000,000.00																										
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	<p><i>Fund release for Yolanda and Bohol Earthquake and Marawi Siege Crisis</i></p> <p>The fund release to Yolanda and Bohol Earthquake as well as the Marawi Siege Crisis were not fully utilized thus, defeating the objective of the program. Likewise, Fund Utilization Reports were not validated thus, the reliability of the report could not be ascertained.</p> <p><i>Yolanda and Bohol Earthquake</i></p>								projects in the pipeline were not completed as of said dates. Most of the RWOs return the unutilized balance amounting to ₱ 55, 259, 453.02 which shall be return to DOLE.
	<p>The Overseas Workers Welfare Administration (OWWA), thru Board Resolution No. 10, series of 2013 has appropriated the amount of Fifty Million Pesos (Php 50,000,000.00) for the grant of P5,000.00 cash relief assistance to active OFW members or their families affected by the earthquake in the Province of Bohol. Likewise, Board Resolution No. 11, Series of 2013 established the “Cash for Work Assistance Program for the Victims of Super Typhoon “Yolanda” and the Bohol Earthquake.”</p> <p>The report below provided by OWWA-Central Office Accounting Division</p>						On-going		Furthermore, ROCS said that if the program will be continued, ROCS will recommend additional personnel to implement the program and needed amendments to the MOI.

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	<p>shows the fund release, utilization and balance returned to Central Office.</p> <table><tr><th colspan="5">OVERSEAS WORKERS WELFARE ADMINISTRATION</th></tr><tr><th colspan="5">CONSOLIDATED UTILIZATION REPORT</th></tr><tr><th colspan="5">ASSISTANCE TO VICTIMS OF TYPHOON YOLANDA</th></tr><tr><th></th><th>FUND RELEASE</th><th>UTILIZATION</th><th>BALANCE</th><th>REMARKS</th></tr><tr><td>RWO 5</td><td>52,830.19</td><td>52,830.19</td><td>-</td><td></td></tr><tr><td>RWO 6</td><td>1,500,000.00</td><td>1,476,615.00</td><td>23,385.00</td><td>returned to CO on July 21, 2017</td></tr><tr><td>RWO 7</td><td>28,967,450.00</td><td>24,689,450.10</td><td>4,277,999.90</td><td>returned to CO in February 2016</td></tr><tr><td>RWO 8</td><td>27,786,460.00</td><td>27,785,680.00</td><td>780.00</td><td>returned to CO</td></tr><tr><td>TOTAL</td><td>58,306,740.19</td><td>54,004,575.29</td><td>4,302,164.90</td><td></td></tr></table>	OVERSEAS WORKERS WELFARE ADMINISTRATION					CONSOLIDATED UTILIZATION REPORT					ASSISTANCE TO VICTIMS OF TYPHOON YOLANDA						FUND RELEASE	UTILIZATION	BALANCE	REMARKS	RWO 5	52,830.19	52,830.19	-		RWO 6	1,500,000.00	1,476,615.00	23,385.00	returned to CO on July 21, 2017	RWO 7	28,967,450.00	24,689,450.10	4,277,999.90	returned to CO in February 2016	RWO 8	27,786,460.00	27,785,680.00	780.00	returned to CO	TOTAL	58,306,740.19	54,004,575.29	4,302,164.90								
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	<p>Cash for Work Assistance Program (Typhoon Yolanda) Fund Utilization Reports from Region VI, Region 7 and Region VIII were submitted to OWWA Central Office, however, the details thereof were not verified since the liquidation reports are retained in the Regional Welfare Offices (RWOs).</p> <p><i>Marawi Siege Crisis</i></p> <p>The OWWA- Central Office has established a fund for the member-OFW victims of the Marawi siege/crisis sourced from Welfare Assistance Fund with an initial appropriation amounting One Hundred Million Pesos (Php100Mn)</p>																																																				

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	<p>under OWWA Board Resolution No. 007, series of 2017 and OWWA Board Resolution No. 035, series 2017.</p> <p>The program was implemented under Welfare Assistance Program. The victims are entitled to a cash relief assistance of Php3,000 for active members and Php1,500 for non-active member.</p> <p>The report below provided by the OWWA- Central Office Accounting Division shows the fund release, utilization and balance of the fund returned to Central Office.</p>																																															
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	<p>the same were not validated since the liquidation reports are retained in RWOs.</p> <p>AUDIT OF FOREIGN POSTS</p> <p>In 2018, foreign-based government audits which includes the audit of OWWA Posts were conducted by special teams created by the COA Central Office. As of March 30, 2019, we received the results of the audits conducted on 11 OWWA Posts in (1) Kaoshiung, Taiwan, (2) Macau (3) Singapore, (4) Taipei, Taiwan, (5) Alkhobar, (6) Dubai, (7) Jordan, (8) Tel Aviv, Israel, (9) Madrid, Spain (10) Rome, Italy and Washington, D.C. The MLs contain, among others, the results of the review of the adequacy of controls of the cash and property accountabilities of the accountable officers assigned thereat, evaluation of budgetary controls and monitoring of performance and accomplishment. Below shows the results of the audit of the different OWWA Posts.</p>	<p>It was recommended and WelOfs agreed to:</p> <p>3. Require the Collecting Officer to deposit all collections intact the following day, if practicable, with the Land Bank correspondent bank and observe strictly the frequency of remittance to the OWWA Central Office.</p> <p>4. Authorize the opening of separate bank account for OWWA funds from personal funds of the AOs, if feasible.</p>		OOCS	July 2019	Dec. 2019	On-going		<p>As OOCS said, there are POSTs which can not deposit on time due to varied reasons.</p> <p>To _ establish these circumstances which each POSTs affecting the compliance to address the situations/con ditions.</p> <p>To institute reforms to secure the collections including the review of MOI.</p>

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									The delayed remittance of collections to Home Office was due to the very high charges imposed by the bank per deposit and for crediting said deposit to the OWWA LBP account.
									<p>For recommendation number four (4), OOCS will remind POSTs for compliance.</p> <p>To conduct inventory of bank accounts with Cash Division and to remind POSTs the separation of</p>

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	FINANCIAL AND COMPLIANCE AUDIT								personal and official accounts, and establish reason of non-compliance since in many of POSTs, there are restrictions in opening bank accounts.
	A. Cash Management and Accountability <i>Collections not deposited daily</i> Cash collections were not deposited intact on the next banking day and deposits were delayed contrary to Section 69 of PD 1445 and OWWA Memorandum of Instruction (MOI) No. 003, series of 2008. Section 69, par. 1 of PD No. 1445 provides that:								

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	<p>“Public officers authorized to receive and collect moneys arising from taxes, revenues, or receipts of any kind shall remit or deposit intact the full amounts so received and collected by them to the treasury of the agency concerned and credited to the particular accounts to which the said moneys belong. xxx”</p> <p>Likewise, OWWA MOI No. 003, series of 2008 states that On-site membership collections should be deposited daily and remitted monthly to the dollar accounts. Results of audit showed the following:</p> <p>1. Collections of five OWWA Posts in Alkhobar, KSA; Dubai,UAE; Amman, Jordan; Singapore and Washington, D.C. were not deposited daily contrary to the above-cited regulations. Thus, funds are exposed to the risk of being misused as they are accessible and within the immediate control, disposal and custody of the accountable officers.</p>								

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	<p>2. The Welfare Officers (WelOfs) in Singapore and Washington D.C Post admitted that the delayed remittance of collections to OWWA-HO was due to the very high charges imposed by the bank per deposit and for crediting said deposit to the OWWA LBP account.</p> <p><i>Non-maintenance of official bank account for OWWA funds</i></p>			FMS OOCs			On-going		According to OOCs, inventory of bank accounts and recommend changes in the MOI to consider financial regulations at POSTs.
	<p>Item No. 7, Chapter 4 of the Revised Cash Examination Manual as well as the internal control principles on the handling and custody of cash requires the segregation of public from personal funds to ensure that government funds are rightfully accounted for as public funds and are not mixed up with private funds and that such public funds are spent and utilized only for public purposes.</p> <p>Review of cash management of OWWA Posts in Al-khobar; Amman, Jordan; Madrid, Spain; Kaohsiung, Taiwan and other countries which follow a One Country Policy, showed that personal</p>								

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	account is being maintained for OWWA funds instead of official bank account in the name of OWWA contrary to the above regulation. 1. In OWWA-Al-Khobar Post, the account opened in the Tahweel Al-Rajhi bank at Al-Khobar was a personal account of the Collecting Officer. It was disclosed that the OWWA as an entity could not open a separate account in the bank because the agency has no juridical personality to stay and transact business in Al-Khobar.								
	2. In OWWA-Amman, Jordan Post, funds for MOOE and for Program Funds were deposited under the personal Dollar Savings Account of the Welfare Officer instead of in the name of the OWWA. 3. Likewise, the same situation is true in other posts such as OWWA-Madrid, Spain, Kaohsiung, Taiwan and other countries which follow the One Country Policy wherein only the Philippine Embassy or the								

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	<p>Philippine Consulate can open a bank account.</p> <p>The abovementioned practices resulted to the intermingling of OWWA funds with personal funds that renders difficulty in the determination of the amount of accountabilities.</p> <p>We recommended and WelOfs agreed to:</p>								
	<p>1. Require the Collecting Officer to deposit all collections intact the following day, if practicable, with the Land Bank correspondent bank and observe strictly the frequency of remittance to the OWWA Central Office.</p> <p>2. Authorize the opening of separate bank account for OWWA funds from personal funds of the AOs, if feasible.</p> <p><i>Inadequate Fidelity Bond</i></p> <p>The Fidelity Bonds relative to the accountability of the AOs in OWWA</p>	<p>We recommended that the Welfare Officer:</p>		<p>FMS OOCs</p>			<p>Fully implemented</p>		<p>The WelOf has immediately sent an email</p>

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	<p>Posts in Singapore, Washington, D.C and Kaoshiung, Taiwan were not sufficient to cover the cash and property accountabilities or 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 Bureau of Treasury.</p> <p>Section 101.2 of Presidential Decree No. 1445, otherwise known as the Auditing Code of the Philippines provides that:</p>	<p>1. Request the OWWA-Central Office to increase the amount of Fidelity of CO for OWWA-Singapore Post corresponding to the maximum accountability in her custody at any given time;</p>							<p>requesting the OWWA-Central Office to increase the Fidelity Bond of the CO on its renewal in CY 2018.</p> <p>According to Overseas Operations Coordination Services (OOCs), the amount of Fidelity Bond was already adjusted.</p>
	<p><i>“Every Accountable officer shall be properly bonded in accordance with law.”</i></p> <p>Moreover, Section 5.1, par. 5 of Treasury Circular No. 02-2009 dated August 6, 2009, provides that “the amount of bond shall be based on the total cash accountability of the AO as determined by the Head of Agency. Annex C of the said Circular provides for the schedule of the amount of bond relative to the amount of maximum accountability of an AO.”</p> <p>Likewise, Section 7.2 of same Circular states that: “The fidelity bond of an Accountable Officer shall be renewed</p>	<p>2. Immediately apply for the renewal of the bond of concerned AOs and coordinate with OWWA-Central Office for the issuance of the bond by the Bureau of Treasury; and</p> <p>3. Review the amount of collections annually to determine if there’s a need to adjust the amount of Fidelity Bond vis-avis the collections that remain in the hand</p>					On-going		<p>Create a Committee/Working Group to review and effect adjustments.</p>

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	<p>before the expiration of the bond. The application for renewal of bond shall be accomplished by using General Form 57A.”</p> <p>Audit of cash accountability disclosed the following deficiencies:</p> <p>1. The fidelity bond of the designated Collecting Officer (CO) of OWWA-Singapore Post was inadequate to cover her actual maximum cash accountability.</p>								
	<p>The existing bond of the Accountable Officer (AOs) in the amount of P75,000 covers only the maximum cash accountability of P100,000.</p> <p>2. The fidelity bonds of accountable officers of OWWA Posts in Washington DC and Kaoshiung, Taiwan were expired, thereby funds and properties under their accountabilities were exposed to risk of possible loss.</p>								

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	<p><i>Cash Advance not liquidated and utilized properly</i></p> <p>Sections 4.17, 5.7 and 5.8 of COA Circular No. 97-002 dated February 10, 1997, states that:</p> <p>4.1.7 “The cash advance shall be used solely for the specific legal purpose for which it was granted. Under no circumstance shall it be used for encashment of checks or for liquidation of a previous cash advance.”</p>	<p>It was recommended that the Management:</p> <p>1. Require the SDO of OWWA-Singapore Post to return the amount of USD603.87 to the OWWA-HO to fully liquidate her cash advance for the 2017 Independence Day Celebration;</p>		FMS/Accounting Division OOCS			On-going		The WelOf of Singapore Post duly noted the recommendati on. However, she explained that there was verbal instruction from the OWWA-Central Office
	<p>5.7 “When a cash advance is no longer needed or has not been used for a period of two (2) months, it must be returned to or refunded immediately to the collecting officer.”</p> <p>5.8 “All cash advances shall be fully liquidated at the end of each year”</p> <p>Audit of Cash Advances disclosed the following deficiencies:</p> <p>1. In OWWA-Singapore Post, the balance of the cash advance for the 2017 Independence Day Celebration at the Post in the amount of USD603.87, has remained in the custody of the</p>	<p>2. Stop the practice of using cash advances for liquidation of previous cash advance; and</p> <p>3. Require the concerned Accountable Officer/s to liquidate cash advances pursuant to the above-cited regulations.</p>							not to return the balance since she can use the same for other institutional events at the Post, subject to OWWA-CO’s prior approval. The WelOf has likewise sent an email to the OWWA-CO requesting for an official advice that she was allowed to

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	<p>Special Disbursing Officer (SDO) for 90 days after the activity has been completed. This poses a risk of loss and/or misapplication and the said fund may be mingled with other cash advances of the SDO.</p> <p>2. In OWWA-Dubai, UAE, part of the cash advances granted in the CY 2017 in the amount of USD27,961.90 was used to liquidate the previous year (2016) unliquidated cash advance in the amount of USD6,036.13, in violation of the above –cited Circular.</p>								hold the refund of her cash advance balance in anticipation of other institutional event that may require funding, and the use of which shall be subject to the to the prior approval of the OWWA-Central Office. Furthermore, OPCS stated that Independence day is just one of the socio-cultural events conducted at POSTs, they also conduct other Institutional activities until the end of the year like: Migrant

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									Worker's Day, Family Day, Pamaskong Handog, etc., thus, liquidation of the socio-cultural fund is done at the end of the year.
	<p><i>Program funds inappropriately used not for its intended purpose.</i></p> <p>Section 84 (2) Chapter 4 of PD 1445 states that:</p> <p><i>“ Trust funds shall not be paid out of any public treasury or depository except in fulfillment of the purpose for which the trust was created or funds received, and upon authorization of the legislative body or head of any other agency of the government having control thereof, and subject to pertinent budget law, rules and regulations.”</i></p>	We recommended that the foreign posts strictly use the Program Funds for the intended purpose.		FMS/Accounting Division OOCs			On-going		The WelOf in Rome, Italy Post explained that the Post has no available service vehicle and rely on transport services of Filipinos who offer minimal fees on an occasional basis as compared to Rent-A-Car

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	<p>Section 34 Chapter 2 of GAM, Vol I states that:</p> <p><i>“All moneys appropriated for functions, activities, projects and programs shall be available solely for the specific purposes for which these are appropriated.”</i></p> <p>The audit of Program funds disclosed as follows:</p> <p>1. In OWWA-Rome, Italy Post, funds amounting to €3,494.60 allotted for the Welfare Assistance Program (WAP) and Reintegration Preparedness Program (RPP) were utilized for regular expenditures which are proper charges from the MOOE fund. The use of program funds not for the intended purpose could affect the effective implementation of the activities of said Programs.</p> <p>This practice of the Post is not in accordance with the above-cited regulation. Moreover, the utilization of program funds for other expenditures posed the risk that the funds may run short to</p>							with high rates on per hour or daily basis. The transportation expense is charged against the program where it serves the purpose so that the MOOE fund will not be overcharged to finance/defray the regular operating expenses. Moreover, the WelOf commented that he may have overlooked and charged some expenses to program fund without indicating the exact purpose and instead wrote “in the	

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	<p>carry out the activities and to effectively attain the set objectives of the Programs.</p> <p>2. Audit of OWWA-Taipei, Taiwan Post, the Special Disbursing Officer used the Program Fund to pay for the rental of building and parking in the amount of NT\$114,648.00.</p>								<p>performance of official function.”</p> <p>OOCS also said that they will remind all POSTs on the proper use of each cost center. Furthermore, Provide all POSTs copy of chart of accounts.</p>
	<p><i>Inadequate funding for Program Fund/MOOE</i></p> <p>Welfare Officer in OWWA- Rome, Italy failed to include in the requests for funding for the Repatriation Program from OWWA-HO, the bank service charges and the conversion difference from dollar currency to euro, thus the budget for MOOE, specifically the Financial Expenses- Bank Charges account, totalling €1,067.35 was used causing the depletion of the said account.</p>	<p>We recommended and the Welfare Officer agreed to make the necessary coordination with the OWWA-HO to consider in the fund transfer of repatriation cost, the expected bank/service charges and currency conversion difference, otherwise request for additional budget for Financial Expenses to cover such additional repatriation related expenses.</p>		<p>FMS/Accounting Division OOCS</p>			<p>On-going</p>		<p>The WelOf explained that the cash deficiency covering bank charges and difference in currency conversion rate of US Dollar and Euro were charged against the MOOE Fund</p>

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									as there is no available source of fund to shoulder the amount of deficiency. He assured the Audit Team that the issue will be discussed with the OWWA-Central office as soon as possible.
									<p>In addition, request for supplemental budget for Program fund/MOOE as the need arises.</p> <p>To include in 2021 MOOE Budget the financial expenses for bank charges.</p>

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	B. PROPERTY MANAGEMENT Various deficiencies were noted in the audit of Foreign Posts regarding property management that included among others, (a) the non-maintenance of indispensable records in monitoring property and inventory records and (b) unserviceable property not properly accounted for, thus affecting the reliability of the presented balance of the Property, Plant and Equipment (PPE) account.	We recommended that the Management require the Posts to prepare the prescribed forms and reports in accordance with the above-cited regulations.		FMS/Accounting Division PPMD			Fully Implemented		For letters/sections d, f and g, OOCS stated that they will coordinate with the PPMD to provide POSTs with various prescribed forms.
	<i>Various required property records such as Property Card (PC), Property Acknowledgement Receipt (PAR), Report on the Physical Count of Property, Plant and Equipment (RPCPPE), Property Transfer Report (PAR), Stock Card (SC) and Report on the Physical Count on Inventories (RPCI) were not prepared.</i> Section 42 items (d), (f), (g) & (j), Chapter 10 of GAM, Vol. I prescribes some forms/reports necessary to account for PPE, as follows:				June 6, 2019	June 6, 2019			According to Property Division, they have provided the OOCS with the copy of MOI #17 S. 2018 and prescribed forms including instruction reiterating said reference which was disseminated by RMD on 14 December 2018.

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	<p>“d. Property Card (<i>Appendix 70</i>) – this card shall be used by the Supply and/or Property Division/Unit to record the description, acquisition, transfer, disposal, and other information about the PPE. It shall be kept for each class of PPE.</p> <p>f. Property Acknowledgement Receipt (<i>Appendix 72</i>) –This form shall be used by the Supply and/or Property Division/Unit to report the issuance of PPE and the acknowledgement of the end-user.</p>								
	<p>g. Report on the Physical Count of Property, Plant and Equipment (<i>Appendix 73</i>) – this form shall be used to report the physical count and condition of PPE by type as at a given date, including those which are unrecorded and those which could not be accounted for. It shows the balance of PPE per property cards and per count and the shortage/overage, if any. It shall be rendered by the Inventory Committee, on its yearly physical count of properties owned by the entity.</p> <p>j. Property Transfer Report (<i>Appendix 76</i>) – this form shall be used every time</p>								

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	there will be transfer of property from an outgoing officer to his successor or from one accountable officer/employee of the same or another entity. Section 17 items (a) and (i), Chapter 8, GAM, Vol. I provides as follows: a) Stock Card (SC) (<i>Appendix 58</i>) – shall be used to record all receipts and issues of supplies and the balance in quantity at any time. It shall be maintained by the								
	Property and/or Supply Division/Unit for each item in stock. The IAR, RIS, PO and DR serve as the original sources of information for making entries on the card. i) Report on the Physical Count of Inventories (RPCI) (<i>Appendix 66</i>) – shall be used to report the physical count of supplies by type of inventory as at a given date. It shows the balance of inventory items per card and per count and shortage/overage, if any. These include the semi-expendable property wherein the issue is covered by ICS.								

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	<p>Results of audit are shown below:</p> <table><tr><th>OWWA Post</th><th>Deficiencies Noted</th></tr><tr><td>Dubai,UAE</td><td>Stock Cards and Property Cards not maintained</td></tr><tr><td>Alkhobar, KSA</td><td>No Property Cards maintained; no RPCPPE, PTR and PAR and RPCI prepared</td></tr><tr><td>Macao</td><td>Form for issuance of equipment not compliant with COA Circular 2015-007; PAR not numbered and signed by authorized official; RPCPPE not prepared by type of PPE</td></tr></table>	OWWA Post	Deficiencies Noted	Dubai,UAE	Stock Cards and Property Cards not maintained	Alkhobar, KSA	No Property Cards maintained; no RPCPPE, PTR and PAR and RPCI prepared	Macao	Form for issuance of equipment not compliant with COA Circular 2015-007; PAR not numbered and signed by authorized official; RPCPPE not prepared by type of PPE	<p>It was recommended that the WelOf :</p> <p>1. Prepare the IIRUP to report the unserviceable properties in accordance with the above-cited regulations;</p> <p>2. Inform the Central Office of the presence of the unserviceable properties and request guidance/instruction regarding the proper and immediate disposal of the same, either thru sale if applicable, destruction of other modes of disposal; and</p> <p>3. Initiate the disposal of all unserviceable property or those which are no longer needed using the various modes of disposal and following the procedures set forth under Section 79 of PD No. 1445</p>		FMS/Accounting Division PPMD OOCS			On-going		OOCS said that they will remind POSTs to maintain the cards/property
OWWA Post	Deficiencies Noted																
Dubai,UAE	Stock Cards and Property Cards not maintained																
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	<p><i>Unserviceable properties not properly accounted for</i></p> <p>Section 40 (d) and Section 42(h) Chapter 10 GAM Vol. I respectively states that:</p> <p>“d. All unserviceable property shall be reported in the Inventory and Inspection Report of Unserviceable Property (IIRUP) (<i>Appendix 74</i>). PPE reported in the IIRUP shall be dropped from</p>	It was recommended and Management agreed to strictly adhere with the above-cited regulations on the proper recognition of PPE to come up with an accurate inventory report that would serve as a basis for the OWWA-Central Office to record the PPE in the financial statements of the Post.		FMS/Accounting Division PPMD OOCS			Fully implemented		According to OOCS, they will coordinate with the PPMD to provide POSTs the forms for disposal and guidelines/procedures on disposal.
	<p>the books by debiting Impairment Loss-Property, Plant and Equipment (cost of the PPE less Accumulated Depreciation).”</p> <p>“h. Inventory and Inspection Report for Unserviceable Property (<i>Appendix 74</i>) – this report shall be used to account for all unserviceable property of an entity which is subject to disposal. It also serves as the basis in derecognizing the unserviceable properties carried in the PPE account.”</p>								Furthermore, to provide rules and provisions on the classification of properties and examples of expendable properties in coordination with the PPMD.
									OOCS stated that they will provide rules and provisions on the

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	<p>Section 79 of PD 1445 states that: “When government property has become unserviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefor, be inspected by the head of the agency or his duly authorized representative in the presence of the auditor concerned and, if found to be valueless or unsalable, it may be destroyed in their presence xxx”</p>								classification of properties and examples of semi-expandable properties in coordination with the PPMD.
	<p>Results of audit of PPE account showed as follows:</p> <p>1. In OWWA-AI-khobar post, the unserviceable properties totaling ₱17,272.00 were presented in the Inventory of OWWA Equipment and Other Properties instead of the IIRUP contrary to the above-cited provisions of the GAM. On the other hand, in OWWA-Macau, obsolete and unserviceable property were reported in the IIRUP, however, these were still included in the RPCPPE.</p>								

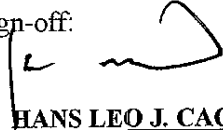
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	2. Moreover, unserviceable property were not disposed of in OWWA posts in Alkhobar, Macau, Washington, D.C and Amman Jordan contrary to the above-mentioned regulations. These unserviceable properties are no longer operational and beyond repair, occupy a space/area of the OWWA which can be used for other beneficial purposes, and expose them to further deterioration and decreased salvage value. Until these unserviceable property are disposed of, the post would invariably incur cost and space in their storage and record-keeping.								
	<p><i>Inaccurate inventory report on assets</i></p> <p>Section 10, Chapter 8, GAM, Vol. I states that: “Tangible items below the capitalization threshold of P15,000 shall be accounted as semi-expendable property. The following policies apply as follows:</p>	<p>It was recommended and Management agreed to:</p> <p>1. Prepare an action plan as a guide in undertaking activities to ensure the attainment of set targets/goals and ensure that</p>					On-going		To provide rules and provisions on the classification of properties and examples of semi-expendable properties in

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	<p>a. Semi-expendable property which were recognized as PPE shall be reclassified to the affected accounts.</p> <p>b. These tangible items shall be recognized as expenses upon issue to the end-user.</p> <p>Results of audit on Inventory disclosed as follows:</p>	<p>targets set-up are accurate and quantifiable for the Physical and Financial Plan.</p> <p>2. Include significant qualitative and quantitative data to make reports on accomplishments more meaningful and useful.</p>							coordination with the PPMD.
	<p>1) OWWA Posts in Rome, Italy and Taipei, Taiwan reported items below the P15,000 threshold which are considered semi-expendable property, in the Report on the Physical Count of Property, Plant and Equipment (RPCPPE). Likewise, OWWA-Rome, Italy Post included items without costs in that report thus, affecting its accuracy. Moreover, there was no reconciliation made with the OWWA- Central Office to establish the accuracy of the PPE account balance of the Post.</p>								


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			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
	<p>C. PROGRAM EVALUATION</p> <p>The implementation of the Programs and Services particularly the Welfare Assistance Program cannot be objectively and effectively assessed due to lack of plans and targets. Likewise, the inadequate documentation hinders the effective measurement of performance and accomplishments.</p> <p>An action plan details/outlines the sequence of steps that must be taken or activities that must be performed, for a strategy to succeed in achieving the objectives of each program. This tool will help management (a) to set achievable and measurable objectives, (b) to set prioritization of task, and (c) to provide contingency plan in order to complete the program within the calendar year.</p> <p>Audit of Program Evaluation revealed as follows:</p> <p>1. OWWA-Rome, Italy discloses that there is absence of an action plan and quantifiable</p>			FMS OOCs PPDO	June 2019	July 2019	On-going		As OOCS said, they will return copy of Approved Work and Financial Plan to each POSTs with the corresponding targets.

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implemen- -tation	Reason for Partial Delay/ Non Implementa- -tion, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
	measurements for the Physical and Financial Plan. 2. Likewise, in OWWA-Singapore post, it was noted that there absence of targets for several activities and targets are either too high or too low hence, making evaluation of performance difficult because of absence of bases against which to compare accomplishment and/or the targets are either too high or too low.								
	3. In OWWA-Macau, audit reveals that there is an Inadequate Documentation of Accomplishment/Payment. There was no other supporting document bearing the signatures of the participants indicating their attendance during the reported sessions and no Certificates of Training were issued. Moreover, effectiveness of the training courses/ITP cannot be objectively assessed due to the absence of a feedback mechanism.								

Agency sign-off:



HANS LEO J. CACDAC

Administrator 

Overseas Workers Welfare Administration

Date:

Note: Status of Implementation may either be (a) Fully Implemented, (b) On-going, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed