

**OVERSEAS WORKERS WELFARE ADMINISTRATION**

**AGENCY ACTION PLAN AND  
STATUS OF IMPLEMENTATION  
Audit Observations and Recommendations  
For the Calendar Year 2020  
As of February 2022**

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	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><b>FINANCIAL AUDIT</b></p> <p><i>Accounting Errors and Omissions</i></p> <p><b>The Cash and Cash Equivalents, Inventories, Property, Plant and Equipment (PPE) and Liabilities accounts totalling P20,724,161.89 which represents 0.23 percent of its total Expenses of P8,895,179,121.49 as of December 31, 2020 and is lower than the established materially threshold of P44,475,895.61 or one half percent of the total Expenses balance for an expense driven entity, hence without material impact on the fair presentation of the financial statements (FSs) of the OWWA.</b></p> <p>Section 15, Chapter 2 of the Government Accounting Manual (GAM) for National Government Agencies (NGs), Volume I, states that <i>“Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in PPSAS.”</i></p> <p>Section 111 and 112 of Presidential Decree (PD)</p>	<p>It was recommended that Management require the Accountants of the CO, NCR, RWOs I, X and XIII to prepare adjusting entries to correct the balance of the Cash and other related account as at year-end.</p> <p>Management commented the following:</p> <table><tr><th>Office</th><th>Management's Comments</th></tr><tr><td>OWWA-CO</td><td>The Accounting Division (AD) relayed that they will reconcile their records and will make the necessary adjusting entries for the unrecorded deposits and credit memos. They have also sent demand letter to the AO to submit the documents as basis for the recording of the deposits in which to no avail so far.</td></tr><tr><td>NCR</td><td>Management acknowledged the recommendation and the Accounting Unit (AU) informed that the reconciling items were recorded already on March 31, 2021.</td></tr><tr><td>RWO I</td><td>Management explained that the Cash-Treasury/ Agency Account was used because it was instructed by OWWA-CO. However, they will coordinate with</td></tr></table>	Office	Management's Comments	OWWA-CO	The Accounting Division (AD) relayed that they will reconcile their records and will make the necessary adjusting entries for the unrecorded deposits and credit memos. They have also sent demand letter to the AO to submit the documents as basis for the recording of the deposits in which to no avail so far.	NCR	Management acknowledged the recommendation and the Accounting Unit (AU) informed that the reconciling items were recorded already on March 31, 2021.	RWO I	Management explained that the Cash-Treasury/ Agency Account was used because it was instructed by OWWA-CO. However, they will coordinate with		Central Office			Fully Implemented		Necessary adjusting entries were prepared
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			RWO-NCR			Fully Implemented		Adjusting entry were prepared per JEV#s 2021-03-0821, 2021-03-0822, 2021-03-0823 and 2021-03-0832 dated March 31, 2021.									
			RWO-I			Fully Implemented		Adjusting entry for reclassification was made per JEV# GA2021-06-488 dated June 8, 2021.									
			RWO-X			Fully Implemented		Adjusting Entry was prepared per JEV# 2021-02-0034 dated February 28, 2021.									
			RWO-XIII			Fully Implemented		The Accounting Division already prepared the necessary adjusting entry for the cancellation of the stale checks.									

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	<p>No. 1445 states as follows:</p> <p><b>Section 111. <i>Keeping of accounts.</i></b></p> <p>1. The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by the fiscal or control agencies of the government.</p> <p>2. The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information.</p> <p><b>Section 112. <i>Recording of financial transaction.</i></b> Each government agency shall record its financial transactions and operations conformity with generally accepted accounting principles and in accordance with pertinent laws and regulations.</p> <p>Audit of various accounts of the OWWA as of December 31, 2020 disclosed total uncorrected misstatements/errors of P20,724,161.89, summarized in the matrix in the succeeding pages:</p> <p><b>Table 1: Misstatement in the Financial Statements</b></p> <table><tr><th>Account</th><th>Amount of Misstatement (in Php)</th></tr><tr><td>Cash and Cash Equivalents</td><td>10,168,814.23</td></tr><tr><td>Inventories</td><td>887,206.18</td></tr><tr><td>PPE</td><td>899,577.81</td></tr><tr><td>Liabilities</td><td>8,768,563.67</td></tr></table>	Account	Amount of Misstatement (in Php)	Cash and Cash Equivalents	10,168,814.23	Inventories	887,206.18	PPE	899,577.81	Liabilities	8,768,563.67	<table><tr><td></td><td>the OWWA-CO regarding the audit recommendation, and they committed to comply with the said recommendations.</td></tr><tr><td>RWO X</td><td>Management commented that they will require the designated Accountant to review the long outstanding/stale checks and will require to cancel those unclaimed checks and prepare the JEV to record the cancellation.</td></tr><tr><td>RWO XIII</td><td>On unadjusted stale checks, Management stated that they will adhere to the recommendation of the COA Audit Team (AT) and ensure to strictly observe the guidelines for issuance of replacement checks. At present, the Accountant designate is already in the course of preparing the adjusting entry for the cancellation of preparing the adjusting entry for the cancellation of the stale checks to reflect the correct balances of CIB and Liability accounts.  On adjusted unreleased checks, Management informed that the designated cashier is already aware of the audit recommendation and will faithfully comply to prepare the Schedule of Unreleased Checks on a monthly and annual basis to be submitted to the AD. Further, the Accountant will also ensure that necessary entries will be made at year-end.</td></tr></table>		the OWWA-CO regarding the audit recommendation, and they committed to comply with the said recommendations.	RWO X	Management commented that they will require the designated Accountant to review the long outstanding/stale checks and will require to cancel those unclaimed checks and prepare the JEV to record the cancellation.	RWO XIII	On unadjusted stale checks, Management stated that they will adhere to the recommendation of the COA Audit Team (AT) and ensure to strictly observe the guidelines for issuance of replacement checks. At present, the Accountant designate is already in the course of preparing the adjusting entry for the cancellation of preparing the adjusting entry for the cancellation of the stale checks to reflect the correct balances of CIB and Liability accounts.  On adjusted unreleased checks, Management informed that the designated cashier is already aware of the audit recommendation and will faithfully comply to prepare the Schedule of Unreleased Checks on a monthly and annual basis to be submitted to the AD. Further, the Accountant will also ensure that necessary entries will be made at year-end.						<p>Adjusting entry was prepared per JEV# 2021-06-1263 dated June 29, 2021.</p> <p>The Accounting Division will base the monitoring of stale checks on the monthly bank reconciliation and will make the necessary entries accordingly.</p>
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	<table><tr><td>Total Misstatements</td><td>20,724,161.89</td></tr><tr><td>Percentage of Misstatements over total Expenses</td><td>0.23</td></tr><tr><td>Total Expenses for the Year Ended December 31, 2020</td><td>8,895,179,121.49</td></tr><tr><td>Materiality Threshold for Expense Driven Entity (0.5% of Expenses)</td><td>44,475,895.61</td></tr></table> <p>Details of the uncorrected misstatements in the FSs as of December 31, 2020 are presented in the succeeding paragraphs.</p> <p><b>A. Cash and Cash Equivalents</b></p> <p><i>Misstatement in the Cash accounts of P10,168,814.23</i></p> <p>Summarized below are the misstatements affecting the Cash and other related accounts and transactions, which Management failed to adjust in their books of accounts, thereby affecting the accuracy and completeness of the balances in the FSs.</p> <p><b>Table 2: Summary of Misstatement in the Cash Accounts</b></p> <table><tr><th>Description of Misstatement</th><th>Office</th><th>Amount (in Php)</th><th>Accounts Affected</th><th>Under (Over) Statement</th></tr><tr><td>Unrecorded credit memos/deposits</td><td>Central Office (CO)</td><td>6,640,201.43</td><td>Cash in Bank – Local Currency, Savings Accounts (CIB-LCSA) and CIB-Foreign Currency, Savings Account (CIB-FCSA)</td><td>6,640,201.43</td></tr></table>	Total Misstatements	20,724,161.89	Percentage of Misstatements over total Expenses	0.23	Total Expenses for the Year Ended December 31, 2020	8,895,179,121.49	Materiality Threshold for Expense Driven Entity (0.5% of Expenses)	44,475,895.61	Description of Misstatement	Office	Amount (in Php)	Accounts Affected	Under (Over) Statement	Unrecorded credit memos/deposits	Central Office (CO)	6,640,201.43	Cash in Bank – Local Currency, Savings Accounts (CIB-LCSA) and CIB-Foreign Currency, Savings Account (CIB-FCSA)	6,640,201.43						
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				Income/Ac cumulated Surplus/ (Deficit)	6,640,201.43									
	Erroneous recoding of disbursements	National Capital Region (NCR)	(59,078.34)	Accumulat ed Surplus/ (Deficit)	(59,078.34)									
				CIB-LCCA	(59,078.04)									
				CIB-LCSA	(0.30)									
	Misclassifi- cation of Cash account	Regional Welfare Office (RWO) I	-	Cash, Treasury/ Agency deposit, Regular	(7,546,968.75)									
				CIB-LCCA	7,546,968.75									
	Stale and unreleased checks not reverted to CIB-LCCA	RWO X	1,446,083.41	CIB-LCCA	1,446,083.41									
				Accounts Payable	1,446,083.41									
		RWO XIII – GF	545,517.43	CIB-LCCA	545,517.43									
				Accounts Payable	545,517.43									
		RWO XIII – MOOE/ NRCO	1,596,090.30	CIB-LCCA	1,596,090.30									
				Accounts Payable	1,596,090.30									
	Net Cash Overstate ment		10,168,814.23											
	Section 56, Chapter 19 and Sections 2(j) and 3, Chapter 21 of the GAM for NGAs, Volume I provide the following:  “Chapter 19 – Financial Reporting”  Sec. 56. Adjustments for Unreleased Commercial Checks. Schedule of Unreleased Commercial Checks shall be prepared by the Cashier for submission to the Accounting Division/Unit. All unreleased checks at the end of the year shall be reverted back to the cash accounts. A Journal Entry Voucher (JEV) shall be prepared to recognize the restoration of the cash equivalent to the unreleased checks and the recognition of the appropriate liability/payable account. The accounting entry for													

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	<p>the restoration of the unreleased check to the cash account shall be a debit to “CIB-LCCA” account with credit to the appropriate liability account. There shall be no physical cancellation of the checks. The JEV supporting such restoration shall from part of the supporting document to the financial statements to be submitted to COA at year-end. At the start of the ensuing year, another JEV shall be drawn to reverse the previous entry made and recognize the availability of the checks for release.</p> <p><b>Chapter 21 – Bank Reconciliation</b></p> <p>Sec. 2(j). Outstanding Checks – checks the agency/entity has issued and recognized but which have not been presented to the bank for payment.</p> <p>Sec. 3. Objectives. The Bank Reconciliation Statement (BRS) shall be prepared in order to:</p> <ul style="list-style-type: none"><li>a. Check correctness of both the bank’s and agency’s/entity’s records,</li><li>b. Serve as a deterrent to fraud, and</li><li>c. Enable the agency/entity or bank to take up charges or credits recognized by the bank or agency/entity but not yet known to the agency/entity or bank.</li></ul> <p>This shall be used in the reconciliation of bank and treasury accounts maintained with Government Servicing bank (GSB).”</p> <p>While Section 97 of PD No. 1445 provides that a treasury warrant or check which remains outstanding after two years from the date of</p>								

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	<p>issuance shall not be paid by the Treasurer of the Philippines or by any duly authorized depository. The issuing agency shall take up in its books of accounts the amount of this warrant or check as surplus adjustment of the fund against which it was previously charged. Upon presentation of a stale warrant or check, the issuing agency shall cancel it and issue to the payee a substitute warrant or check in lieu thereof.</p> <p>Review of submitted BRS in OWWA-CO showed that included in the reconciling items are Prior Year's (PYs) deposits/credit memos/deposits from unknown depositor totalling P6,640,201.43 which are not yet recorded in the books, thereby understanding the Cash account by the same amount.</p> <p>In RWO-NCR, examination of the account balance of the CIB-LCCA and CIB-LCSA per books in comparison with the balances per bank confirmation disclosed that the CIB-LCCA and CIB-LCSA accounts of the RWO-NCR were overstated by P59,078.04, and P0.30, respectively, due to erroneous recording of disbursements and posting of amount deposited for the payment.</p> <p>In RWO-I, the regular fund sourced from the GAA totalling P7,546,968.75 received for MOOE and other programs of the RWO-I were deposited in the CIB-LCCA but were recorded in the books as Cash-Treasury/Agency Deposit, Regular contrary to COA Circular No. 2020-001 dated January 8, 2020 which states that the latter account should be used only for collections remitted to the Bureau of the Treasury</p>								

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	<p>(BTr).</p> <p>In RWO-X, verification of the CIB account revealed that there are outstanding checks totalling P1,446,083.41 which have been stale from 6 to 96 months. Some checks were dated as early as 2012. It was noted that some stale checks are in fact unclaimed checks.</p> <p>While in RWO XIII, review and analysis of the CLB-LCCA for General Fund (GF) disclosed the existence of stale checks presented as outstanding checks in the bank reconciliation statement (BRS) as of December 31, 2020 totalling P545,517.43. The non-cancellation of these checks affected the accuracy of the reported CIB accounts and the related liability accounts.</p> <p>Lastly, review of the BRS of RWO-XIII for GF and GAA-MOOE/NRCO fund as of December 31, 2020, revealed that reconciling items for both funds totalling P1,596,090.30 were unreleased checks as of year-end but were tagged as outstanding checks in the BRS.</p>								
2	<p><b>Inventories Accounts</b></p> <p><i>Misstatement in the Inventories accounts of P887,206.18</i></p> <p>The balance of Inventories accounts as of December 31, 2020 is misstated in the amount of P887,206.18, due to the following:</p> <p><b>Table 4: Summary of Misstatement in the</b></p>	<p>It was recommended and Management agreed to require the Accountant of:</p> <p><u>RWO IV-B and XI</u></p> <p>a. Prepare the adjusting entries to correct the net</p>		RWO IV-B			Fully Implemented		Adjusting Entry was prepared per JEV# 2021-08-171 dated August

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	<p align="center"><b>Inventories Accounts</b></p> <table><tr><th>Description of Misstatement</th><th>Office</th><th>Amount (in Php)</th><th>Accounts Affected</th><th>Under (Over) Statement (in Php)</th></tr><tr><td rowspan="4">Unadjusted issued Semi-expendable assets</td><td rowspan="2">RWO IV-B</td><td rowspan="2">(325,324.00)</td><td>Semi-expendable Expenses</td><td>325,324.00</td></tr><tr><td>Semi-expendable Asset</td><td>(325,324.00)</td></tr><tr><td rowspan="2">RWO XI</td><td rowspan="2">(653,839.40)</td><td>Semi-expendable Expenses</td><td>653,839.00</td></tr><tr><td>Semi-expendable Asset</td><td>(653,839.00)</td></tr><tr><td rowspan="2">Unsupported adjusting entry on inventory issuances</td><td rowspan="2">RWO VII</td><td rowspan="2">91,957.22</td><td>Inventories Expenses</td><td>(91,957.22)</td></tr><tr><td>Inventories</td><td>91,957.22</td></tr><tr><td>Total</td><td></td><td>(887,206.18)</td><td></td><td></td></tr></table> <p>Section 10(b), Chapter 8 of the GAM for NGAs, Volume I provides that semi-expendable property shall be recognize as expense upon issue to the end-user.</p> <p>In RWO IV-B, inquiry with the Actine Property Officer disclosed that the semi-expendable assets totalling P325,324.00 were already issued to end-users. However, the Agency is still in the process of preparing the Inventory Custodian Slips (ICS), hence, the Accountant has no basis in dropping the same in the books thus, overstating the Inventories accounts. While in RWO-XI, issued semi-expendable properties totalling P653,839.40 were still included as part of the inventories of the Agency as of December 31, 2021 due to lack of reconciliation between the Accountant and the</p>	Description of Misstatement	Office	Amount (in Php)	Accounts Affected	Under (Over) Statement (in Php)	Unadjusted issued Semi-expendable assets	RWO IV-B	(325,324.00)	Semi-expendable Expenses	325,324.00	Semi-expendable Asset	(325,324.00)	RWO XI	(653,839.40)	Semi-expendable Expenses	653,839.00	Semi-expendable Asset	(653,839.00)	Unsupported adjusting entry on inventory issuances	RWO VII	91,957.22	Inventories Expenses	(91,957.22)	Inventories	91,957.22	Total		(887,206.18)			<p>overstatement of Inventories account; and</p> <p><u>RWO VII</u></p> <p>b. Add back the credited Office Supplies and Medical and Dental Supplies Inventories. Deduction thereof must only be made once the Supply Officer submits the required RSMIs.</p>		<p>RWO-XI</p> <p>RWO-VII</p>		<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>31, 2021.</p> <p>Adjusting Entry was prepared per JEV# 2021-01-99 dated January 31, 2021.</p> <p>Reversal entry had already been made per JEV No. 2021-01-144 dated January 31, 2021.</p>
Description of Misstatement	Office	Amount (in Php)	Accounts Affected	Under (Over) Statement (in Php)																																	
Unadjusted issued Semi-expendable assets	RWO IV-B	(325,324.00)	Semi-expendable Expenses	325,324.00																																	
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Unsupported adjusting entry on inventory issuances	RWO VII	91,957.22	Inventories Expenses	(91,957.22)																																	
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	<p>Supply Officer.</p> <p>In RWO-VII, verification of the General Ledgers (GLs) shows that there were credit entries in the amount of P78,045.22 and P13,912.00 for the Office Supplies Inventory; and Medical, Dental and Laboratory Supplies Inventory, respectively, or a total of P91,957.22 representing the difference of the physical count of inventory and the corresponding balances per books, which were not supported with a Report of Supplies and Materials Issued (RSMI), thereby affecting the fairness of the presentation of the financial statements.</p>																											
3	<p><b>PPE Accounts</b></p> <p><i>Misstatement in the PPE accounts of P899,577.81</i></p> <p>The balance of PPE accounts as of December 31, 2020 is misstated in the amount of P899,577.81, due to the following:</p> <table><tr><th>Description of Misstatement</th><th>Office</th><th>Amount (in Php)</th><th>Accounts Affected</th><th>Under (Over) Statement (in Php)</th></tr><tr><td rowspan="3">Erroneous computation of Depreciation Expenses</td><td rowspan="3">NCR</td><td rowspan="3">(62,099.42)</td><td>Accumulated Depreciation</td><td>(62,099.42)</td></tr><tr><td>Depreciation Expense</td><td>(61,244.42)</td></tr><tr><td>Accumulated Surplus/ (Deficit)</td><td>855.00</td></tr><tr><td rowspan="2">Inclusion of semi-expendable items below the</td><td rowspan="2">RWO IV-A</td><td rowspan="2">(837,478.39)</td><td>Semi-expendable Assets</td><td>837,478.39</td></tr><tr><td>PPE</td><td>(837,478.39)</td></tr></table>	Description of Misstatement	Office	Amount (in Php)	Accounts Affected	Under (Over) Statement (in Php)	Erroneous computation of Depreciation Expenses	NCR	(62,099.42)	Accumulated Depreciation	(62,099.42)	Depreciation Expense	(61,244.42)	Accumulated Surplus/ (Deficit)	855.00	Inclusion of semi-expendable items below the	RWO IV-A	(837,478.39)	Semi-expendable Assets	837,478.39	PPE	(837,478.39)	<p>It was recommended and Management agreed to require the Accountant of the following RWOs to:</p> <p><u>NCR</u></p> <p>a. Make the necessary adjustments in the books of accounts to correct the noted deficiencies;</p> <p><u>RWO IV-A</u></p> <p>b. Reclassify the semi-expendable properties which</p>		RWO-NCR		Fully Implemented	Adjusting Entry was prepared for JEV# 2021-03-0852 dated March 31, 2021.
Description of Misstatement	Office	Amount (in Php)	Accounts Affected	Under (Over) Statement (in Php)																								
Erroneous computation of Depreciation Expenses	NCR	(62,099.42)	Accumulated Depreciation	(62,099.42)																								
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			PPE	(837,478.39)																								
				RWO-IV-A		Fully Implemented	Journal Entry was made JEV# 2021-03-00473 dated March 31,																					

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	<table><tr><td>capitalization threshold</td><td></td><td></td><td></td><td></td></tr><tr><td>Total</td><td></td><td>(899,577.81)</td><td></td><td></td></tr></table> <p>Section 27(c), Chapter 10 of the same manual provides that “<i>Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. For simplicity and to avoid proportionate computation, depreciation shall be for one month if the PPE is available for use on or before the 15<sup>th</sup> of the month. However, if the PPE is available for use after the 15<sup>th</sup> of the month, depreciation shall be for the succeeding month.</i>” (emphasis supplied)</p> <p>Also, Section 27(l), Chapter 10 of the same manual states that “<i>Depreciation shall be recognized as a debit to the “Depreciation Expense” account and a credit to the “Accumulated Depreciation” account. Accumulated Depreciation is a contra-asset account presented in the FS as deduction from the related asset account.</i>” (emphasis supplied)</p> <p>Moreover, Section 10, Chapter 8 of the GAM from NGAs, Volume I provides that tangible items below the capitalization threshold of P15,000.00 shall be accounted as semi-expendable property.</p> <p>While COA Circular No. 2020-001 dated January 8, 2020 describes Other PPE as the account used to recognize the cost of acquisition or fair value. Is acquired through donation or transfers without cost, of other property, plant and equipment <b>not falling</b></p>	capitalization threshold					Total		(899,577.81)			were previously recorded as PPE falling below the capitalization threshold of P15,000.00							2021 to reclassify 837,478.39 of PPE to Semi-expendable properties. As follows: <table><tr><td>Furnitures and Fixtures</td><td>591,511.48</td></tr><tr><td>Office Equipment</td><td>128,561.91</td></tr><tr><td>IT Equipment</td><td>117,405.00</td></tr><tr><td>TOTAL</td><td>837,478.39</td></tr></table>	Furnitures and Fixtures	591,511.48	Office Equipment	128,561.91	IT Equipment	117,405.00	TOTAL	837,478.39
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					From	To			
	<p><b><i>under any of the specific Property, Plant and Equipment account.</i></b> (emphasis supplied)</p> <p>In RWO-NCR, the Audit Team recomputed the recorded amount of accumulated depreciation and depreciation expenses as of CY 2020 of the PPE accounts and revealed that the Accumulated Depreciation should have been P5,065,760.02 instead of P5,127,859.45, a difference of P62,099.42, while depreciation expense was overstated by P61,244.42, hence resulted to an overstatement of the Accumulated Depreciation, thereby, affecting the carrying cost of the PPE items. Likewise, the overstatement of both the Depreciation Expense and Accumulated Depreciation and understatement of Accumulated Surplus/(Deficit) misstated the accounts as at yearend.</p> <p>In RWO IV-A, the PPE account was misstated by P837,478.39 due to the inclusion of semi-expendable items below the capitalization threshold of P15,000.00.</p>								
4	<p><b>Liabilities Accounts</b></p> <p><i>Misstatement in the Liabilities accounts of P8,768,653.67</i></p> <p>The balance of Liabilities accounts as of December 31, 2020 is misstated in the amount of P8,768,653.67, due to the following:</p> <p><b>Table 6: Summary of Misstatement in the Liabilities Accounts</b></p>	<p>It was recommended and Management agreed to require the Accountant of:</p> <p><u>CO, RWOs VI and X</u></p> <p>a. Revert to Accumulated Surplus the Accounts Payables totalling P5,759,692.89 which have</p>		Central Office			Fully Implemented		Adjustments were prepared as recommendation as per JEV#s 20-12-0115D and 20-12-0251P

Ref	Audit Observations					Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken																																		
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	<table><tr><th>Description of Misstatement</th><th>Office</th><th>Amount (in Php)</th><th>Accounts Affected</th><th>Under (Over) Statement (in Php)</th></tr><tr><td rowspan="4">Unreverted Accounts Payable</td><td rowspan="2">RWO VI</td><td rowspan="2">(145,300.00)</td><td>Accumulated Surplus/ (Deficit)</td><td>5,759,692.89</td></tr><tr><td>Accounts Payable</td><td>(5,759,692.89)</td></tr><tr><td rowspan="2">RWO X</td><td rowspan="2">(5,614,392.89)</td><td>Trust Liabilities</td><td>3,008,960.78</td></tr><tr><td>Due to Other Funds</td><td>(3,008,960.78)</td></tr><tr><td>Misclassified Due to Other Funds</td><td>CO</td><td>(3,008,960.78)</td><td></td><td></td></tr><tr><td>Total</td><td></td><td>(8,768,653.67)</td><td></td><td></td></tr></table> <p>Executive Order (EO) No. 87 dated August 13, 2019 directed that all accounts payable which remain outstanding for two years or more in the books of national government agencies be reverted to the accumulated surplus or deficit of the GF, or the cumulative result of operations of the national government.</p> <p>Moreover, Section 13 of COA Circular No. 2020-001 dated January 8, 2020 provides definition and normal balances of the following Accounts:</p> <table><tr><th>Account Title</th><th>Account Number</th><th>Normal Balance/Definition</th></tr><tr><td>Due to Other Funds</td><td>20301050</td><td>Credit This account is credited to recognize <b>transfers from other funds and/or payables to other funds</b>. This account is debited for the return of the fund to the source fund, and/or adjustments.</td></tr><tr><td>Trust Liabilities</td><td>20401010</td><td>Credit This account is credited to recognize the receipt of amount held in trust for specific purpose. This account is debited for payment or settlement of the liabilities, and/or adjustments.</td></tr></table>	Description of Misstatement	Office	Amount (in Php)	Accounts Affected	Under (Over) Statement (in Php)	Unreverted Accounts Payable	RWO VI	(145,300.00)	Accumulated Surplus/ (Deficit)	5,759,692.89	Accounts Payable	(5,759,692.89)	RWO X	(5,614,392.89)	Trust Liabilities	3,008,960.78	Due to Other Funds	(3,008,960.78)	Misclassified Due to Other Funds	CO	(3,008,960.78)			Total		(8,768,653.67)			Account Title	Account Number	Normal Balance/Definition	Due to Other Funds	20301050	Credit This account is credited to recognize <b>transfers from other funds and/or payables to other funds</b> . This account is debited for the return of the fund to the source fund, and/or adjustments.	Trust Liabilities	20401010	Credit This account is credited to recognize the receipt of amount held in trust for specific purpose. This account is debited for payment or settlement of the liabilities, and/or adjustments.	been outstanding for more than two years pursuant to EO No. 87 dated August 13, 2019.		RWO-VI	July 2021	Dec 2021	On-going		The Management is on the process of tracing and understanding the entries made by the previous Accountant to ensure the correctness of adjusting entries.
Description of Misstatement	Office	Amount (in Php)	Accounts Affected	Under (Over) Statement (in Php)																																										
Unreverted Accounts Payable	RWO VI	(145,300.00)	Accumulated Surplus/ (Deficit)	5,759,692.89																																										
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Trust Liabilities	20401010	Credit This account is credited to recognize the receipt of amount held in trust for specific purpose. This account is debited for payment or settlement of the liabilities, and/or adjustments.																																												
			RWO-X			On-going	The Management has started to thoroughly review the recorded accounts payable tod etermine if these have been paid already but such payments were not posted/reported. It was also determined that some were already claimed but not yet reported in the accounts.																																							
			Central Office			Fully Implemented	Adjustments were prepared as recommendation as per JEV#s 20-12-0115D and 20-12-0251P																																							

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					From	To																		
	<p>The balance of Accounts Payables-Others totalling P5,759,692.89 was outstanding for more than two years contrary to EO NO. 87, as follows:</p> <table><tr><th>Office</th><th>Amount</th></tr><tr><td>RWO-VI</td><td>145,300.000</td></tr><tr><td>RWO X</td><td>5,614,392.89</td></tr><tr><td>Total</td><td>5,759,692.89</td></tr></table> <p>Lastly, it was disclosed in the 2009 Notes to FS of OWWA that the following are held in trust by the OWWA for the expenses incurred in the implementation of the Joint Program on HIV and AIDS on Migrations:</p> <table><tr><th>Account</th><th>Amount (in Php)</th></tr><tr><td>Due to Other Funds – UNICEF</td><td>1,374,635.68</td></tr><tr><td>Due to Other Funds – UNDP</td><td>1,634,325.10</td></tr><tr><td>Total</td><td>3,008,960.78</td></tr></table> <p>Since the above funds are held in trust, it should be properly classified as Trust Liabilities instead of Due to Other Funds as prescribed in COA Circular No. 2020-001 dated January 8, 2020.</p>	Office	Amount	RWO-VI	145,300.000	RWO X	5,614,392.89	Total	5,759,692.89	Account	Amount (in Php)	Due to Other Funds – UNICEF	1,374,635.68	Due to Other Funds – UNDP	1,634,325.10	Total	3,008,960.78							
Office	Amount																							
RWO-VI	145,300.000																							
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Total	3,008,960.78																							
5	<p><b>Other Accounting Deficiencies</b></p> <p><b>Various deficiencies were noted in the Cash and Cash Equivalents, Receivables, Other Assets, Inventories, PPE, and Liabilities Accounts totalling P852,036,778.40, thus affected the reliability, accuracy, completeness, and valuation of the said accounts.</b></p>	<p>It was recommended that Management require the respective RWO Accountant to:</p> <p><u>CO and RWO VIII</u></p> <p>a. Prepare and submit the BRS</p>		Central Office			Fully		The Bank Reconciliation															

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken						
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					From	To									
	<p>Section 6, Chapter 19, GAM for NGAs, Volume I enumerates the qualitative characteristic of financial reporting. Among which are timeliness, reliability, faithful representation, and completeness, defined as follows:</p> <ul style="list-style-type: none"><li>• <b>Timeliness</b> – the usefulness of financial statement is impaired if they are not made available to users within a reasonable period after the reporting date. On-going factors such as complexity of an entity's operations are not sufficient reasons for failing to report a timely basis. More specific deadlines are dealt with by legislation and regulations in many jurisdictions.</li><li>• <b>Reliability</b> – reliable information is free from material error and bias and can be depended on by the users to represent faithfully that which it purports to represent or could reasonably be expected to represent.</li><li>• <b>Faithful representation</b> – information to represent faithfully transactions and other events, it should be presented in accordance with the substance of the transactions and other events, and not merely their legal form.</li><li>• <b>Completeness</b> – the information in financial statements should be complete within the bounds of materiality and cost.</li></ul> <p>In the audit of the accounts and transactions of the OWWA for CY 2020. Deficiencies in the recording and reporting of financial transactions were noted that affected the reliability, accuracy, completeness,</p>	<p>in accordance with the provisions of Chapters 19 and 21 of GAM for NGAs, Volume I; and</p> <p><u>RWO V</u></p> <p>b. Strictly observe the timeline on the submission of BRSs in compliance with the provisions of Chapter 21 of GAM for NGAs, Volume, I.</p> <p>The Management commented as follows:</p> <table><tr><th>Office</th><th>Management Comment</th></tr><tr><td>RWO V</td><td>The Accountant admitted that the available Bank Statements is up to May 2019 only and due to the ECQ last year, as much as the office wants to request the snapshots from the bank, the same cannot be done because of the restrictions at that time.</td></tr><tr><td>RWO VIII</td><td>The Accountant relayed that the unadjusted balance is a bank reconciling item. Moreover, the Accountant committed to retrieve the PY files to facilitate proper adjusting entries. Likewise, the Accountant agreed to use the Adjusted Balance Method of bank reconciliation beginning CY 2021.</td></tr></table> <p>The Audit Team of RWO V rejoined that the Accountant should prepare monthly BRS for the months of June 2019 until updated because the beginning balance depends upon the</p>	Office	Management Comment	RWO V	The Accountant admitted that the available Bank Statements is up to May 2019 only and due to the ECQ last year, as much as the office wants to request the snapshots from the bank, the same cannot be done because of the restrictions at that time.	RWO VIII	The Accountant relayed that the unadjusted balance is a bank reconciling item. Moreover, the Accountant committed to retrieve the PY files to facilitate proper adjusting entries. Likewise, the Accountant agreed to use the Adjusted Balance Method of bank reconciliation beginning CY 2021.		RWO-VIII			Implemented		Statements were submitted on June 6, 2021.
Office	Management Comment														
RWO V	The Accountant admitted that the available Bank Statements is up to May 2019 only and due to the ECQ last year, as much as the office wants to request the snapshots from the bank, the same cannot be done because of the restrictions at that time.														
RWO VIII	The Accountant relayed that the unadjusted balance is a bank reconciling item. Moreover, the Accountant committed to retrieve the PY files to facilitate proper adjusting entries. Likewise, the Accountant agreed to use the Adjusted Balance Method of bank reconciliation beginning CY 2021.														
				RWO-V			Fully Implemented		Bank statement and snap shots were already given to Auditors to support BRS.						
							Fully Implemented		Bank statement and snapshots were already submitted to Auditors.						

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					From	To																																																					
	<p>and valuation of the reported balances of accounts in the FSs. These have resulted due to the absence of documents that support carry over balances, non-compliance by the Management with some of the provisions and requirements of the GAM for NGAs, lack of reconciliation between the records of Accounting and Property Units and non-preparation and non-submission of some of the required reports on time.</p> <p>These deficiencies are as follows:</p> <p><b>Table 7: Summary of Other Accounting Deficiencies</b></p> <table><tr><th>Accounts</th><th>Office</th><th>Observation</th><th>Amount Involved (in Php)</th><th>Standard</th></tr><tr><td colspan="5"><b>Cash and Cash Equivalents</b></td></tr><tr><td rowspan="5">CIB-LCCA and CIB-LCSA</td><td>CO</td><td rowspan="3">Deficiencies noted in the preparation/ submission of BRS</td><td>1,917,709.43</td><td rowspan="5">Chapter 21 of GAM for NGAs, Volume I</td></tr><tr><td>RWO V</td><td>61,742,613.48</td></tr><tr><td>RWO VIII</td><td>20,836,671.18</td></tr><tr><td>NCR</td><td>56,979.50</td></tr><tr><td>RWO V</td><td>Not provided</td></tr><tr><td>CIB-LCCA</td><td>RWO I</td><td>Non-preparation/ maintenance of Subsidiary Ledger</td><td>43,229,217.91</td><td></td></tr><tr><td>Cash-Collecting Officer</td><td>RWO V</td><td></td><td>26,855.59</td><td>Sections 111 and 114 of PD No. 1445; Appendix II of GAM for NGAs, Volume II</td></tr><tr><td colspan="3"><b>Total Cash</b></td><td><b>127,810,047.09</b></td><td></td></tr><tr><td colspan="5"><b>Receivables</b></td></tr><tr><td rowspan="2">Loan Receivables</td><td>CAR</td><td>Doubtful accuracy of SL entries</td><td>**</td><td>Section 111 of PD No. 1445</td></tr><tr><td></td><td>Unreconciled aging schedules</td><td>**</td><td>Section 111 of PD</td></tr></table>	Accounts	Office	Observation	Amount Involved (in Php)	Standard	<b>Cash and Cash Equivalents</b>					CIB-LCCA and CIB-LCSA	CO	Deficiencies noted in the preparation/ submission of BRS	1,917,709.43	Chapter 21 of GAM for NGAs, Volume I	RWO V	61,742,613.48	RWO VIII	20,836,671.18	NCR	56,979.50	RWO V	Not provided	CIB-LCCA	RWO I	Non-preparation/ maintenance of Subsidiary Ledger	43,229,217.91		Cash-Collecting Officer	RWO V		26,855.59	Sections 111 and 114 of PD No. 1445; Appendix II of GAM for NGAs, Volume II	<b>Total Cash</b>			<b>127,810,047.09</b>		<b>Receivables</b>					Loan Receivables	CAR	Doubtful accuracy of SL entries	**	Section 111 of PD No. 1445		Unreconciled aging schedules	**	Section 111 of PD	adjusted balance of the previous month.					
Accounts	Office	Observation	Amount Involved (in Php)	Standard																																																							
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									From				To
		RWO VI	Reassessment for allowance for impairment were not yet made	**	No. 1445 and Sections 6.1 and 7.1 of COA Circular No. 2016-005 dated December 19, 2016								
		CAR	Non-preparation/ maintenance of updated SL resulting in disparity of balances between the GL and SL/Schedule	**	Section 111 of PD No. 1445								
		RWO V		**									
	Due from NGAs	CO	Unreconciled variance between the records of OWWA and the NGAs	5,702,048.64	COA Circular No. 94-013 dated December 13, 1994								
	Total Receivables			5,702,048.64									
	Other Assets Cash Advances	RWO V	Unreconciled SL and GL balances	33,829.80	Section 5 of COA Circular No. 97-002 dated February 10, 1997								
	Total Other Assets – Cash Advances			33,829.80									
	Inventories	CO	Not updated SCs, Subsidiary Ledger Cards (SLCs) and ICSs and non-inclusion of semi-expendable property as part of Inventory	16,822,636.63	Section 17, Chapter 8 of GAM for NGAs, Volume I								
		CAR		223,151.10									
		RWO I	Office Supplies not recorded under Perpetual Inventory Method	1,163,739.06	Section 9, Chapter 8 of GAM for NGAs, Volume I								
		RWO VIII	Unreconciled RPCI and book balances	4,298.22	Chapter 8 of GAM for NGAs, Volume I								
	Total Inventories			18,213,825.01									
	Property and Equipment	CO	Not updated PC and Property, Plant and equipment Ledger Card (PPELC)	4,708,308.00	Section 42, Chapter 10 of GAM for NGAs, Volume I								
		NCR	Laxity in the	Not provided	IPSAS No.								



Ref	Audit Observations					Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken	
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									From	To				
			preparation/ maintenance of lapsing schedule for PPE		1, Par. 3.26 of the Conceptual Framework of IPSAS and Sections 27, 38 and 42 of Chapter 10 of the GAM for NGAs, Volume I									
		RWO IV-B	Unreconciled RPPPE and book balances	274,359.62	Chapter 10 of GAM for NGAs, Volume I									
		RWO VII	Misclassified PPE Account	1,106,250.00	Chapter 10 of GAM for NGAs, Volume I									
		RWO IV-B	Failure to issue Property Acknowledgement Receipt (PAR)	Not provided	COA Circular No. 2020-006 and Chapter 10 of GAM for NGAs, Volume I									
	Total Property and Equipment			6,088,917.62										
	Liabilities	CO	Existence of negative or abnormal balance	601,578.97	Chapter 2 of GAM for NGAs, Volume I and Section 59 of PD No. 1445									
		RWO III		9,992,048.04										
		CO	Not supported with complete documentation	24,255,616.54	Section 59 of PD No. 1445; Par. 6, Section 4 of PD No. 1445 and Par. 2, Section 37, Chapter 2 of GAM for NGAs, Volume I									
		CAR		34,879,147.66										
		RWO III		85,460,565.11										
		RWO VI		34,298,439.83										
		Total Liabilities			189,487,396.15									
	Dormant Accounts													
	Loans Receivables	NCR	Dormant and non-moving accounts for two to more	76,620,218.40	COA Circular No. 2016-									
		CAR		10,358,499.79										
		RWO		8,645,557.47										

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	<table><tr><td></td><td>IV-B</td><td rowspan="5">than 30 years</td><td></td><td rowspan="5">005 dated December 19, 2016</td></tr><tr><td></td><td>RWO V</td><td>16,685,718.02</td></tr><tr><td></td><td>RWO VI</td><td>14,982,858.55</td></tr><tr><td></td><td>RWO XIII</td><td>11,595,620.10</td></tr><tr><td>Due from NGAs</td><td>CO</td><td>83,125,989.92</td></tr><tr><td>Intra-Agency Payables – Due to Other Funds</td><td>CO</td><td></td><td>30,719,562.03</td><td></td></tr><tr><td colspan="3"><b>Total Dormant Accounts</b></td><td><b>252,734,024.28</b></td><td></td></tr><tr><td colspan="3">Unrestated comparative consolidated FS</td><td>76,942,622.96</td><td>IPSAS 3</td></tr><tr><td colspan="3"><b>TOTAL</b></td><td><b>677,012,711.55</b></td><td></td></tr></table> <div>** The amounts form part of the amounts on Dormant Loans Receivable</div> <p>The details on the deficiencies summarized in Table No. 7 are discussed, as follows:</p> <p><i>Cash and Cash Equivalents</i></p> <p><b>Deficiencies noted in the preparation/submission of BRS</b></p> <p>Sections 4 and 7, Chapter 21, GAM for NGAs, Volume I, states:</p> <p>“<b>Sec. 4. Method of Bank Reconciliation.</b> The monthly BRS shall be prepared by the Chief Accountant/designated staff for each of the bank accounts maintained by the agency/entity using the Adjusted Balance Method. Under this method, the book balance and the bank balance are brought to an adjusted cash balance that must appear on the Statement of Financial Position.</p> <p><b>Sec, 7. Reporting,</b> The Chief Accountant shall submit the BRS within twenty days after <b>receipt</b> of the monthly BS to the following:</p>		IV-B	than 30 years		005 dated December 19, 2016		RWO V	16,685,718.02		RWO VI	14,982,858.55		RWO XIII	11,595,620.10	Due from NGAs	CO	83,125,989.92	Intra-Agency Payables – Due to Other Funds	CO		30,719,562.03		<b>Total Dormant Accounts</b>			<b>252,734,024.28</b>		Unrestated comparative consolidated FS			76,942,622.96	IPSAS 3	<b>TOTAL</b>			<b>677,012,711.55</b>									
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<b>TOTAL</b>			<b>677,012,711.55</b>																																											

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	<p><b>Original</b> – COA Auditor (with all the supporting documents and JEVs) <b>Copy 2</b> – Head of Agency/Entity <b>Copy 3</b> – Accounting Division/Unit file <b>Copy 4</b> – Bank, if necessary”</p> <p>In OWWA-CO, review of the submitted BRS of four bank accounts with a balance of P176,941,776.28 as of December 31, 2020 shows that the outstanding checks were not deducted in the balance per bank, resulting in the overstatement of the Cash account. Said overstatement was already adjusted by the Accountant, however, the revised BRS was not yet submitted.</p> <p>Moreover, in RWO V, of the six bank accounts, five bank accounts with a balance of P61,742,613.48 as of December 31, 2020 have no updated BRS, and the latest BRS on file at the Audit Team’s Office was as of May 31, 2019 only.</p> <p>While in RWO VIII, it was observed that the agency uses the Bank to Book reconciliation method instead of the requisite Adjusted Balance method. It was noted that these five BRSs with a balance of P20, 836,671.18 as of December 31, 2020 were not duly supported with the required Bank Statements and supporting documents hence verification of the same by the Audit Team could not be carried out promptly. Furthermore, the Audit Team in the verification of the BRS, noted that there was also a lump amount of P1,350.00 added to the bank balance and tagged as “Erroneous Charging by the bank”, with no details or transaction reference,</p>								

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	hence, doubtful as to existence, propriety, and validity. It was gathered that this amount pertained to prior years and found to be a reconciling item in the beginning of January 2020 BRS.								
6	<p><b><i>Undocumented adjustments in Cash account</i></b></p> <p>In RWO NCR, review of the BRS revealed that the adjustment amounting to P56,979.50 recorded in the CIB-LCCA-MMG/OGER were not duly supported with an inter-office debit memorandum as it pertains to funds transferred to RWO IV-B on December 18, 2017 and/or a letter of demand issued to RWO IV-B for the return of the erroneously transmitted funds, it was noted that the said transfer should have been recorded of as Due from ROs – RWO IV-B.</p> <p>Moreover, in RWO V, the JEVs and its supporting documents pertaining to the adjustments to the CIB accounts were not submitted to the AT.</p>	It was recommended that Management require the Accountant of NCR and RWO V submit the lacking documents required and that identified reconciling items should be immediately documented, properly disclosed, and taken up in the books in accordance with aforementioned rules and regulations to prevent its accumulation.		RWO-NCR  RWO-V			Fully Implemented  Fully Implemented		RWO-NCR has submitted an inter-office debit memorandum of funds transferred to RWO-IV-B to support the adjustment.  RWO V has submitted all the necessary supporting documents needed.
7	<p><b><i>Non-preparation/maintenance of SLs as prescribed by the GAM for NGAs, Volume II</i></b></p> <p>Appendix 6, Volume II of the GAM provides the instructions to be followed by the Accountant on the maintenance of the SLs as follows:</p> <p>“This ledger shows detail for each control account in the GL which is maintained per account and fund cluster by the Accounting Division/Unit.”</p> <p>At the end of each month, after all transactions in the journals have been posted, the debit and credit columns of each account shall be footed in pencil and the balance indicated in ink. The totals of the</p>	It was recommended and the RWOs agreed to:  <u>RWO I</u>  a. Ensure compliance by the RWO I with RA No. 10801 and Appendix 6 of the GAM for NGAs, Volume II by instructing the Accountant to maintain SL for the CIB-LCCA Operations Fund in the		RWO I			Fully Implemented		An automated system for the generation of updated Subsidiary Ledger – Cash was already created and maintained.

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	<p>SL balances shall be reconciled with the corresponding GL controlling account.</p> <p>The SL provide the detailed individual balances making up the GL total. They provide substantial audit support for the GL and provide further breakdowns of financial statement totals where desired. At the end of the posting period, the balance of the controlling account should equal the total of the balances of the accounts in the SLs. In RWO I, audit revealed that SL for the CIB-LCCA-Operations Fund account for the RWO, consisting of various OWWA program funds maintained by the Accountant were not in the required format provided in the GAM, thus, the details of the CIB-LCCA balance of P43,229,217.91 cannot be determined.</p> <p>While in RWO V, it was noted that the Office has two Collecting Officers, one based at OWWA RWO V, Legazpi City while the officer is based at OWWA Satellite Office at Naga City, Camarines Sur, however, no SL was maintained for each of the Cash Collecting Officer account with year-end balance of P26,855.59 to provide for the necessary details of their collections and deposits and the balances that should have been reconciled with the totals of the GL.</p>	<p>required format provided for under the GAM to properly monitor the receipt, utilization, and balances of the OWWA program funds;</p> <p><u>RWO V</u></p> <p>b. Require the Accountant to prepare and properly maintain SLs to support the GL totals for the various accounts in the Statement of Financial Position (SFPo) pursuant to Section 6(e), Chapter 19 of the GAM for NGAs, Volume I.</p>		RWO V			Fully Implemented		RWO V maintains the subsidiary ledgers in compliance with the recommendations.
8	<p><b>Receivables</b></p> <p>The applicable laws, rules and regulations concerning Receivables are as follows:</p> <p>Section 2 of the State Audit Code of the Philippines (PD No. 1445) provides that: <i>“It is the declared policy of the State that all resources of the</i></p>	<p>It was recommended that Management require the Accountant of CO to reconcile the Due from NGAs and prepare the necessary adjusting entry for error/s noted and liquidations in</p>		Central Office			Partially Implemented		<p>JEV# 2021-06-0142P was prepared to record liquidation report of ILS.</p> <p>However, reconciliation for the balances for DOLE is still on-</p>

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	<p><i>government shall be managed (xxx), with a view to ensuring 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."</i></p> <p>COA Circular No. 2016-005 dated December 19, 2016, prescribed the guidelines and procedures in reconciling and cleaning the books of NGAs, Local Government Units, and Government Owned and/or Controlled Corporations with dormant receivable accounts, unliquidated cash advances, and fund transfers for the fair presentation of accounts in the Financial Statements. Moreover, Section 6.1 and 7.1 thereof provide as follows:</p> <p>“Section 6.1 All government entities shall conduct regular monitoring and analysis of receivable accounts to ensure that these are collected when these become due and demandable and that cash advances and fund transfers are liquidated within the prescribed period depending upon their nature and purpose.</p> <p>Section 7.1 Conduct regular and periodic verification, analysis, and validation of the existence of the receivables, unliquidated cash advances, and fund transfers, and determine the concerned debtors, accountable officers (Regular and Special Disbursing Officers, Collecting Officers, Cashiers) and the source and implementing government entities concerned.”</p> <p>On the other hand, Appendix 5, Volume II of the GAM provides the instructions to be followed by the</p>	<p>the books of the OWWA and NGAs.</p> <p>Management commented that the journal entries for liquidation of ILS will be prepared once their liquidations is submitted. Reconciliation for the balances to the DOLE is still on-going and will be adjusted accordingly.</p> <p>Auditor’s Rejoinder:</p> <p>The Audit Team of OWWA-CO will monitor the compliance by the Management.</p>						going and will be adjusted accordingly.	

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	<p>Accountant on the maintenance of the GL as follows:</p> <p>This ledger summarizes all transactions recorded in the GJ and special journal (e.g. CRJ, CDJ, CkDJ, etc.) maintained in the Accounting Division/Unit. The ledger sheet is arranged in the same order or sequence of the accounts appearing in the RCA. Postings to this ledger shall come directly from the General and Special Journals.</p> <p>At the end of the fiscal year, each account shall be ruled and closed. All totals shall be written legibly in ink and the balance of the real account carried forward as the opening balance of the new GL for the next fiscal year.</p> <p><b>Unreconciled Variance between the records of OWWA and the NGAs</b></p> <p>The AT of OWWA-CO sent confirmation letters to DOLE and ILS and the Accountants of the said agency responded that the following amounts were already recorded as deduction in their liability to OWWA, however, these were not yet recorded in the books of OWWA-CO. details are as follows:</p> <table><tr><th>Implementing Agency</th><th>Recorded liquidations in the SLs of Implementing Agencies (in Php)</th></tr><tr><td>DOLE</td><td>5,206,669.70*</td></tr><tr><td>ILS</td><td>495,378.94</td></tr><tr><td><b>Total</b></td><td><b>5,702,048.64</b></td></tr></table> <p><small>*Liquidations are based on the generated eNGAS SL of Due to Other GOCCs of DOLE from Jan. 2007 – Dec. 2015 only. For CYs 2007 below, the DOLE has no available records.</small></p>	Implementing Agency	Recorded liquidations in the SLs of Implementing Agencies (in Php)	DOLE	5,206,669.70*	ILS	495,378.94	<b>Total</b>	<b>5,702,048.64</b>							
Implementing Agency	Recorded liquidations in the SLs of Implementing Agencies (in Php)															
DOLE	5,206,669.70*															
ILS	495,378.94															
<b>Total</b>	<b>5,702,048.64</b>															
9	Doubtful accuracy of SL entries															

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	In RWO-CAR, a collection was made on September 2, 2020, under Official Receipt (OR) Number 15617968 of P178,677.83, for the payment of an Enterprise Development and Loan Program/Livelihood Development Program for OFWs (EDLP/LDPO) Loan. The whole amount was credited to the receivable account but the SL of the concerned borrower showed a balance of only P75,048.80. This resulted in an understatement of the Loans receivable account by P103,629.03.	<p>It was recommended that Management require the Accountant of RWO-CAR to adjust the Loans Receivable account by P103,629.03 for the collection received from an OFW borrower.</p> <p>The Management commented that adjustments were already included in the January 2021 General Journal (GJ) and there was an ongoing inventory of SL accounts and updating of SL.</p>		RWO-CAR			Fully Implemented		LDP GJ#1 was prepared to adjust the collection received from an OFW borrower.
10	<p><b><i>Unreconciled aging schedules and re-assessment for allowance for impairment were not yet made</i></b></p> <p>In RWO VI, the Loans Receivables from various programs of the Agency totalled P23,517,080.88 as of December 31, 2020. Of this amount, P8,534,222.43 pertains to special financial loan assistance for OFWs affected by closures of Saudi Arabia based companies Mohammad Al Mojil (MMG) and Saudi Oger Ltd. (SOL), while the remaining amount consists of long outstanding loans from prior years’ (PYs’) programs and/or projects. Loans granted during the year amounted to P71,960.18, composed of loans through the MMG and SOL assistance programs.</p> <p>Review of the Aging Schedule to support these receivables. However showed a total of only P21,786,325.34, or P1,730,755.54 less than the</p>	<p>It was recommended and Management of RWO VI agreed to:</p> <p>a. Ensure the reconciliation of the balances between the aging schedules of all receivables and the recorded amounts in the books of accounts;</p> <p>b. Review objective evidence as to risk of loss due to uncollectability of receivables as basis for assessment of allowance for impairment; and</p>		RWO VI	July 2021	Dec 2021	<p>On-going</p> <p>On-going</p>	<p>Insufficiency of available documents.</p>	<p>a. Collection of Accounts Receivable under SOL and MMG is not under the control of RWO VI.</p> <p>b. The Management is on the process of tracing and locating the records and supporting documents of this P1,730,755.54 discrepancy of Accounts Receivable.</p>



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	<p>book balance.</p> <p>Inquiry with the previous and current Accountants disclosed that this difference pertained to long outstanding receivables. Sufficient documentation to determine the details of the accounts are still being gathered prior to inclusion in the aging of receivables.</p> <p>Difficulty in locating these source documents, and the prioritization of current year's COVID-19 response programs prevented the timely reconciliation of these accounts.</p> <p>Further review of the Aging Schedule of Loans receivable disclosed that the amount of P13,252,102.91 represent loans granted through PYs' programs/projects of the Agency which remained outstanding for over three years.</p> <p>On the other hand, the allowance for the above PYs' receivables remained unadjusted at P10,208,833.46 as of December 31, 2020, or a difference of P3, 043,269.45.</p>	c. Regularly monitor the receivables of the Agency and hasten the collection thereof, to avoid the accounts from becoming past due.					On-going	OFW borrowers have no capacity to pay and/or some of them are not willing to pay.	c. The Management is planning to make coordination with the Central Office and other Regions for the setting up of the guidelines and proper authorization for the Writing-Off of the Bad Debts Accounts.
11	<p><b><i>Non-preparation/maintenance of updated SLs resulting in disparity of balances between the GL and subsidiary records</i></b></p> <p>In RWO CAR, analysis of the Loans Receivable account with a balance of P18,784,948.72 disclosed discrepancies totalling P1,552,123.08 between the GL and SL which were the result of not updating the SLs whenever there were collections. It was further noted that the data presented to the Audit Team was the only record the RWO Accountant could</p>	It was recommended that Management require the concerned RWO Accountants to fast track the reconciliation of GL and SL and effect necessary adjustments to reflect the correct balance of the Loans Receivable		RWO-CAR			Fully Implemented		Adjustments were already included in the January 2020 General Journal, and also relayed that the AU is currently in the process of updating the said SLs.
				RWO-V			Fully		

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	<p>provide, thus, the reliability an validity of the Loans Receivable Account for CY 2020 could not be determined due to absence of SLs/records to provide details and to support the GL account.</p> <p>In RWO V, verification revealed that the recorded Loans Receivable-Regular balance in the SFPo as of December 31, 2020 was P3,640,439.95 while the Schedules of the Loans receivable-Regular showed a total of P3,632,563.99, or a difference of P7,875.96. the inconsistencies in the figures could be attributed to the absence of SLs for said accounts, thus, the reliability and accuracy of the reported Loans Receivable-Regular as at year-end could not be ascertained.</p>	<p>Account.</p> <p>The Management of RWO CAR commented that adjustment were already included in the January 2020 General Journal, and also relayed that the AU is currently in the process of updating the said SLs.</p>					Implemented		RWO V maintains the subsidiary ledgers in compliance with the recommendation.															
12	<p><i>Cash Advances</i></p> <p><b>Unreconciled SL and GL balances of cash advances</b></p> <p>In RWO V, verification revealed that the totals in the Schedules of the Advances to Officers and Employees and Advances to Special Disbursing Officers (SDOs) did not tally with the amounts recorded in the GL and as reported in the FS, showing a difference of P165,366.12 and 131,536.32, respectively, as shown below:</p> <table><tr><th>Account</th><th>Balance per GL/FS (in Php)</th><th>Balance per Schedule (in Php)</th><th>Difference (in Php)</th></tr><tr><td>Advances to Officers and Employees</td><td>366,072.12</td><td>200,706.00</td><td>165,366.12</td></tr><tr><td>Advances to Special Disbursing Officers</td><td>758,824.68</td><td>890,361.00</td><td>(131,536.32)</td></tr><tr><td><b>Total</b></td><td><b>1,124,896.80</b></td><td><b>1,091,067.00</b></td><td><b>33,829.80</b></td></tr></table>	Account	Balance per GL/FS (in Php)	Balance per Schedule (in Php)	Difference (in Php)	Advances to Officers and Employees	366,072.12	200,706.00	165,366.12	Advances to Special Disbursing Officers	758,824.68	890,361.00	(131,536.32)	<b>Total</b>	<b>1,124,896.80</b>	<b>1,091,067.00</b>	<b>33,829.80</b>	<p>It was recommended and Management agreed to require the RWO V Accountant to:</p> <p>a. Issue demand letters to the concerned officers and employees to immediately liquidate their long overdue cash advances;</p> <p>b. Conduct reconciliation of the SL balances, if available, with the GL totals to have reliable balances of the accounts to be reported in the financial statements;</p> <p>c. Maintain properly SL for the</p>		ROCS / RWO V			<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully</p>	<p>Demand letters were issued on May 6, 2021</p> <p>SL Balances and GL Balance were reconciled</p> <p>Property SL is currently</p>
Account	Balance per GL/FS (in Php)	Balance per Schedule (in Php)	Difference (in Php)																					
Advances to Officers and Employees	366,072.12	200,706.00	165,366.12																					
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	Moreover, the liquidation of the cash advances for both accounts have been overdue ranging from two months to more than one year, contrary to above-cited regulations. Cash advances for local travel, seminars and other activities should be liquidated within 30 or 60 days after the activity has been completed depending on the purpose of the cash advance. It was noted also that a cash advance was granted to a Job Order employee, which is contrary to the regulations that only permanently appointed employees shall be designated as Disbursing Officers.	Advances to Officers and Employees and Advances to Special Disbursing Officers accounts; and  d. Henceforth, refrain from granting cash advances to a Job Order employee.					Implemented  Fully Implemented		maintained.  Cash Advances are not granted to Job Order Personnel pursuant to COA Circulars
13	<p><i>Inventories</i></p> <p>The applicable laws, rules and regulations concerning Inventories are as follows:</p> <p>Section 63 of PD No. 1445 provides that except as may otherwise be specifically provided by law or competent authority all moneys and property officially received by a public officer in any capacity or upon any occasion must be accounted for as government funds and government property. Government property shall be taken up in the books of the agency concerned at acquisition cost or an appraised value.</p> <p>Section 9, Chapter 8 of the GAM for NGAs, Volume I, states that: “the supplies and materials purchased for inventory purpose shall be recorded using the perpetual inventory system. The system requires</p>	<p>It was recommended that Management require:</p> <p>a. The Procurement and Property Management Division (PPMD) and AD to update regularly the SCs, SLCs, and ICSs in accordance with Section 17 Chapter 8 of GAM for NGAsS, Volume I; and</p>		Accounting Division  PPMD			Fully Implemented  Fully Implemented	The recording followed / implemented by PPMD is to update the SC after completion of delivery while	ACs are regularly updated in coordination with PPMD. ACs as of June 30, 2021 is submitted to COA in September 2021.  AFMO should meet with PPMD and Accounting Division to synchronize updating of SCs and SLCs.

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	<p><i>accounting records to show the amount of inventory on hand at all times through the maintenance of the Supplies Ledger Cards (SLC) (Appendix 57) by the Accounting Division/Unit and Stock Cards (SC) (Appendix 58) by the Supply and/or Property Division/Unit for each item in stock. Regular purchase shall be coursed through the inventory account and issues thereof shall be recorded as they take place except for supplies and materials purchased out of Petty Cash Fund (PCF) for immediate use or on emergency cases which shall be charged directly to the appropriate expense accounts.”</i></p> <p>Also, in the Instructions for RSMI (Appendix 64), Volume II of the GAM the following are to be done by the Supply and Accounting Unit:</p> <p>a. The RSMI is a form prepared daily by the Supply Unit to report/summarize all issues of inventories (by stock number) during the day.</p> <p>c. At the end of the month, all RSMIs shall be consolidated by the Accounting Division/Unit for the preparation of the JEV.</p> <p>Chapter 8 of GAM for NGAs, Volume I provides:</p> <p><b>Sec. 11. Accountability over Semi-expendable Property. Inventory Custodian Slip (ICS) (Appendix 59) shall be issued to end-user of Semi-expendable Property to establish accountability over them. Accountability shall be extinguished upon return of the item to the Property and Supply Division/Unit or in case of loss, upon approval of the relief from property accountability.</b></p>	<p>b. RWO CAR to maintain its SLCs and SCs.</p> <p>The Management commented as follows:</p> <table><tr><th>Office</th><th>Management Comment</th></tr><tr><td>OWW A-CO</td><td>Management informed that they will comply with the regular updating of the SCs and ICSs and coordinate with the AD in order to comply with the rules prescribed under Section 17, Chapter 9 of GAM for NGAs.</td></tr><tr><td>RWO-CAR</td><td>Management stated that they submitted on March 1, 2021, a complete RPCI as of December 31, 2020, on February 2, 2021; ICSs as of December 31, 2020; and RSMI as of February 2, 2021.</td></tr></table> <p>The Auditor’s Rejoinder:</p> <table><tr><th>Office</th><th>Management Comment</th></tr><tr><td>OWWA-CO</td><td>Management action is duly noted. The AT will monitor the compliance of Management on the recommendation.</td></tr><tr><td>RWO-CAR</td><td>The AT was not presented with the SLCs for the inventories. The AT still had to verify if the cost presented in the issuance of supplies were from the SLCs.</td></tr><tr><td></td><td>Also, the AT was not informed of the inventory count. A COA representative should be present as a witness in the inventory of property, including the semi-expendable property.</td></tr></table>	Office	Management Comment	OWW A-CO	Management informed that they will comply with the regular updating of the SCs and ICSs and coordinate with the AD in order to comply with the rules prescribed under Section 17, Chapter 9 of GAM for NGAs.	RWO-CAR	Management stated that they submitted on March 1, 2021, a complete RPCI as of December 31, 2020, on February 2, 2021; ICSs as of December 31, 2020; and RSMI as of February 2, 2021.	Office	Management Comment	OWWA-CO	Management action is duly noted. The AT will monitor the compliance of Management on the recommendation.	RWO-CAR	The AT was not presented with the SLCs for the inventories. The AT still had to verify if the cost presented in the issuance of supplies were from the SLCs.		Also, the AT was not informed of the inventory count. A COA representative should be present as a witness in the inventory of property, including the semi-expendable property.		RWO-CAR			Fully Implemented	AD updates the SLCs after payment.	It is already the practice of RWO-CAR to submit RSMI and SC’s as an attachment for the monthly expense of inventory to AT. Also, RWO CAR is inviting 1 COA member during the inspection of supplies and equipment being received.
Office	Management Comment																						
OWW A-CO	Management informed that they will comply with the regular updating of the SCs and ICSs and coordinate with the AD in order to comply with the rules prescribed under Section 17, Chapter 9 of GAM for NGAs.																						
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	<p>xxx</p> <p><b>Sec. 13. Inventory Accounting System.</b> X xx. Physical count/inventory, which is required semi-annually, is an indispensable procedure for checking the integrity of property custodianship.</p> <p>xxx</p> <p><b>Sec. 17. “Records, Forms and Reports to be prepared and/or maintained.</b> The following records, forms and reports are prescribed for use:</p> <p>b. <b>Stock Card (SC) (Appendix 58)</b> – 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.</p> <p>c. <b>Supplies Ledger Card (SLC) (Appendix 57)</b> – shall be used to record materials received, issued and the balance both in quantity and amount at any time. It shall be maintained by the Accounting Division/Unit for each kind of supplies and materials. The IAR, RIS, RSML, PO and DR serve as the original sources of information for making entries on the card.</p> <p>xxx</p> <p>i. <b>Report on the Physical Count of Inventories (RPCI) (Appendix 66)</b> – shall be used to report the physical count of supplies</p>								

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	<p><i>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.</i></p> <p>xxx</p> <p><i>I. <b>Inventory Custodian Slip (ICS) (Appendix 59)</b> – shall be prepared upon issue of semi-expendable property covered by approved RIS.</i></p> <p>Section 4, Chapter 10 of GAM for NGAs Volume I provides among others, that the capitalization threshold of P15,000.00 represents the minimum cost of an individual asset recognized as a PPE on the SFPO.</p> <p>Likewise, Appendix 66 of GAM for NGAs, Volume II states that the RPCI shall be submitted to the COA Auditor concerned not later than July 31 and January 31 of each year for the first and second semesters, respectively.</p> <p>The details of the deficiencies are as follows:</p> <p><b><i>Not updated Stock Cards (SCs), SLCs and Inventory Custodian Slips (ICSs) and non-inclusion of semi-expendable property as part of Inventory</i></b></p> <p>Audit in OWWA CO disclosed that the Report on Physical Count of Inventory (RPCI) and SCs of Office Supplies Inventory account revealed that the quantity per SC column presented in the RPCI is</p>								

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					From	To			
	<p>different from the quantity per SC of Office Supplies. This implies that either or both of the RPCI and SCs are not updated. There must also be a possible unaccounted inventory item. Thus, the accuracy of the balance of the Inventories account as of December 31, 2020 totalling P16,822,636.63 could not be established.</p> <p>Likewise, in RWO CAR, analysis revealed that the AU and the Supply Unit do not maintain the SLCs and SCs, respectively. The RSMI was submitted to the AU only in December 2020, thus, the issuance of inventory for the year was recorded only in that period. This precluded the agency from counterchecking and tracking the movement of its supplies. Further, the submitted RPCI as of December 31, 2020, was not a complete report because it did not include the Semi-expendable items.</p>								
14	<p><b><i>Office Supplies not recorded under Perpetual Inventory Method</i></b></p> <p>In RWO I, verification revealed that the RO used the Expense method of recording purchases of office supplies instead of the Perpetual Inventory Method as required in Section 9, Chapter 8, of the GAM for NGAs, Volume I. Purchases during the year totalling P1,163,739.06 were recorded by direct debit to Office Supplies Expense instead of Office Supplies Inventory account.</p> <p>Further, SLC and SC were maintained thru a database by the Accountant and Supply Officer, respectively, to record the receipts and issuances of inventories. However, the books of accounts do not</p>	<p>It was recommended and Management agreed to ensure compliance with Section 9, Chapter 8 of the GAM for NGAs, Volume I by directing the Accountant to adopt the Perpetual Inventory System in accounting of office supplies by recording regular purchases to the Office Supplies Inventory account and debiting Office Supplies Expense upon issuances.</p>		RWO I			Fully Implemented		<p>Complied the recommendation to record Office Supplies under Perpetual method.</p>

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	<p>reflect the actual movement of inventories because the office supplies were recorded immediately as expense.</p> <p>This practice resulted in lack of accounting control over the inventories and unreliable balance of the Office Supplies Inventory and related expense account in the FSs.</p>																										
15	<p><b><i>Unreconciled RPCI and book balances</i></b></p> <p>In RWO VIII, analysis disclosed that Office Supplies Inventory year-end balance of P198,963.19 represents unissued office supplies under the GAA Fund only, since those under the OWWA Fund were all issued to end-users as of year-end. However, said amount could not be relied upon due to understatement of P4,293.22 resulting from non-reconciliation with the RPCI as of December 31, 2020 and inaccuracies with other reports affecting the account, as provided below:</p> <table><tr><th>Particulars</th><th>Amount (in Php)</th></tr><tr><td>Office Supplies Inventory, Per Books as of Dec. 31, 2020</td><td>198,963.19</td></tr><tr><td>Balance per RPCI, Dec. 31, 2020</td><td>203,261.41</td></tr><tr><td>Difference/Variance</td><td>4,298.22</td></tr></table> <p>Review of the GLs on Office Supplies Inventory and related expense account disclosed that on the current year, the agency issued office supplies to end-users in the total amount of P203,314.14, as follows:</p> <table><tr><th rowspan="2">Particulars</th><th>GAA Fund</th><th>OWWA Fund</th><th>Total</th></tr><tr><th colspan="3">(in Php)</th></tr><tr><td>Beginning Balance, Jan. 1, 2020</td><td>-</td><td>165,203.87</td><td>165,203.87</td></tr></table>	Particulars	Amount (in Php)	Office Supplies Inventory, Per Books as of Dec. 31, 2020	198,963.19	Balance per RPCI, Dec. 31, 2020	203,261.41	Difference/Variance	4,298.22	Particulars	GAA Fund	OWWA Fund	Total	(in Php)			Beginning Balance, Jan. 1, 2020	-	165,203.87	165,203.87	<p>It was recommended and Management agreed to:</p> <p>a. Direct the Supply Officer and Accountant to reconcile the Office Supplies Inventory book balance as against physical count, and the latter to make the appropriate adjusting journal entries; and</p> <p>b. Require the Supply Officer-Designate to prepare RISS and RSMLs, and for the Accountant to recognize office supplies expenses on a monthly basis. Also, JEVs drawn to recognize issuances must always reconcile and be supported with the necessary documentation upon submission to the AT.</p>	RWO VIII			Fully Implemented		Reconciliation was done between accounting & supply officers and adjustment was prepared per JEV#2021-07-123.
Particulars	Amount (in Php)																										
Office Supplies Inventory, Per Books as of Dec. 31, 2020	198,963.19																										
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Difference/Variance	4,298.22																										
Particulars	GAA Fund	OWWA Fund	Total																								
	(in Php)																										
Beginning Balance, Jan. 1, 2020	-	165,203.87	165,203.87																								
						Fully Implemented		RISs and RSMLs were submitted to COA in 2020.																			



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							Action Plan	Person/Dept Responsible	Target Implementation Date												
									From				To								
	<table><tr><td>Additions during the year</td><td>235,578.46</td><td>6,495.00</td><td>242,073.46</td></tr><tr><td>Issuances during the year</td><td>36,615.27</td><td>171,698.87</td><td>208,314.14</td></tr><tr><td>Balance as of Dec. 31, 2020</td><td>198,963.19</td><td>-</td><td>198,963.19</td></tr></table> <p>It was noted that the amount P208,314.14 representing issued office supplies to end-users was recognized totally in JEV No. 2020-12-199 dated December 31, 2020. It has been the practice of the agency to record issued supplies, as well as to submit all RISs and RSMLs to the Audit Team, only once annually, at year-end contrary to the Appendix 64 of the GAM for NGAs, Volume II which requires monthly preparation of JEV for RSMLs.</p>	Additions during the year	235,578.46	6,495.00	242,073.46	Issuances during the year	36,615.27	171,698.87	208,314.14	Balance as of Dec. 31, 2020	198,963.19	-	198,963.19								
Additions during the year	235,578.46	6,495.00	242,073.46																		
Issuances during the year	36,615.27	171,698.87	208,314.14																		
Balance as of Dec. 31, 2020	198,963.19	-	198,963.19																		
16	<p><i>Property, Plant and Equipment (PPE)</i></p> <p>The applicable laws, rules and regulations concerning PPE are as follows:</p> <p>Section 38, Chapter 10 of the GAM for NGAs, Volume I provide that: <i>“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) as of 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 the station and losses discovered during the physical count shall be reported to the Accounting Division/Unit for proper accounting/recording.”</i></p>					<p>It was recommended and Management agreed to require the PPMD and AD to update regularly the PCs and PPELCs in compliance with Section 42 Chapter 10 of GAM for NGAs, Volume I.</p>		Accounting Division			Fully Implemented		<p>PPELCs are regularly updated in coordination with PPMD. PPELCs as of June 30, 2021 is submitted to COA in September 2021.</p> <p>Updated 1<sup>st</sup> of RPCPPE and PCs as of 30 June 2021 to be submitted upon completion of review by PPMD Chief.</p>								

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	<p>Section 42, Chapter 10 of GAM for NGAs Volume I provides that “<i>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, description, custody, estimated useful life, depreciation, impairment loss, disposal, and other information about the asset. 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 PPELC maintained by the AD/Unit. They shall also be reconciled with other property records like PAR.</i>”</p> <p>Instructions for RPCPPE (Appendix 73) of GAM for NGAs, Volume II, states that the RPCPPE shall be certified correct by the Inventory Committee Chair and Members, approved by the Head of Agency/Entity or his/her Authorized Representative, and verified by the COA Representative.</p> <p>COA Circular No. 2020-006 dated January 31, 2020 provides the guidelines and procedures in the conduct of physical count of PPE and states, among others:</p> <p>“5.6 Each government agency shall adopt a uniform property identification system for PPE wherein a unique Property Number shall be assigned for each PPE item, using the following numbering system: 0000-00-00-000-00 (Year purchased/ PPE sub-major account group/ GL Account/ Serial Number (one series per PPE</p>								

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	<p>category/type/location)/ Location or Office)</p> <p>The codes for the PPE sub-major account group and GL account correspond to those provided in the Revised Chart of Accounts prescribed under the Accounting Manuals of the respective Sectors (National, Local and Corporate).</p> <p>For easy identification, the Property Number shall be prominently shown in the property sticker, in addition to the following vital information on the PPE item; (a) Description of the property; (b) Model Number; (c) Serial Number; (d) Acquisition Date/Cost; (e) Person Accountable; and (f) Space for validation/signature of the Inventory Committee</p> <p>All PPE items counted shall be tagged with new property stickers containing the information provided under Paragraph 5.7 of this Circular.”</p> <p>Further, the IPSASs provides the standards for the proper presentation and valuation of accounts in the financial statements, which states that: “<i>IPSAS No. 1 – Presentation of Financial Statements: FS shall present fairly the financial position, financial performance, and cash flows pf an entity. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and other events, and recognition criteria for assets, liabilities, revenue, and expenses set out in IPSAS.</i>”</p> <p>Paragraph 3.26 of the Conceptual Framework of IPSAS provides that verifiability is the quality of information that helps assure users that information</p>								

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	<p>in the financial statements faithfully represents economic and other phenomena that it purports to represent. Supportability is sometimes used to describe this quality when applied in respect of explanatory information and prospective financial and non-financial quantitative information disclosed in the financial statements – that is, verifiability.</p> <p><b><i>Not updated Property Cards (PC) and Property, Plant and Equipment Ledger Card (PPELC)</i></b></p> <p>In OWWA CO, the PC and PPELC were not updated as of December 31, 2020. Query with the PPMD personnel revealed that they are on the process of updating the preparation of PCs of the PPE items procured in CY 2020. The PPMD personnel also disclosed that the delay of updating the PCs was due to identification and classification of the procured items as PPEs or Semi-expendable Equipment. Furthermore, alternative work arrangement and frequent lockdowns resulted to lack of personnel and workforce. Similarly, the PPELC prepared by the AD is not updated as the personnel assigned tested positive for COVID-19 and unfortunately died due to the said disease, thus two required documents could not be reconciled for audit purposes.</p> <p>Table below shows the 2020 procurements that are in the progress of preparation of PCs and PPELCs:</p> <table><tr><th>No.</th><th>Name of Procurement</th><th>Contract Price (in Php)</th><th>Name of Supplier / Contractor</th></tr><tr><td>1</td><td>Negotiated Procurement (Two-Failed Biddings) for the Supply and</td><td>1,473,000.00</td><td>Nissan Commonwealth, Inc.</td></tr></table>	No.	Name of Procurement	Contract Price (in Php)	Name of Supplier / Contractor	1	Negotiated Procurement (Two-Failed Biddings) for the Supply and	1,473,000.00	Nissan Commonwealth, Inc.							
No.	Name of Procurement	Contract Price (in Php)	Name of Supplier / Contractor													
1	Negotiated Procurement (Two-Failed Biddings) for the Supply and	1,473,000.00	Nissan Commonwealth, Inc.													

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									From	To																		
		Delivery of 1 Unit Motor Vehicle																										
	2	Re-bidding for the Supply and Delivery of Various Consumables for 4 <sup>th</sup> Quarter for CY 2019 (Lot 1 – Canon and Epson Brands)	491,775.00	Integrated Computer Systems. Inc.																								
	3	Re-bidding for the Supply and Delivery of Various Consumables for 4 <sup>th</sup> Quarter for CY 2019 (Lot 2 – Hp Brand)	784,825.00	Accessories and Supplies Depot, Inc.																								
	4	6 Unit Laptop and 15 Units Desktop	248,352.00 635,856.00	Procurement Service																								
	5	1 Lot – Supply, Delivery and Installation of Air-Conditioning Units	1,074,500.00	Super-Aire Refrigeration and Contractors, Inc.																								
	Total		4,708,308.00																									
17	<b><i>Laxity in the preparation/maintenance of lapsing schedule for PPE</i></b>  Lapsing schedule is a spreadsheet that lists the purchase date, depreciation, and other accounting actions such as additional acquisitions and disposition related to a fixed asset. The intent of the schedule is to show the rate at which the book value of a fixed asset declines over time. In RWO NCR, the AT requested the submission of lapsing schedule as reference in audit, however, the accounting failed to provide the schedule.					It was recommended and Management of RWO NCR agreed to direct the Accounting Unit to maintain a lapsing schedule for all PPE items to facilitate the computation of Depreciation Expense.		RWO NCR			Fully Implemented		RWO-NCR will maintain a lapsing schedule for all PPE items effective CY 2021.															
18	<b><i>Unreconciled RPCPPE and book balances</i></b>  Review of submitted reports of the RWO IV-B revealed a net variance of P274,359.62 in the cost of PPE in the books of accounts and the RPCPPE, as shown: <table><tr><th rowspan="2">Accounts</th><th colspan="3">COST</th></tr><tr><th>Per Book</th><th>Per RPCPPE</th><th>Variance</th></tr><tr><td colspan="4">(in Php)</td></tr><tr><td>Office Equipment</td><td>476,620.00</td><td>234,130.00</td><td>242,490.00</td></tr></table>					Accounts	COST			Per Book	Per RPCPPE	Variance	(in Php)				Office Equipment	476,620.00	234,130.00	242,490.00	It was recommended that the Accountant and the Inventory Committee of RWO IV-B to coordinate with each other to reconcile their respective reports to ensure correctness and reliability of the amounts stated therein.		RWO IV-B			Fully Implemented		Inventory committee was reconstituted and coordinated with designated accountant.
Accounts	COST																											
	Per Book	Per RPCPPE	Variance																									
(in Php)																												
Office Equipment	476,620.00	234,130.00	242,490.00																									

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									From				To
	Furniture and Fixtures	388,344.00	826,837.48	(438,493.48)									
	IT Equipment and Software	1,270,820.00	1,352,150.00	(81,330.00)									
	Other Machinery and Equipment	76,503.00	90,303.00	(13,800.00)									
	Motor Vehicles	1,775,000.00	1,775,000.00	-									
	Other PPE	19,499.75	-	19,499.75									
	Other Assets	26,261.86	28,987.75	(2,725.89)									
	Total/Net Variance	4,033,048.61	4,307,408.23	(274,359.62)									
	The failure of the Accountant and the Inventory Committee to conduct reconciliation of their respective reports which resulted to a net variance of P274,359.62 and the inclusion of PPE items that do not meet the capitalization threshold in the RPCPPE casted doubt in the accuracy, completeness, and existence of the reported PPE in the agency books.												
19	<b>Failure to issue Property Acknowledgement Receipt (PAR)</b>  Further, verification of reports in RWO IV-B revealed that the reported PPEs were already issued to the Accountable Officers (AOs) however, PARs were not issued. According to the Acting Property Officer, PARs were already prepared but were not yet signed by the AOs hence, accountabilities over the properties are not properly established.					It was recommended and Management agreed to issue PARs to AOs to conform with the provisions of GAM for NGAs, Volume I and COA Circular No. 2020-006 dated January 31, 2020.		RWO IV-B		Fully Implemented		PARs were issued to organic personnel in February 2021.	
20	<b>Liabilities</b>  The applicable laws, rules and regulations concerning Payables are as follows:  Sections 4(6) and (7) of PD No. 1445 states that “Claims against government funds shall be supported with complete documentation” and “All					It was recommended that Management instruct the Chief Accountant to review and analyze the transactions surrounding the incurrence of the negative balances of liability accounts so		Central Office  <					

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					From	To			
	<p><i>laws and regulations applicable to financial transactions shall be faithfully adhered to.”</i></p> <p>Sections 59 and 98 of PD NO. 1445 also reiterates the following regarding the Accounts Payable, for easy reference, quoted herein:</p> <p>“<b>Section 59. Audit of liabilities.</b> In his audit of liabilities, the auditor shall seek to established that all obligations of the agency have been accurately recorded; only bonafide obligations of the agency have been included; the obligations incurred are properly authorized; all provisions of trust indentures or mortgages are complied with; and mortgages and other encumbrances are fully disclosed.</p> <p><b>Section 98. Reversion of unliquidated balances of accounts payable.</b> The Commission, upon notice to the head of agency concerned, may revert to the unappropriated surplus of the general fund of the national government, any unliquidated balance of accounts payable in the books of the national government, which has been outstanding for two years or more and against which no actual claim, administrative or judicial, has been filed or which is not covered by perfected contracts on record. This section shall not apply to unliquidated balances of accounts payable in trust funds as long as the purposes for which the funds were created have not been accomplished.</p> <p>Section 37, Chapter 2 of the GAM, Volume I provide, among others that: <i>“no obligation shall be</i></p>	that appropriate adjustments can be made in the books to eliminate the abnormal balances.						books pertains to the WFC collections. Monthly collections are being transferred to Head Office under Capital Fund with corresponding journal entry – Debit – Due to Head Office (Intra-Agency Payables) and Credit – Cash in Bank WFC. This reciprocal account will be adjusted with Head Office books upon reconciliation, usually at the end of the year or upon closing of the books.	accounts with our Accounting Division in head office in order to adjust our negative balances in the Financial Statements.

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					From	To										
	<p><i>certified to accounts payable unless the obligation is founded on a valid claim that is properly supported by sufficient evidence and unless there is properly supported by sufficient evidence and unless there is proper authority for its incurrence. Any certification for a non-existent of fictitious obligation and/or creditor shall be considered void. The certifying official shall be dismissed from the service, without prejudice to criminal prosecution under the provisions of the Revised Penal Code. Any payment made under such certification shall be illegal and every official authorizing or making such payment, or taking part therein or receiving such payment, shall be jointly and severally liable to the government for the full amount so paid or received.”</i></p> <p>COA Circular No. 97-001 dated February 5, 1997 provides the guidelines on the proper disposition/closure of dormant funds and/or accounts of NGAs and failure of the officials/employees concerned to comply thereof shall subject to administrative disciplinary action in accordance with the provisions of Section 122 (2), Chapter 3, Title III, PD No. 1445 and Section 55, Chapter 10, Sub-title I-B, Book V of EO No. 292, series of 1987, of the Revised Administrative Code of the Philippines.</p> <p>Section 13, Chapter 2 of GAM for NGAs, Volume I provides that the books of accounts shall be maintained by fund cluster as follows:</p> <table><tr><th>Code</th><th>Agency</th></tr><tr><td>01</td><td>Regular Agency Fund</td></tr><tr><td>02</td><td>Foreign Assisted projects Fund</td></tr><tr><td>03</td><td>Special Account-Locally Funded/Domestic Grants Fund</td></tr></table>	Code	Agency	01	Regular Agency Fund	02	Foreign Assisted projects Fund	03	Special Account-Locally Funded/Domestic Grants Fund							
Code	Agency															
01	Regular Agency Fund															
02	Foreign Assisted projects Fund															
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	<table><tr><td>04</td><td>Special Account-Foreign Assisted/Foreign Grants Fund</td></tr><tr><td>05</td><td>Internally Generated Funds</td></tr><tr><td>06</td><td>Business Related Funds</td></tr><tr><td>07</td><td>Trust Receipts</td></tr></table> <p>In addition, Appendix 5 of the GAM, Volume II, provides the instructions to be followed by the Accountant on the maintenance of the GL as follows:</p> <p>“This ledger summarizes all transactions recorded in the GJ and special journal (e.g. CRJ, CDJ, CkDJ, etc.) maintained in the Accounting Division/Unit. The ledger sheet is arranged in the same order or sequence of the accounts appearing in the RCA. Postings to this ledger shall come directly from the General and Special Journals.</p> <p>At the end of the fiscal year, each account shall be ruled and closed. All totals shall be written legibly in ink and the balance of the real account carried forward as the opening balance of the new GL for the next fiscal year.”</p> <p><b><i>Existence of negative balances</i></b></p> <p>In OWWA-CO, analysis revealed that the details of Due to Other Funds- PFI Loan and Due to Other Funds- AIG Insurance totalling P3,739,708.16 showed an inclusion of negative balances totalling P601,578.97 as follows:</p> <table><tr><th colspan="2">Account</th><th colspan="4">Composition</th><th rowspan="2">Balance per FS</th></tr><tr><th></th><th></th><th>Secretariat Fund*</th><th>Regular Fund</th><th>Total Negative Balance</th><th>Dollar Fund</th></tr><tr><td colspan="7">(in Php)</td></tr><tr><td>Due</td><td>to</td><td>(230,458.31</td><td>(7,301.09)</td><td>(237,759.40</td><td>-</td><td>(237,759.40</td></tr></table>	04	Special Account-Foreign Assisted/Foreign Grants Fund	05	Internally Generated Funds	06	Business Related Funds	07	Trust Receipts	Account		Composition				Balance per FS			Secretariat Fund*	Regular Fund	Total Negative Balance	Dollar Fund	(in Php)							Due	to	(230,458.31	(7,301.09)	(237,759.40	-	(237,759.40							
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Due	to	(230,458.31	(7,301.09)	(237,759.40	-	(237,759.40																																					

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	<table><tr><td>Other Funds- PFI Loan</td><td>)</td><td>)</td><td>)</td><td>)</td><td>)</td></tr><tr><td>Due to Other Funds- AIG Insurance</td><td>(363,819.57)</td><td>(363,819.57)</td><td>4,341,287.13</td><td>3,997,467.56</td><td></td></tr><tr><td>TOTAL</td><td>(594,277.88)</td><td>(7,301.09)</td><td>(601,578.97)</td><td>4,341,287.13</td><td>3,739,708.16</td></tr></table> <p><i>*Secretariat Fund and Dollar Fund are both maintained for the Internally Generated Fund of OWWA</i></p> <p>The negative balance of the Due to Other Funds – AIG Insurance is presented since 2016 in the detailed SFPo of Secretariat Fund, while the Due to Other Funds – PFI Loan became negative in CY 2018 from a positive balance of P988,343.39 as of December 31, 2017.</p> <p>While in RWO III, evaluation of the Accounts Payable account disclosed the abnormal/negative balance on its books which pertains to Intra-Agency Payables-Welfare Fund Contribution (WFC) totalling (P9,992,048.04).</p> <p>The above negative balances of Liabilities account affected the fair presentation of the FS.</p>	Other Funds- PFI Loan	)	)	)	)	)	Due to Other Funds- AIG Insurance	(363,819.57)	(363,819.57)	4,341,287.13	3,997,467.56		TOTAL	(594,277.88)	(7,301.09)	(601,578.97)	4,341,287.13	3,739,708.16									
Other Funds- PFI Loan	)	)	)	)	)																							
Due to Other Funds- AIG Insurance	(363,819.57)	(363,819.57)	4,341,287.13	3,997,467.56																								
TOTAL	(594,277.88)	(7,301.09)	(601,578.97)	4,341,287.13	3,739,708.16																							
21	<p><b><i>Disbursements not supported with complete documentation</i></b></p> <p>In OWWA CO, audit revealed that no documents to support OWWA’s indebtedness and supporting list of creditors with the nature of the liabilities to facilitate the review and analysis of the individual account.</p> <p>As provided in COA Circular No. 2020-001 dated January 8, 2020, the Due to Other Funds should only be used if there is a transfer from other funds and/or payables to other funds that is within the fund clusters maintained by the OWWA-CO.</p>						<p>It was recommended that Management require the Chief Accountant to determine the nature of the Due to Other Funds totalling P24,255,616.54 and prepare adjusting entry to record it in its appropriate Liability account and the concerned RWO officials to direct the Accounting Unit of RWOs CAR, III and VI to provide supporting documents</p>		Central Office		Dec. 31, 2021	On-going		Review and analysis are being done and necessary adjustments will be prepared.														
								RWO CAR				On-going		Due to the pandemic, LGUs strengthen their protocols including age limitation where 17 years old and below are restricted hence there are those who still cannot acquire said														

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	<p>However, as shown in the details of Intra-Agency Payables, it includes those that are explicitly not coming from Funds maintained by OWWA as follows:</p> <table><tr><th>Account</th><th>Amount (in Php)</th></tr><tr><td>Due to Other Funds- PFI Premium</td><td>1,008,834.90</td></tr><tr><td>Due to Other Funds- PFI Loan</td><td>(237,759.40)</td></tr><tr><td>Due to Other Funds- Welfare Fund Employees Association (WEA)</td><td>672,940.22</td></tr><tr><td>Due to Other Funds- AIG Insurance</td><td>3,977,467.56</td></tr><tr><td>Due to Other Funds- UNICEF</td><td>1,374,635.68</td></tr><tr><td>Due to Other Funds- UNDP</td><td>1,634,325.10</td></tr><tr><td>Due to Other Funds- Microsoft</td><td>2,138,265.71</td></tr><tr><td>Due to Other Funds- Medicare</td><td>13,686,906.77</td></tr><tr><td><b>Total</b></td><td><b>24,255,616.54</b></td></tr></table> <p>In RWO CAR, review of OFW-Dependent's Scholarship Program (DSP) payments in December 2020 totalling P570,000.00 revealed that the Disbursement Vouchers (DVs) were not supported with the required documentation, particularly the Medical certificate/Clearance from Department of Health (DOH) accredited hospital/clinic/center for initial claim as required in the Manual on the Implementation of Scholarship Program for the OFW-DSP issued under OWWA MOI No. 012, Series of 2019, thereby indicating lapses in internal control over the Agency's disbursements.</p> <p>While in RWO III, it was noted that due to non-submission of the Schedule of Accounts Payable (SAP) (Appendix 54 of the GAM for NGAs, Volume II), the actual aging of Accounts Payable could not be determined. Valid claims could not be established due to absence of valid documents showing proof of actual claims such as perfected contract or valid obligation.</p>	Account	Amount (in Php)	Due to Other Funds- PFI Premium	1,008,834.90	Due to Other Funds- PFI Loan	(237,759.40)	Due to Other Funds- Welfare Fund Employees Association (WEA)	672,940.22	Due to Other Funds- AIG Insurance	3,977,467.56	Due to Other Funds- UNICEF	1,374,635.68	Due to Other Funds- UNDP	1,634,325.10	Due to Other Funds- Microsoft	2,138,265.71	Due to Other Funds- Medicare	13,686,906.77	<b>Total</b>	<b>24,255,616.54</b>	<p>pertaining to the payables of the agency to substantiate the claim.</p> <p>The Management commented as follows:</p> <p><u>RWO CAR</u></p> <p>Management reasoned that the submission of the medical certificate as required in the MOI, was not complied with because of the pandemic. But they agreed with the recommendation that in the succeeding payments, all requirements will be attached to the DVs.</p> <p><u>RWO VI</u></p> <p>During the exit conference, Management presented the Original DVs and supporting documents of several transactions subject of the audit observations, in partial compliance of the recommendations.</p>		RWO III			On-going	Currently, RWO III accounting section has only 2 personnel (1 Accountant and 1 JO). Due to the onset of pandemic last March 2020 and with eventual repatriations of OFWs arriving at Clark and Subic International Airport, the vouchers that we are processing have been doubled in quantity. The Accounting Staff needs to prioritize the processing of vouchers for	<p>document. However, we are still encouraging the submission of the medical certificate. Follow-ups are being made for those scholars to comply. Further, a communication was sent to Central Office for possible review or amendment of the MOI regarding the requirements.</p> <p>The Management will assign additional JO personnel in the accounting section in order to help update the Schedule of Accounts Payable.</p>
Account	Amount (in Php)																												
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	<p>Also in RWO VI, analysis of the Accounts Payable as of December 31, 2020, disclosed that P145,300.00 remained outstanding for more than two years. Interview with the Agency Accountant disclosed that the amount was not released to the beneficiaries of the SESP due to incomplete documentary requirements.</p> <p>Moreover, disbursements totalling P48,003,694.38 were unsubstantiated by sufficient documents.</p>			RWO VI	July 2021	Dec 2021	On-going	emergency repatriations and various programs thus they do not have enough time to update our Schedule of Accounts Payable.	<p>For P145,300.00 Accounts Payable, we are on process of tracing and understanding the entries made by the previous Accountant to ensure the correctness of adjusting entries.</p> <p>The lacking documents of this P48,003,694.38 are disbursements of Bacolod Satellite Operations. The Management have partially submitted the documents. RWO VI are still waiting for the transmission of Bacolod Office of the remaining documents.</p>
	<i>Dormant and non-moving Loans receivable accounts which remained outstanding for over two years to more than 30 years</i>								

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					From	To																				
22	<p><b><i>Dormant Loans Receivables</i></b></p> <p>The OWWA extended cash loans to member OFWs and their families under several loan programs. These are as follows:</p> <table><tr><th>Type of Loan</th><th>Purpose and Nature of the Loan</th><th>Enabling Law/ OWWA Memorandum of Instruction (MOI)</th></tr><tr><td>6..Filipino Expatriate Livelihood Support Fund (FELSF)</td><td>For displaced OFWs due to global economic crisis. This is a non-collateral loan in the maximum amount of P50,000 per borrower, with an interest of five percent per annum, payable in 24 months, with 90 days grace period.</td><td>MOI No. 001 series of 2009 dated January 12, 2009</td></tr><tr><td>6..Calamity Loan Program (CLP)</td><td>For OFWs and family members affected by the calamities that struck the NCR, Region III ad Region IV-A in 2009. The maximum loan amount is P10,000, non-interest and payable within 24 months with 120 days grace period.</td><td>MOI No. 008, series of 2009 dated September 29, 2009</td></tr><tr><td>6..Special Loan</td><td>Intended to 22 OFWs who were displaced from their jobs in the United Arab Emirates. It is a non-interest loan of P8,000 each, payable in full or in four instalments, six months after its release.</td><td>MOI No. 004 series of 2009 dated May 13, 2009</td></tr><tr><td>6. Special Loan Assistance Program for Mohammad AL Mojil Group – Overseas Filipino Workers (SLAP-MMG-OFWs)</td><td>A non-interest-bearing loan exclusively for MMG-OFWs who have unpaid salaries and end of service benefits when the company retrenched, provided that the name of the OFW and his claim is included in the Department of Foreign Affairs (DFA) certification. Each OFW can avail of a loan of P50,000 or 10 percent of his verified money claim whichever is higher, while waiting for the resolution of the case by the Saudi Arabia Labor Court. The OWWA shall be assisted by the DFA in the collection of loan repayments.</td><td>MOI No. 24, series of 2017 dated September 29, 2017</td></tr><tr><td>5.Special Financial Loan Assistance Program for</td><td>A non-interest-bearing loan exclusively for SOL-OFWs who have unpaid salaries and end of service benefits when the</td><td>MOI No. 031 series of 2017 dated December 15, 2017</td></tr></table>	Type of Loan	Purpose and Nature of the Loan	Enabling Law/ OWWA Memorandum of Instruction (MOI)	6..Filipino Expatriate Livelihood Support Fund (FELSF)	For displaced OFWs due to global economic crisis. This is a non-collateral loan in the maximum amount of P50,000 per borrower, with an interest of five percent per annum, payable in 24 months, with 90 days grace period.	MOI No. 001 series of 2009 dated January 12, 2009	6..Calamity Loan Program (CLP)	For OFWs and family members affected by the calamities that struck the NCR, Region III ad Region IV-A in 2009. The maximum loan amount is P10,000, non-interest and payable within 24 months with 120 days grace period.	MOI No. 008, series of 2009 dated September 29, 2009	6..Special Loan	Intended to 22 OFWs who were displaced from their jobs in the United Arab Emirates. It is a non-interest loan of P8,000 each, payable in full or in four instalments, six months after its release.	MOI No. 004 series of 2009 dated May 13, 2009	6. Special Loan Assistance Program for Mohammad AL Mojil Group – Overseas Filipino Workers (SLAP-MMG-OFWs)	A non-interest-bearing loan exclusively for MMG-OFWs who have unpaid salaries and end of service benefits when the company retrenched, provided that the name of the OFW and his claim is included in the Department of Foreign Affairs (DFA) certification. Each OFW can avail of a loan of P50,000 or 10 percent of his verified money claim whichever is higher, while waiting for the resolution of the case by the Saudi Arabia Labor Court. The OWWA shall be assisted by the DFA in the collection of loan repayments.	MOI No. 24, series of 2017 dated September 29, 2017	5.Special Financial Loan Assistance Program for	A non-interest-bearing loan exclusively for SOL-OFWs who have unpaid salaries and end of service benefits when the	MOI No. 031 series of 2017 dated December 15, 2017	<p>It was recommended that the Management require the concerned RWOs to:</p> <p>a. Intensify the collection of the Loans Receivable by employing an efficient collection mechanism and regular monitoring of the loan accounts;</p> <p>b. Exert more effort to locate the OFW debtors and coordinate with other government agencies like the Commission on Election to trace the whereabouts of the OFWs;</p> <p>c. Coordinate with the OWWA-CO as to the status of action by their Legal Office for loans granted and for assistance from the DFA on the status of cases pending in the Kingdom of Saudi Arabia Tribunal and the collection of SFLAP Loans as stated in the MOI;</p> <p>d. Require the Accountant to make a detailed assessment of the possible</p>		RWO NCR			On-going	<p>The NCR has already coordinated with NBI, PSA and COMELEC to help in reaching the OFWs though it is yet to receive a reply.</p> <p>RWO CAR initiated the sending of demand / collection letter to loan borrowers for possible collection.</p> <p>Letters were previously sent to OFWs (FELSF) and OFW groups (Groceria) collecting and reminding them of their long overdue loans.</p> <p>FWOs were instructed to follow-up collection.</p> <p>RWO V has partially submitted a write-off request to COA.</p> <p>Region VI has sent demand letters many times to the borrowers but the collections received oftentimes lower than the mailing expenses incurred.</p>
Type of Loan	Purpose and Nature of the Loan	Enabling Law/ OWWA Memorandum of Instruction (MOI)																								
6..Filipino Expatriate Livelihood Support Fund (FELSF)	For displaced OFWs due to global economic crisis. This is a non-collateral loan in the maximum amount of P50,000 per borrower, with an interest of five percent per annum, payable in 24 months, with 90 days grace period.	MOI No. 001 series of 2009 dated January 12, 2009																								
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5.Special Financial Loan Assistance Program for	A non-interest-bearing loan exclusively for SOL-OFWs who have unpaid salaries and end of service benefits when the	MOI No. 031 series of 2017 dated December 15, 2017																								
				RWO CAR			On-going																			
				RWO IV-B			Fully Implemented																			
				RWO V			Partially Implemented																			
				RWO VI			On-going																			

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	<div><div>Saudi Oger, Ltd. – Overseas Filipino Workers (SLAP-SOL-OFWs)</div><div>company retrenched them, provided that the name of the OFW and his claim is included in the DFA certification. Each OFW can avail of a loan of P50,000 or 10 percent of his verified money claim whichever is higher, while waiting for the resolution of the case by the Saudi Arabia Labor Court. The OWWA shall be assisted by the DFA in the collection of loan repayments.</div><div></div></div> <div>Audit of the Loans Receivable account revealed that a total of P138,888,472.33 remained dormant and/or non-moving for over two to more than 30 years, details as follows:</div> <table><tr><th>Office</th><th>Loan Granted</th><th>Amount of Loan Receivable (In Php)</th><th>Outstanding for:</th></tr><tr><td rowspan="6">NCR</td><td>Groceria</td><td>2,312,302.93</td><td>Over three to 12 years</td></tr><tr><td>FELSF</td><td>28,955,827.35</td><td>Over three to 12 years</td></tr><tr><td>CLP</td><td>37,025,363.50</td><td>Over three to 12 years</td></tr><tr><td>SLAP</td><td>126,500.00</td><td>Over three to 12 years</td></tr><tr><td>SLAP-MMG-OFWs</td><td>1,693,120.84</td><td>Over three to 12 years</td></tr><tr><td>SLAP SOL-OFWs</td><td>6,507,103.78</td><td>Over three to 12 years</td></tr><tr><td colspan="2">Subtotal for NCR</td><td>76,620,218.40</td><td></td></tr><tr><td>RWO CAR</td><td>Educational Loan Development Program (EDLP)</td><td>10,358,499.79</td><td>Over 10 years</td></tr><tr><td colspan="2">Subtotal for RWO CAR</td><td>10,358,499.79</td><td></td></tr><tr><td>RWO IV-B</td><td>Groceria</td><td>474,585.02</td><td>Over 10 years</td></tr><tr><td></td><td>FELSF</td><td>8,170,972.45</td><td>Over 10 years</td></tr><tr><td colspan="2">Subtotal for RWO IV-B</td><td>8,645,557.47</td><td></td></tr><tr><td rowspan="4">RWO V</td><td>Loan Dev't Program for OFWs (LDPO)</td><td>1,494,473.07</td><td>15 years to more than 18 years</td></tr><tr><td>Expanded Livelihood Program (ELP) – Small</td><td>932,535.11</td><td>19 years to more than 27 years</td></tr><tr><td>ELP – Micro</td><td>345,487.84</td><td>22 years to more than 27 years</td></tr><tr><td>Family Assistance Loan (FAL)</td><td>131,854.43</td><td>16 years to more than 28 years</td></tr></table>	Office	Loan Granted	Amount of Loan Receivable (In Php)	Outstanding for:	NCR	Groceria	2,312,302.93	Over three to 12 years	FELSF	28,955,827.35	Over three to 12 years	CLP	37,025,363.50	Over three to 12 years	SLAP	126,500.00	Over three to 12 years	SLAP-MMG-OFWs	1,693,120.84	Over three to 12 years	SLAP SOL-OFWs	6,507,103.78	Over three to 12 years	Subtotal for NCR		76,620,218.40		RWO CAR	Educational Loan Development Program (EDLP)	10,358,499.79	Over 10 years	Subtotal for RWO CAR		10,358,499.79		RWO IV-B	Groceria	474,585.02	Over 10 years		FELSF	8,170,972.45	Over 10 years	Subtotal for RWO IV-B		8,645,557.47		RWO V	Loan Dev't Program for OFWs (LDPO)	1,494,473.07	15 years to more than 18 years	Expanded Livelihood Program (ELP) – Small	932,535.11	19 years to more than 27 years	ELP – Micro	345,487.84	22 years to more than 27 years	Family Assistance Loan (FAL)	131,854.43	16 years to more than 28 years	<div>collectability/settlement of the Loans receivables account pursuant to Sections 6.1 and 7.1 of COA Circular No. 2016-005; and</div> <div>e. Expedite the evaluation and reconciliation of all overdue accounts to determine the proper disposition and request authority to write off, if warranted, pursuant to the provisions of COA Circular No. 2016-005 dated December 19, 2016.</div> <div>The Management commented as follows:</div> <div>RWO IV-B</div> <div>Management stated that they have already initiated actions regarding long overdue loans because the accumulation of dormant receivables is not only the concern of RWO IV-B but is the problem of all RWOs.</div> <div>RWO V</div> <div>The Office informed that they will comply with the audit recommendations and will coordinate with the previously in-</div>		RWOXIII			On-going		<div>The Management is planning to make coordination with the Central Office and Other Regions for the setting up of the guidelines and proper authorization for the Writing Off of the Bad Debts Accounts.</div> <div>The Administrative Division is now preparing demand letters to be sent to borrowing member-OFWs. After all efforts will be exerted and still if no collections received then the regional office will ask for write-off.</div>
Office	Loan Granted	Amount of Loan Receivable (In Php)	Outstanding for:																																																																		
NCR	Groceria	2,312,302.93	Over three to 12 years																																																																		
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								From				To
		Re-Entry (Non-Collateral)	286,838.78	16 years to more than 28 years	charge personnel of the loans.  <u>RWO VI</u>  During the exit conference, Management explained that efforts had been exerted to collect the receivables and the willingness of the recipients to pay but considering the penalties and interests, which tripled the value of the payable amounts, debtors had communicated their inability to pay off their loans.  Further, Management informed that OWWA, in the past, had already created Task Force SIYASAT, for the collection of loans especially those covered with land titles as loan collateral. Accordingly, initial steps had already been undertaken by the task force for the foreclosure of loan collaterals and with the land titles submitted to the CO. however, such initiative had ceased and the planned application of the collateral to loans did not materialize.  Finally, Management committed that analysis and assessment of dormant receivables be made during the Second Semester of							
		Reproem-Centralized	74,654.00	27 years to more than 30 years								
		Reporem-Decentralized	87,992.38	More than 22 years								
		Groceria Project	278,728.37	11 years to more than 14 years								
		FELSF	13,053,154.04	Over 10 years								
		<b>Subtotal for RWO V</b>	<b>16,685,718.02</b>									
	RWO VI	FELSF	11,067,519.94	Over 3 years								
		Groceria Project	809,587.58	Over 3 years								
		Enterprise Loan Fund (ELF) – LDPO	648,965.13	Over 3 years								
		Expanded Livelihood Fund	272,150.93	Over 3 years								
		LDPO	244,402.45	Over 3 years								
		Expanded Development and Loan Program – Collateralized Loan Program – Family Assistance Loan	1135,837.85	Over 3 years								
		Integrated Return Program for OCWs	73,639.03	Over 10 years								
		Unreconciled amount since December 31, 2018 (with AOM 2021-003 dated March 25, 2021)	1,730,755.64	Over 2 years								
		<b>Subtotal for RWO VI</b>	<b>14,982,858.55</b>									
	RWO XIII	Groceria	6,399,203.86	Over 10 years								
		FELSF	5,196,416.24	Over 10 years								
		<b>Subtotal for RWO XIII</b>	<b>11,595,620.10</b>									
		<b>Total</b>	<b>138,888,472.33</b>									
	In NCR, review of the Loans Receivable account revealed that the P76,620,218.40 remained outstanding for a period of more than three to 12 years.											
	While, in RWO CAR, out of the P18,957,418.80 loans receivable as of December 31, 2020, only											

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	<p>1.17 percent or P222,470.08 were collected and the amount of P10,358,499.79 remained unsettled and outstanding in the books for ten years or more with a remote possibility of collection. Further, no collections were received from SFLAP since the time that the loans were granted in 2018.</p> <p>In RWO IV-B, analysis disclosed that the very minimal collection of loans receivables was due to lack of pertinent information/data necessary like addresses in sending collection/demand letters to the debtor beneficiaries, while come of the debtors assumed that the loans were dole-outs from the government.</p> <p>Meanwhile, in RWO V, evaluation disclosed that the RWO failed to submit the required supporting documents to the request for write-off of the Loans Receivable-FELSF.</p> <p>In RWO VI, it was noted that the total amount of P14,982,858.55 pertained to loans receivable balances which are non-moving and without collections for more than two to 10 years. Upon inquiry, the Accountant explained that collection efforts were hampered due to lack of personnel considering that personnel were exacerbated because of the COVID-19 pandemic. Further, the Accountant echoed sentiments of Management as to the collectability of these accounts.</p> <p>In RWO XIII, verification disclosed that Loans Receivable accounts as presented in the SFPo showed a total balance of P13,333,134.99. of this amount, a total of P11,595,620.10 are past due</p>	<p>CY 2021.</p> <p><u>RWO XIII</u></p> <p>Agreed to comply with the recommendation.</p> <p>The Auditor of RWO V responded that they will monitor the compliance to the recommendations, while the AT of RWO VI suggested to follow-up on the status of the collaterals for Loans submitted to the CO as well as the application and/or foreclosure of these collaterals. Moreover, Management may revisit the mentioned interests and penalties applied to the subject loan balances and develop the corresponding Agency action plan.</p>							



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			Action Plan	Person/Dept Responsible	Target Implementation Date																					
					From	To																				
	accounts which represent receivables arising from loans released to member-OFW borrowers under OFW Groceria Project, and FELSF which have been dormant for 10 to 13 years.																									
23	<p><b><i>Dormant Receivables Accounts</i></b></p> <p>Analysis of the Receivables account of OWWA-CO as of December 31, 2020 disclosed that the following are non-moving for at least three years as follows:</p> <table><tr><th rowspan="2">Accounts</th><th rowspan="2">Balance as of Dec 31, 2020 (in Php)</th><th colspan="2">Aging</th></tr><tr><th>3 years and above (in Php)</th><th>Over 10 years</th></tr><tr><td>Interests Receivable</td><td>2,325,214.22</td><td>2,325,214.22</td><td></td></tr><tr><td>Due from Government Corporations – National Livelihood Support Fund (NLSF)</td><td>7,297,177.22</td><td>7,297,177.22</td><td></td></tr><tr><td>Due from NGAs</td><td>116,615,612.61</td><td>1,989,622.69</td><td>83,125,989.92</td></tr></table> <p>The Interest Receivables are accrued interest recognize on investments such as T-bills and Debentures Bonds. The last transaction for this account was in CY 2013 where it decreased from P2,627,790.00 to P2,325,214.00, however no subsequent transactions were recorded thereafter.</p> <p>Due from Government Corporations – NLSF are loan programs for OFWs. The NLSF is now merged with the Livelihood Corporation pursuant to EO No. 681 and known as the National Livelihood Development Corporation (NLDC). Review of the Notes to FS of OWWA reveals that this account remained unchanged since CY 2017.</p> <p>The Due from NGAs accounts of P83,125,989.92</p>	Accounts	Balance as of Dec 31, 2020 (in Php)	Aging		3 years and above (in Php)	Over 10 years	Interests Receivable	2,325,214.22	2,325,214.22		Due from Government Corporations – National Livelihood Support Fund (NLSF)	7,297,177.22	7,297,177.22		Due from NGAs	116,615,612.61	1,989,622.69	83,125,989.92	Recommendation was also reiterated that Management should file a request to write-off for dormant receivables that are deemed uncollectible in accordance with COA Circular No. 2016-005 dated December 19, 2016.		FMS / Accounting Division		Dec. 31, 2021	On-going	Review and analysis are being done and necessary adjustments will be prepared.
Accounts	Balance as of Dec 31, 2020 (in Php)			Aging																						
		3 years and above (in Php)	Over 10 years																							
Interests Receivable	2,325,214.22	2,325,214.22																								
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			Action Plan	Person/Dept Responsible	Target Implementation Date																																																													
					From	To																																																												
	<p>was noted to be dormant for over 10 years.</p> <p>Though the accounts aged three years above may not yet be considered as dormant, monitoring and assessment for these accounts should be done for the fair presentation of the accounts in the FS.</p>																																																																	
24	<p><b><i>Dormant Liabilities (Intra-Agency Payables)</i></b></p> <p>In OWWA CO, analysis of the accounts under Liabilities presented in the detailed SFPo of OWWA-CO as of December 31, 2020 disclosed that the following are non-moving liabilities for at least three years totalling P30,719,562.03, as follows:</p> <table><tr><th rowspan="2">Accounts</th><th rowspan="2">Balance as of December 31, 2020</th><th colspan="2">Aging</th></tr><tr><th>3 years and above</th><th>Over 10 years</th></tr><tr><td colspan="4">(in Php)</td></tr><tr><td colspan="4"><b>Non-moving Current Liabilities:</b></td></tr><tr><td colspan="4"><b>Financial Liabilities</b></td></tr><tr><td>Accounts Payable-Others</td><td>3,644,267.70</td><td>3,644,267.70</td><td></td></tr><tr><td colspan="4"><b>Inter-Agency Payables</b></td></tr><tr><td>Due to Government Corporations – NLSF (Management Fee/ Trustee Fee)</td><td>15,569.89</td><td>15,569.89</td><td></td></tr><tr><td colspan="4"><b>Intra-Agency Payables</b></td></tr><tr><td>Due to Other Funds</td><td>11,885,428.77</td><td></td><td>11,885,428.77</td></tr><tr><td>Due to Other Funds – UNICEF</td><td>1,374,635.68</td><td></td><td>1,374,635.68</td></tr><tr><td>Due to Other Funds – UNDP</td><td>1,634,325.10</td><td></td><td>1,634,325.10</td></tr><tr><td>Due to Other Funds - Microsoft</td><td>2,138,265.71</td><td></td><td>2,138,265.71</td></tr><tr><td>Due to Other Fund - Medicare</td><td>13,686,906.77</td><td></td><td>13,686,906.77</td></tr><tr><td><b>Total</b></td><td><b>34,379,399.62</b></td><td><b>3,659,837.59</b></td><td><b>30,719,562.03</b></td></tr></table> <p>Despite being presented as current in the SFPo,</p>	Accounts	Balance as of December 31, 2020	Aging		3 years and above	Over 10 years	(in Php)				<b>Non-moving Current Liabilities:</b>				<b>Financial Liabilities</b>				Accounts Payable-Others	3,644,267.70	3,644,267.70		<b>Inter-Agency Payables</b>				Due to Government Corporations – NLSF (Management Fee/ Trustee Fee)	15,569.89	15,569.89		<b>Intra-Agency Payables</b>				Due to Other Funds	11,885,428.77		11,885,428.77	Due to Other Funds – UNICEF	1,374,635.68		1,374,635.68	Due to Other Funds – UNDP	1,634,325.10		1,634,325.10	Due to Other Funds - Microsoft	2,138,265.71		2,138,265.71	Due to Other Fund - Medicare	13,686,906.77		13,686,906.77	<b>Total</b>	<b>34,379,399.62</b>	<b>3,659,837.59</b>	<b>30,719,562.03</b>	<p>It was recommended that Management file a request to write-off for the P30,719,562.03 balance of Due to Other Funds in accordance with COA Circular No. 97-001 dated February 5, 1997.</p>		FMS / Accounting Division		Dec. 31, 2021	On-going	Review and analysis are being done and necessary adjustments will be prepared.
Accounts	Balance as of December 31, 2020			Aging																																																														
		3 years and above	Over 10 years																																																															
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			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
	those were non-moving for at least three years to over ten years which is not a characteristic of a current liability. Thus, though the accountants aged three years above may not be considered as dormant, monitoring and assessment for these accounts should be done for the fair presentation.								
25	<p><i>Unrestated comparative consolidated FS of OWWA</i></p> <p>Salient points from the International Public Sector Accounting Standard (IPSAS 3) include:</p> <p>Paragraph 46 – Errors arising in respect of the recognition, measurement, presentation, or disclosure of elements of financial statement. Financial statements do not comply with IPSAS if they contain either material errors or immaterial errors made intentionally to achieve a particular presentation of an entity's financial position, financial performance or cash flows. Potential current period errors discovered in that period are corrected before the financial statements are authorized for issue. However, material errors are sometimes not discovered until a subsequent period, and these prior period errors are sometimes not discovered until a subsequent period, and these prior period errors are corrected in the comparative information presented in the financial statements for the subsequent period.</p> <p>Paragraph 47 – An entity shall correct material prior period errors retrospectively in the first set of financial statement authorized for issue after their discovery by:</p> <p>a. Restating the comparative amounts for prior</p>	<p>It was recommended that Management require the Accounting Division to:</p> <p>a. Analyze the components of the prior period adjustments to determine its nature and the affected accounts and reflect the changes in the comparative consolidated FSs for CYs 2019 and 2020;</p> <p>b. Provide the details of the prior period adjustments for presentation in the Notes to Financial Statements; and</p> <p>c. Comply with paragraph 54 of the IPSAS 3 in the proper disclosure and presentation of the retrospective application/restatement of errors.</p>		FMS / Accounting Division			Fully Implemented		<p>The details of the prior period adjustments were submitted.</p> <p>The details of the prior period adjustments were presented in the Notes to Financial Statements for CY 2020.</p> <p>Management will comply with IPSAS 3.</p>

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					From	To			
	<p>period(s) presented in which the error occurred; or</p> <p>b. If the error occurred before the earliest period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.</p> <p>Paragraph 48 – A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period specific effects or the cumulative effect of the error.</p> <p>Paragraph 54 – In applying paragraph 47, an entity shall disclose the following:</p> <p>a. The nature of the prior period error;</p> <p>b. For each prior period presented, to the extent practicable, the amount of the correction for each financial statements line item affected;</p> <p>c. The amount of the correction at the beginning of the earliest prior period presented; and</p> <p>d. If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.</p> <p>The OWWA's comparative Statements of Changes in Net Assets/Equity for the years ended December</p>								

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					From	To			
	<p>31, 2019 and December 31, 2020 disclosed an amount totalling P76,942,622.96 which pertains to adjustments to correct prior period errors in CY 2020. Review of the consolidated FS shows that the Accounting Division did not correct these errors through retrospective restatement of the prior years' FS, hence the amounts in the comparative consolidated FS of OWWA are not fairly presented.</p> <p>Further, the Accountant did not provide any disclosures on these prior period adjustments which is not in accordance with Paragraph 54 of the IPSAS 3 as well as with Section 45, Chapter 19 of the GAM which provides as illustration of the proper procedures and disclosures in the retrospective restatement of errors.</p> <p>Relatively, the objectives of government accounting as enumerated in Section 110 of PD 1445 which are to (1) produce information concerning past operations and present conditions; (2) provide a basis for guidance for future operations; (3) provide for control of the acts of public bodies and officers in the receipt, disposition and utilization of funds and property; and (4) report on the financial position and the results of operations of government agencies for the information of all persons concerned.” can only be achieved by preparing a reliable and fairly presented FSs.</p>								

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					From	To																																			
26	<p><b>COMPLIANCE AUDIT</b></p> <p><b><u>Audit of COVID 19 Funds</u></b></p> <p><b><u>Fund Utilization</u></b></p> <p><b>Out of the P5,958,323,000.00 total funds received by the OWWA for Emergency Repatriation Fund (ERF), P5,673,926,575.23 or 95.23 percent was utilized/disbursed for accommodation, transportation. Financial assistance and other COVID-19 incidental expenses, while expenses charged to the overseas operation contingency fund amounted to P1,590,537,891.05 as of December 31, 2020 indicating that the OWWA was able to considerable attended to the needs of the OFWs during the Pandemic.</b></p> <p><b>Details of the ERF for COVID 19 response fund are provided as follows:</b></p> <table><tr><th colspan="10">Amount Released from DBM</th></tr><tr><th rowspan="2">Project / Program</th><th rowspan="2">Fund Source</th><th rowspan="2">Appropriation</th><th rowspan="2">Allotment</th><th rowspan="2">Obligation</th><th colspan="2">Disbursements</th><th rowspan="2">Unliquidated Balance</th><th rowspan="2">Unliquidated Obligation</th><th rowspan="2">Remarks</th></tr><tr><th>Actual</th><th>Planned</th></tr><tr><td>Emergency Repatriation Fund</td><td>GAA</td><td>P 5,958,323,000</td><td>P 5,958,323,000</td><td>P 5,673,926,575.23</td><td></td><td></td><td></td><td></td><td>204,396,424.77</td></tr></table> <p>For CY 2020, the approved adjusted appropriations of OWWA for ERF from the GAA of FY 2020 or RA No. 11465 was P313,323,000.00. with the mass arrival of repatriated/displaced/affected OFWs due to the COVID-19 pandemic, on April 21, 2020, the DBM released to the Agency an additional P145,000,000.00 for the implementation of the ERF with the P15,000,000.00, being part of the appropriation for CY 2019 which was not released</p>	Amount Released from DBM										Project / Program	Fund Source	Appropriation	Allotment	Obligation	Disbursements		Unliquidated Balance	Unliquidated Obligation	Remarks	Actual	Planned	Emergency Repatriation Fund	GAA	P 5,958,323,000	P 5,958,323,000	P 5,673,926,575.23					204,396,424.77	Efforts and services of the OWWA Officers and employees headed by its Administrator in responding to the needs of repatriated/displaced OFWs due to the COVID-19 Pandemic was commended.					Fully Implemented		<p>The Management commented that amid the threats of the global pandemic brought about by the corona virus, the OWWA stood its ground to deliver services to OFWs and their families. The OWWA has been in the frontline at the onset of the pandemic up to the present and being commended is an energy boost to keep them on the right path.</p> <p>Management further stated that they are very grateful to the COA for the commendation on their efforts and services in responding to the needs of the OFWs.</p>
Amount Released from DBM																																									
Project / Program	Fund Source	Appropriation	Allotment	Obligation	Disbursements		Unliquidated Balance	Unliquidated Obligation	Remarks																																
					Actual	Planned																																			
Emergency Repatriation Fund	GAA	P 5,958,323,000	P 5,958,323,000	P 5,673,926,575.23					204,396,424.77																																

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					From	To																					
	<p>during that year. With the enactment of RA Nos. 11469 (Bayanihan 1) and 11494 (Bayanihan 2), another P5,000,000,000.00 and P500,000,000.00 were received by the OWWA, respectively, to augment the ERF. Actual utilization thereon amounted to P5,673,926,575.23 which is 95.23 percent of the total.</p> <p>On the other hand, the OWWA maintains a standby funds for Overseas Operations Contingency Fund (OOCF) authorized under Board Resolution Nos. 7 and 12, s. 2018 sourced from the OWWA Funds. At the onset of the Pandemic, before the enactment of Ras 11469 and 11494, the expenses for COVID-19 Response such as the financial assistance to the quarantined seafarers of the MV Diamond Princess and to stranded OFWs brought about by the travel bans imposed by some countries like China or its Special Administrative Regions (Hongkong and Macau) and other declared affected areas, and those for accommodation, food, transportation and other administrative expenses were charged to these funds totalling P1,590,537,891.05.</p> <p>Details of which are provided as follows:</p> <table><tr><th>Particulars</th><th>General Fund</th><th>OWWA Fund</th><th>Total</th></tr><tr><td>Allotment Received</td><td colspan="3">(in Php)</td></tr><tr><td>MOOE-GAS RA No. 11465 (GAA 2020)</td><td>278,323,000.00</td><td></td><td>278,323,000.00</td></tr><tr><td>ERF-RA NO. 11465</td><td>35,000,000.00</td><td></td><td>35,000,000.00</td></tr><tr><td>SARO-BMB-B-20-0006997 dated April 21, 2020</td><td>15,000,000.00</td><td></td><td>15,000,000.00</td></tr></table>	Particulars	General Fund	OWWA Fund	Total	Allotment Received	(in Php)			MOOE-GAS RA No. 11465 (GAA 2020)	278,323,000.00		278,323,000.00	ERF-RA NO. 11465	35,000,000.00		35,000,000.00	SARO-BMB-B-20-0006997 dated April 21, 2020	15,000,000.00		15,000,000.00						
Particulars	General Fund	OWWA Fund	Total																								
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								From	To			
	SARO-BMB-B-20-0007419 dated April 21, 2020	130,000,000.00		130,000,000.00								
	SARO-BMB-B-20-0012581-0012582 dated June 25, 2020 (RA No. 11469 – Bayanihan 1)	5,000,000,000.00		5,000,000,000.00								
	SAO-BMB-B-20-0019581 dated November 18, 2020 (RA No. 11494 – Bayanihan 2)	500,000,000.00		500,000,000.00								
	OWWA Fund Utilized for COVID19 Response											
	Overseas Operation Contingency Fund – Board Resolution Nos. 7 and 12 s. 2018		1,590,537,891.05									
	Total Allotment Received / Allocated Funds	5,958,323,000.00	1,590,537,891.05	7,548,860,891.05								
	Utilization											
	Hotel	3,194,568,791.77	884,386,786.45	4,078,955,578.22								
	Food	328,420,474.39	157,700,398.05	486,120,872.44								
	Transportation	1,048,561,144.50	364,836,147.00	1,413,426,291.50								
	Assistance-DOLE AKAP	998,000,000.00		998,000,000.00								
	Others	4,270,000.00	153,450,033.65	157,720,033.65								
	Other Expenses: Supplies	42,704,480.21	5,114,009.12	47,818,489.33								
	Cremation/Funeral Services	25,064,690.87	8,311,000.00	33,375,690.87								



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								From	To																			
	<table><tr><td>Other General Services</td><td>29,662,597.24</td><td>11,034,051.17</td><td>40,696,648.41</td></tr><tr><td>Miscellaneous and Other Expenses</td><td>2,674,396.25</td><td>5,676,465.61</td><td>8,350,861.86</td></tr><tr><td><b>Total Disbursements</b></td><td><b>5,673,926,575.23</b></td><td><b>1,590,537,891.05</b></td><td><b>7,264,464,466.28</b></td></tr><tr><td><b>Fund Balance</b></td><td><b>284,396,424.77</b></td><td><b>0.00</b></td><td><b>284,396,424.77</b></td></tr><tr><td><b>Percentage of Utilization</b></td><td><b>95.23</b></td><td><b>100</b></td><td><b>96.23</b></td></tr></table> <p>The remaining balance from the General Fund of P284,396,424.77 is a continuing appropriation to be utilized for the CY 2021 repatriation expenses to address the mass arrival of OFWs daily, whose accommodation and transportation expenses are shouldered by the OWWA.</p> <p>This shows that the OWWA had significantly provided the needed services and assistance to the OFWs and their families during the state of national emergency.</p>	Other General Services	29,662,597.24	11,034,051.17	40,696,648.41	Miscellaneous and Other Expenses	2,674,396.25	5,676,465.61	8,350,861.86	<b>Total Disbursements</b>	<b>5,673,926,575.23</b>	<b>1,590,537,891.05</b>	<b>7,264,464,466.28</b>	<b>Fund Balance</b>	<b>284,396,424.77</b>	<b>0.00</b>	<b>284,396,424.77</b>	<b>Percentage of Utilization</b>	<b>95.23</b>	<b>100</b>	<b>96.23</b>							
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27	<p><i>Non-adherence to the contract with the DOLE-OWWA AKAP Program of the Service Provider</i></p> <p><b>OWWA failed to enforce the specific provisions of the Contract Agreement 2020-10 entered by the OWWA with Michael J. Lhuillier (MLhuillier) Financial Services Inc., the Service Provider (SP), on the establishment by the SP of separate bank account exclusively for DOLE AKAP Program and the submission of the weekly and monthly reports with the list of claimants as of December 31, 2020, thus the status of the P999,996,000.00 cash transferred to MLhuillier, the extent of financial assistance granted to the</b></p>				<p>It was recommended that Management:</p> <p>a. Compel the MLhuillier to account for the P999,996,000.00 cash transferred by submitting the required reports and to transfer any balance, including the interest earned from the cash transfers to a</p>		FMS / Accounting Division			Fully Implemented		MLhuillier has submitted reports. An updated report of claimed financial assistance will be submitted to COA.																



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	<p>OFWs due to the Pandemic through the DOLE-OWWA AKAP for OFWs. When RA No. 11469 (Bayanihan 1) was enacted, the funds for the program were with DOLE, with the OWWA tasked to initially process and approve the grantees who will be paid by DOLE. However, with the enactment of RA No. 11494 (Bayanihan 2), the funds were already released by the National Government to the OWWA. Consequently, the OWWA Administrator issued MOI No. 014 Series of 2020 dated August 14, 2020, prescribing the Guidelines on the said Program.</p> <p>To provide for an efficient and safe payment facility of the financial assistance, OWWA employed the services of MLhuillier Financial Services Inc., as the SP, through negotiated procurement, and on August 26, 2020 the OWWA and the SP entered into a contract under Contract Agreement 2020-10. The Contract was intended to serve 85,000 beneficiaries and OWWA will pay a service fee of P20.00 per remittance.</p> <p>The contract contained the budgetary requirement and payment terms which will be in two tranches, as follows:</p> <table><tr><th>Tranche</th><th>No. of Beneficiaries</th><th>Total Financial Assistance (in Php)</th><th colspan="2">Service Fee (in Php)</th></tr><tr><td>First</td><td>34,000</td><td>340,000,000.00</td><td></td><td></td></tr><tr><td>Second</td><td>52,000</td><td>510,000,000.00</td><td></td><td></td></tr><tr><td>Total</td><td>85,000</td><td>850,000,000.00</td><td>85,000 x P20.00</td><td>1,700,000.00</td></tr><tr><td colspan="3">Add 10% Contingency Fund</td><td></td><td>170,000.00</td></tr><tr><td colspan="3">Total Service Fee</td><td></td><td>1,870,000.00</td></tr></table>	Tranche	No. of Beneficiaries	Total Financial Assistance (in Php)	Service Fee (in Php)		First	34,000	340,000,000.00			Second	52,000	510,000,000.00			Total	85,000	850,000,000.00	85,000 x P20.00	1,700,000.00	Add 10% Contingency Fund				170,000.00	Total Service Fee				1,870,000.00	<p>to faithfully abide by the terms and conditions of the contract as stated in the TOR, until such time that its representative forwarded, thru email, the details of the bank account settlement for the OWWA AKAP program. Besides, OWWA has already deposited the amount intended for the OFW beneficiaries of DOLE-OWWA-AKAP project, including service fees to MLhuillier. However, MLhuillier failed to satisfactorily deliver/perform its obligations despite the repeated calls, follow-ups and reminders. Thus, they have sent the SP a letter demanding to pay liquidated damages of one-tenth (1/10) of one percent of the cost for every day of delay pursuant to Section 3 of the 2016 RIRR of RA No. 9184.</p> <p>On March 2, 2021, the COA had received a soft copy of the report of MLhuillier, yet the timelines prescribed in the contract was not adhered to. Due to time constraints, the AT was not able to verify the report as against the funds transferred to the company.</p> <p>Management commented that in order to prevent the delay of payment to DOLE-AKAP qualified</p>					<p>financial assistance from M. Lhuillier, shall be given ten (10) working days from the issuance of the memorandum to claim said assistance. The said beneficiaries shall be notified three times via text and/or email within the 10-day grace period to claim the financial assistance. Failure to claim the financial assistance shall move back the approved applicants to the end of the line;</p> <p>2. To facilitate the process, RWOs may reach out the beneficiaries through Facebook or any social media platforms within their area of jurisdiction;</p> <p>3. The MISD shall provide the list of unclaimed financial assistance per region; and</p> <p>4. The concerned RWOs shall determine approved applications pending payment as priority for pay-outs.</p>
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	<p>Under the terms of the contract, the OWWA will provide the SP with a list of approved beneficiaries. In Item No. 9 of the TOR, the SP is required to submit weekly reports such as list of beneficiaries who already claimed the financial assistance, date, and branches where the claim was made inclusive of amount given and service charge. The same shall be submitted to OWWA every end of each month duly supported by a consolidated report of remittance stating the following:</p> <p>a) Name b) Date of Transaction c) Date Received d) Tracking Number e) Branch Location f) Amount and Service Charge</p> <p>As of December 10, 2020, it was noted that the OWWA had deposited to the LBP account of the SP the total amount of P999,996,000.000, including Service fee totalling P1,996,000.00, for 99,800 approved applications pf OFW avaailees, as of December 31. 2020. Details are as follows:</p> <table><tr><th rowspan="2">Date</th><th rowspan="2">DV No.</th><th rowspan="2">Check No.</th><th rowspan="2">Particulars</th><th rowspan="2">No. of Bene-ficiaries</th><th colspan="3">Amount</th></tr><tr><th>DOLE-AKAP</th><th>Service Fee</th><th>Total</th></tr><tr><td colspan="8">(in Php)</td></tr><tr><td>08/25/20</td><td>2020-08-1894</td><td>8485</td><td>1<sup>st</sup> tranche 1<sup>st</sup> release</td><td>34,000</td><td>340,000.00.00</td><td>680,000.00</td><td>340,680.00 0.00</td></tr><tr><td>09/29/20</td><td>2020-09-3060</td><td>9192</td><td>1<sup>st</sup> tranche 2<sup>nd</sup> release</td><td>6,000</td><td>60,000.00.00</td><td>120,000.00</td><td>60,120,000.00 00</td></tr><tr><td>10/07/20</td><td>2020-10-3422</td><td>9376</td><td>2<sup>nd</sup> tranche 1<sup>st</sup> release</td><td>19,400</td><td>194,000.00.00</td><td>388,000.00</td><td>194,388,000 0.00</td></tr><tr><td>10/29/20</td><td>2020-10-4305</td><td>10388</td><td>2<sup>nd</sup> tranche 2<sup>nd</sup> release</td><td>400</td><td>4,000,000.00.00</td><td>8,000.00</td><td>4,008,000.0 0</td></tr><tr><td>10/30/20</td><td>2020-10-4332</td><td>10392</td><td>3<sup>rd</sup> tranche 1<sup>st</sup> release</td><td>25,000</td><td>250,000.00.00</td><td>500,000.00</td><td>250,500,000 0.00</td></tr><tr><td>12/10/20</td><td>2020-12-6982</td><td>12916</td><td>3<sup>rd</sup> tranche 2<sup>nd</sup> tranche</td><td>15,000</td><td>150,000.00.00</td><td>300,000.00</td><td>150,300,000 0.00</td></tr><tr><td colspan="4">Total</td><td>99,800</td><td>998,000.00.00</td><td>1,969,000.00</td><td>999,996,000 0.00</td></tr></table>	Date	DV No.	Check No.	Particulars	No. of Bene-ficiaries	Amount			DOLE-AKAP	Service Fee	Total	(in Php)								08/25/20	2020-08-1894	8485	1 <sup>st</sup> tranche 1 <sup>st</sup> release	34,000	340,000.00.00	680,000.00	340,680.00 0.00	09/29/20	2020-09-3060	9192	1 <sup>st</sup> tranche 2 <sup>nd</sup> release	6,000	60,000.00.00	120,000.00	60,120,000.00 00	10/07/20	2020-10-3422	9376	2 <sup>nd</sup> tranche 1 <sup>st</sup> release	19,400	194,000.00.00	388,000.00	194,388,000 0.00	10/29/20	2020-10-4305	10388	2 <sup>nd</sup> tranche 2 <sup>nd</sup> release	400	4,000,000.00.00	8,000.00	4,008,000.0 0	10/30/20	2020-10-4332	10392	3 <sup>rd</sup> tranche 1 <sup>st</sup> release	25,000	250,000.00.00	500,000.00	250,500,000 0.00	12/10/20	2020-12-6982	12916	3 <sup>rd</sup> tranche 2 <sup>nd</sup> tranche	15,000	150,000.00.00	300,000.00	150,300,000 0.00	Total				99,800	998,000.00.00	1,969,000.00	999,996,000 0.00	beneficiaries; they will have a close coordination with DOLE RO3 to ascertain the problems and difficulties that they are encountering on transmitting the financial assistance to OFWs.						
Date	DV No.						Check No.	Particulars	No. of Bene-ficiaries	Amount																																																																									
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	<p>To verify indeed the amounts were already distributed to the availees, the Audit Team requested from the AD for the Weekly and Monthly List of DOLE-OWWA-AKAP for OFW Beneficiaries who already claimed their financial assistance. However, the AT was informed that the required reports were not yet submitted by the SP, despite repeated demands by the AD. These reports are significant for Management to determine the extent of disbursement of funds by the SP and for recording in the books of the OWWA. Likewise, we cannot verify in audit the transactions due to the absence of reports.</p> <p>Also, it can be gleaned that the amount transferred to the SP and the number of beneficiaries was more than those covered by the contract. The excess amount that is equivalent to 14,800 grantees was not issued with a Supplemental Agreement as basis for payment.</p> <p>Likewise, the AT informed that the Land Bank account of the SP where the AKAP Funds were deposited was the same bank account used by the SP for the Rebate Program of the OWWA, indicating that the SP did not open a separate bank account, contrary to the agreement. The separate bank account will facilitate reconciliation and avoid co-mingling of the funds with other OWWA program fund.</p> <p>In addition, the Contract lacks a provision that would state the liability or sanction when the erring party breached the stipulation in the contract like the non-submission of reports and the non-opening of a</p>								

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	<p>separate bank account.</p> <p>To this effect, OFWs of Region III were paid by DOLE RO III through third-party financial platform services provided by MLhuillier Services while the evaluation and processing of documents were done by OWWA RWO III. The initial payouts started on April 17, 2020 and lasted up to September 03,2020 which totaled to P135,220,000.00 (13,522 grantees), which covered the timeframe provided under RA No. 11469 or the Bayanihan to Heal as One Act.</p> <p>The OWWA-CO also paid and coursed through MLhuillier financial assistance totalling P130,380,000.00 (13,038 grantees) as of November 30, 2020 for OFWs of Region III whose applications were processed and approved by OWWA RWO III. However, a perusal of the lists of approved OFWs showed that OWWA RWO III approved and requested for funding and payment of 13,044 OFWs, amounting to P130,440,000.00 from OWWA-CO. notwithstanding, OWWA-CO paid only 13,038 grantees or a difference of six grantees. Upon inquiry on the matter, OWWA RWO III failed to explain the reason for the difference. The procedure adopted by the agency and the lack of regular monitoring and reconciliation of payments requested and actually made by the OWWA regional office effected the delay and eventually non-payment of the eligible beneficiaries under the program.</p>								
	Availment by non-eligible recipients of DOLE-AKAP for OFWs								

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28	<p><b>A total of 63 ineligible DOLE-OWWA AKAP recipients form RWOs NCR, I, X and XIII were able to avail the financial assistance from the program, contrary to Section II of MOI No. 014, series of 2020; while in RWO V, two unqualified recipients were able to claim from MLhuillier the DOLE AKAP financial assistance of an OFW who left already for abroad, and financial assistance to three recipients from RWO XIII were sourced from the OWWA fund instead of from the General Fund.</b></p> <p>Section II of MOI NO. 014 provides the following:</p> <p><i>“The following are no longer eligible to receive the financial assistance:</i></p> <p>1. Those who received P10,000.00 special cash assistance under OWWA Special Order No. 053, Series No. 2020, Special Financial Assistance to the Stranded OFWs due to the 2019 Novel Corona Virus Acute Respiratory Disease (2019 MNCOV ARD);</p> <p>2. Those who received P10,000.00 financial assistance under the DOLE-AKAP; or</p> <p>3. Those whose employment contracts have expired or terminated for reasons other than the COVID-19 pandemic;”</p> <p>The funds for the DOLE-OWWA AKAP as approved under the Bayanihan 1 was initially hand-over to the DOLE. The selection of eligible grantees was delegated to the OWWA RWOs which provided the DOLE with the names of the approved grantees.</p>	<p>It was recommended to the Management of the concerned RWOs to:</p> <p>a. Require the responsible personnel to verify the double-payment and determine proper action to be done for the return of the overpayment to DOLE, if warranted;</p> <p>b. Require the responsible personnel to evaluate the eligibility of the applicant OFWs ensuring that exclusions are imposed;</p> <p>c. Document in the Benefits Availment Program (BAP) the results of evaluation to ensure that no double claim/payment to OFWs are made;</p> <p>d. RWO V, to refrain from allowing unqualified persons to claim the benefit due the OWWA member-OFW; and</p> <p>e. RWO XIII, to ensure that disbursements made are supported with available funds earmarked for the</p>		RWO-NCR			Fully Implemented		<p>NCR have conducted cross examination and verified that the OFWs involved did not receive financial assistance from the same fund source for they received it from Bayanihan Act fund and the other is from OWWA fund. It was clearly stated that those two funds are separate and distinct from each other so there are no double availment to speak of.</p> <p>One (1) avalee already returned the cash assistance while the other submitted a written statement stating that she cannot yet reimburse the claim because of the pandemic. Continuing follow-up is being made until finally settled.</p> <p>RWO V already justified the concern. This happened beyond the control of OWWA RWO V. the change claimant application was sent directly to the DOLE.</p> <p>The RWO X rendered a report by going to field and personally visit the six (6) recipients of the</p>
				RWO-I			Fully Implemented		
				RWO-V			Fully Implemented		
				RWO-X			On-going		

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	<p>Verification and validation of the DOLE-OWWA AKAP approved recipients disclosed that 63 beneficiaries of the program from the following RWOs were recipients already either of the special cash assistance or the DOLE AKAP, and/or with expired contracts or terminated for reasons other than the COVID-19 Pandemic rendering these OFWs ineligible to avail the financial assistance from the program, contrary to the above-cited provision, to wit:</p> <table><tr><th>RWOs</th><th>No. of Ineligible Beneficiaries</th></tr><tr><td>NCR</td><td>54</td></tr><tr><td>I</td><td>2</td></tr><tr><td>X</td><td>6</td></tr><tr><td>XIII</td><td>1</td></tr><tr><td>Total</td><td>63</td></tr></table> <p>Moreover, two unqualified recipients authorized by OWWA RWO V were able to claim from MLhuillier the DOLE-AKAP financial assistance of the OWWA member who already left for abroad.</p> <p>Also, payments to three DOLE-OWWA AKAP recipients from RWO XIII were sourced from the OWWA Fund instead of from the GF transferred by the OWWA-CO.</p>	RWOs	No. of Ineligible Beneficiaries	NCR	54	I	2	X	6	XIII	1	Total	63	<p>specific program to be implemented to avoid erroneous charging.</p> <p>The Management commented as follows:</p> <p><u>RWO NCR</u></p> <p>a. The DOLE AKAP program and Novel Corona Virus Acute Respiratory Disorder (NCOV ARD) are separate and distinct and sourced from different funds, namely DOLE CAMP under Bayanihan Acts 1 and 2 and Overseas Operation Contingency Fund (OOCF), respectively; therefore, no double availment occurred;</p> <p>b. Bayanihan 2 (RA No. 11494) also states that subsidy provided under this Act for repatriated OFWs shall be separate and distinct from the benefits or assistance, if any, they received as OWWA members; and</p> <p>c. There will be no recoupment to the concerned OFWs since the financial assistance was received by qualified beneficiaries. Given the above circumstances, the</p>						<p>financial program. They were informed and served with promissory notices.</p> <p>However, RWO NCR made an appeal to the COA to reconsider since sources of funds are different; AKAP is DOLE funds while N-COV is OWWA funds,</p> <p>As of now, the OWWA-NCR is still waiting for the response of the COA, but RWO X continues to make follow-ups in collecting the accounts.</p>
RWOs	No. of Ineligible Beneficiaries																			
NCR	54																			
I	2																			
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		<p>evaluators acted with prudence, due diligence and in good faith in evaluating and approving the applications of the concerned beneficiaries.</p> <p><u>RWO I</u></p> <p>Management already tried to communicate with the double-paid beneficiaries to voluntarily surrender the excess payment and committed to intensify their control measures to avoid duplication in the future.</p> <p><u>RWO V</u></p> <p>Management committed to refrain from allowing unauthorized person to claim the benefit due to OWWA member-OFWs.</p> <p><u>RWO X</u></p> <p>Management will exhaust all efforts to recover/recollect the excess payment to the ineligible applicants and commits to thoroughly screen applicants for financial assistance programs with criteria and release financial assistance only to eligible applicants.</p>							

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		<p><b>Auditor's Rejoinder</b></p> <p>In the case of RWO NCR, the AT suggested that the requirement for exclusions for availment under Item II of MOI No. 014 series of 2020 be amended accordingly.</p> <p>During the exit conference, the OWWA Administrator informed that MOI No. 014 series of 2020 will be amended accordingly as there were issuances by the DOLE Secretary superseding Item II of the said MOI.</p>							
29	<p><i>Payments to COVID-19 related expenditures, not supported with adequate documents</i></p> <p><b>Payments made by the OWWA-CO, RWOs IV-B, V, XI and XIII for hotel/accommodation facilities, transportation, food and other incidental expenses totalling P29,740,845.55 were not supported with the required documents, contrary to Section 4(6) of PD No. 1445, COA Circular Nos. 2012-001 dated June 14, 2012 and 2004-006 dated September 9, 2004 rendering the propriety and validity of the transactions doubtful.</b></p> <p><b>The relevant regulations are as follows:</b></p> <ul style="list-style-type: none"> <li><b>Section 4, Paragraph 6 of PD No. 1445 states that the following:</b></li> </ul> <p>6. <i>"Claims against government funds shall be supported with complete</i></p>	<p>It was recommended to the Director of the Financial and Management Services, to instruct the Accountant and concerned RWOs to:</p> <p>a. Submit the lacking documents; and</p> <p>b. Refrain from recording as liquidation of cash advances the Reports of Disbursements or LR's which are not supported with documents required under COA Circular No. 2012-001.</p>		Central Office			Fully Implemented		The lacking documents were submitted to COA.
				RWO IV-B			Fully Implemented		Management will comply with COA Circular No. 2012-001
							Fully Implemented		Food expenses for COVID repat were fully covered by official receipts, attendance/guest list, and itinerary level.

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	<p><i>documentation”</i></p> <ul style="list-style-type: none"><li>COA Circular No. 2012-001 enumerates the General Requirements for all types of disbursements.</li><li>COA Circular No. 2004-006 providing the guidelines for disbursements of government funds where evidence of receipt of payment is a requirement.</li></ul> <p>⇒ Item 3.3.1 (c) of the same Circular provides that a paper-based evidence of receipt of payment may take the form of Acknowledgement Receipt (AR).</p> <p>To attend to the needs of displaced OFWs, the Agency implemented “PROJECT CARE” under MOI No. 003 series of 2020 which took effect on March 21, 2020. The MOI prescribes the Guidelines for the Provision of Hotel Accommodation for Distressed and Stranded Land-based and Sea-based OFWs during the Period of ECQ or until the lifting of social distancing measures in the entire Luzon. As such, OWWA provided hotel accommodations, point-to-point transport and food to the repatriated/displaced OFWs. The requirements for eligibility to the Project Care consist of the Travel Passport and/or Travel Documents and Certification as OFW repatriates from the OWWA Repatriation and Assistance Division (RAD).</p> <p>In view of the urgency of the situation and to avoid delays in the payment of COVID-19 related</p>	<p>Management commented as follows:</p> <p><u>OWWA-CO</u></p> <p>Due to time constraints and to act in expeditious manner, they were not able to secure three quotations on the domestic tickets that were provided to the seafarers for their return to their respective provinces. Also, the SDO stated that Cebu Pacific flights were the available and cheapest domestic fare at that time.</p> <p><u>RWO IVB, V and XI</u></p> <p>Management committed to submit the required documents.</p> <p><u>RWO VI</u></p> <p>Management informed that the protocols employed in the management of the arrival of returning OFWs in Western Visayas as a joint undertaking of the Regional Task Force (RTF) and Regional Inter-Agency Task Force (RIATF), with OWWA being designated as Sub-Task Unit (STU) is the non-requirement of documents, such as, passports to</p>		<p>RWO V</p> <p>RWO IX</p> <p>RWO XI</p>			<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>		<p>RWO V submitted the necessary documents in compliance with the NS.</p> <p>The Management said that these transactions were done during the height of the pandemic and in an emergency situation hence, it was impossible to acquire complete documents. However, later when the situation was put in the General Community Quarantine, the management complied all the necessary supporting documents for expenditure of hotel accommodation, food and transportation.</p> <p>Compliance documents were submitted and stamped received by COA – DOLE-OWWA on April 5, 2021</p>

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	<p>expenses, several cash advances were granted by the OWWA to SDOs.</p> <p>Audit of expenses as well as Liquidation Reports (LRs) of SDOs for hotel/accommodation facilities, transportation, food and other incidental expenditures disclosed that COVID-19 related expenditures totalling P29,740,845.55 were not supported with the required documents, as follows:</p> <table><tr><th>Office</th><th>Particulars</th><th>Amount (in Php)</th><th>Lacking/Unsupported Documents</th></tr><tr><td rowspan="2">OWWA Central Office (CO)</td><td>LRs of four SDOs</td><td>12,279,081.15</td><td><ul style="list-style-type: none"><li>Contract or Memorandum of Agreement (MOA);</li><li>Price Quotation;</li><li>Approved Travel Order Form;</li><li>Itinerary of Travel; and</li><li>List of Passengers</li></ul></td></tr><tr><td>LR of a Deputy Administrator</td><td>969,920.00</td><td><ul style="list-style-type: none"><li>Collection Receipts issued by four suppliers instead of ORs or Sales Invoices; and</li><li>Inspection and Acceptance Report (IAR)</li></ul></td></tr><tr><td></td><td></td><td>1,567,457.00</td><td></td></tr><tr><td></td><td>LR of SDO for the COVID-infested Cruise Ship</td><td>273,305.00</td><td><ul style="list-style-type: none"><li>Approved Travel Order Form;</li><li>Price Quotation from at least three bonafide suppliers; and</li><li>Summary of Abstract of Canvass for the supplies and materials purchased.</li></ul></td></tr><tr><td></td><td>LR of SDO for expenses for airport assistance</td><td>4,841,498.00</td><td><ul style="list-style-type: none"><li>Contract or MOA with WEA for the food/meals purchased; and</li><li>List of recipients provided with food/meals</li></ul></td></tr><tr><td></td><td>LR of Former Director of RAD</td><td>7,164,278.15</td><td><ul style="list-style-type: none"><li>Contract/MOA with various hotels that serves as</li></ul></td></tr></table>	Office	Particulars	Amount (in Php)	Lacking/Unsupported Documents	OWWA Central Office (CO)	LRs of four SDOs	12,279,081.15	<ul style="list-style-type: none"><li>Contract or Memorandum of Agreement (MOA);</li><li>Price Quotation;</li><li>Approved Travel Order Form;</li><li>Itinerary of Travel; and</li><li>List of Passengers</li></ul>	LR of a Deputy Administrator	969,920.00	<ul style="list-style-type: none"><li>Collection Receipts issued by four suppliers instead of ORs or Sales Invoices; and</li><li>Inspection and Acceptance Report (IAR)</li></ul>			1,567,457.00			LR of SDO for the COVID-infested Cruise Ship	273,305.00	<ul style="list-style-type: none"><li>Approved Travel Order Form;</li><li>Price Quotation from at least three bonafide suppliers; and</li><li>Summary of Abstract of Canvass for the supplies and materials purchased.</li></ul>		LR of SDO for expenses for airport assistance	4,841,498.00	<ul style="list-style-type: none"><li>Contract or MOA with WEA for the food/meals purchased; and</li><li>List of recipients provided with food/meals</li></ul>		LR of Former Director of RAD	7,164,278.15	<ul style="list-style-type: none"><li>Contract/MOA with various hotels that serves as</li></ul>	<p>arriving OFWs, to safeguard government frontliners and protect the limited manpower complement assigned in the facilitation and assistance of arriving OFWs. Instead, RTF-RIATF arrival forms were required to be filled up with their pertinent information. This scheme, according to Management, is also giving merit to the processes of management of OFWs prior to boarding OWWA sweeper flights in NAIA. In addition OWWA RWO VI further checks from the list of arrivals the identity of OFWs assisted thru OWWA online database/POEA database and print their individual Membership Record and both documents served as attachment to all payments made by OWWA RWO VI, particularly for the hotel accommodation of OFWs to attest the said workers have availed the services and assistance of OWWA.</p> <p><u>RWO IX</u></p> <p>Management stated that there was no Advance Manifest forwarded to RWO IX from the CO, thus they relied on the photo information sent by CAAP in NAIA</p>						
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				<div>quarantine facilities;</div> <ul style="list-style-type: none"><li>List of passengers/OFW Repatriates for the rented vans and chartered bus trips for the door to door transportation service of repatriated OFWs;</li><li>Itinerary of travel/transport request form; and</li><li>Duly approved trip ticket for purchases of gasoline.</li></ul>	<div>via messenger which, mostly, did not coincide with the actual number of arriving Repatriated Overseas Filipinos (ROFs). Further, as for the food served to the ROFs in the hotels, they relied on the check-in registration to avoid contact; they just left food at the door of the assigned hotel rooms of ROFs.</div> <div>Auditor’s Rejoinder</div> <div>OWWA-CO</div> <div>The Audit Team acknowledged the receipt of all lacking documents mentioned in the observation, the validity thereof is still for their evaluation. Nonetheless, we would like to reiterate strict adherence with the provisions under COA Circular No. 97-002 dated February 10, 1997 on the prompt liquidation of the CAs to prevent the funds authorized to spend for the agency exposed to possible loss or risk of misuse.</div> <div>RWO VI</div> <div>The submission and/or presentation of the required documentation, found to be</div>							
	RWO IVB		490,000.00	<ul style="list-style-type: none"><li>Original ORs;</li><li>Statement of Account; and</li><li>Meal Attendance Sheet for catering service</li></ul>								
	RWO V		501,125.25	<ul style="list-style-type: none"><li>List of repatriates for the accommodation facilities;</li><li>Purchase Request (PR);</li><li>IAR;</li><li>List of OFW passengers for the bus rental;</li><li>Contract;</li><li>Notice of Award; and</li><li>Mayor’s Permit of the Bus Company</li></ul>								
	RWO XI		346,770.00	<ul style="list-style-type: none"><li>Confirmation passes for sweeper trips issued by the City Government of Davao;</li><li>Attendance Sheets signed by the Repatriated OFWs; and</li><li>Authority to travel of OWWA-RWO XI personnel who escorted the repatriates</li></ul>								
	RWO XIII		1,307,411.00	<ul style="list-style-type: none"><li>PR;</li><li>Purchase Orders;</li><li>Vehicle Trip Ticket;</li><li>Authority to Travel;</li><li>Transport Request Form;</li></ul>								

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				<ul style="list-style-type: none"><li>Contract;</li><li>Mayor's or Business Permit; and</li><li>Attendance Sheets for OWWA personnel who act as houseparent in the hotels/quarantine facilities</li></ul>	lacking as support in the payments made by the Agency, is for the Audit Team to make certain that government funds are duly accounted for and the program of the government has met its objectives.  <u>RWO IX</u>  It is for the best interest of the service that Agency officials comply with existing rules and regulations and account for the incurred expenditures.							
Total				29,740,845.55								
30	Other noted deficiencies on COVID-19 expenditures  Other deficiencies were noted in the audit of COVID-19 related expenditures in the OWWA-CO and RWOs I, IX and XIII, such as: a) doubtful charges from the cash advance totalling P1,269,920.00 for the hygiene kits, bottled water and snacks procured from Construction and Trading Store and/or Suppliers which are not reputable drugstores and supermarkets; b) payments of P4,343,120.00 from the advances instead of directly to the Suppliers, thru the DV system; c) a designated collecting officer is performing a special disbursing functions; and d) DVs totalling P15,905,130.00 were neither stamped paid nor certified by the Accountant, contrary to Sections 2 and 4 of PD No. 1445, COA Circular Nos. 92-389 and 97-002 dated November 3, 1992 and February 10, 1997, respectively.				It was recommended that Management of:  <u>OWWA-CO</u>  a. To require the Deputy Administrator/AO to:  <ul style="list-style-type: none"><li>Justify why the procurement transactions were awarded to a Construction and Trading and to a caterer instead of buying the items from reputable drugstores and supermarkets;</li><li>Show proof on the reasonableness of the</li></ul>		Central Office			On-going		Copy of Notice of Disallowance dated 29 June 2021 in the amount of P1,272,457.00 from the cash advance issued in the amount of P2,011,441.90 was received by the Management, where COA is compelling the accountable officer and concerned establishments to settle immediately the said disallowance. The Management issued corresponding communication to parties

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	<p>Section 2 of PD No. 1445, provides as follows:</p> <p><b>Section 2.</b> <i>“It is 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 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.”</i></p> <p>Likewise, Paragraph 5, Section 4 of the same PD states the following:</p> <p>4. <i>“Disbursement or disposition of government funds or property shall invariable bear the approval of the proper officials.”</i></p> <p>Moreover, No. 2 (Q) of COA Circular No. 92-389 dated November 3, 1992 states that:</p> <p><i>“Paid vouchers, including its supporting documents, shall be perforated and conspicuously <b>stamped Paid</b> by the Cashier”.</i></p> <p>While Section 36, Volume II of the GAM provides the form and the instruction in filling out the JEV, as follows:</p> <p><i>“This form shall be used to record all transactions of the NGAs, whether cash receipts, cash disbursements or non-cash transactions.</i></p>	<p>prices of the procured items;</p> <ul style="list-style-type: none"><li>• Submit an itemized list of the procured items which the unit prices indicated therein;</li><li>• Compel the suppliers of goods and services to issue Sales Invoice/ORs on the said transaction; and</li><li>• Submit the IAR for all delivered materials/supplies/goods;</li></ul> <p>b. Instruct the Accountant to prepare JEV and attach them to the DVs;</p> <p><b><u>RWO I</u></b></p> <p>c. To stop the practice of paying expenditures in cash, rather make a direct payment to the Suppliers/hoteliers;</p> <p><b><u>RWO IX</u></b></p> <p>d. To avoid assigning the disbursing function to a collecting officer at the same time; and</p> <p><b><u>RWO XIII</u></b></p> <p>e. To require the Accountant to</p>		RWO I			Fully Implemented	concerned reiterating compliance to settle the said disallowance. The DA concerned shall be given the 6-month within which to file an appeal to explain his side.	
				RWO IX			Fully Implemented	Recommendation is noted. The Region will refrain large exposure of cash advances and to directly pay suppliers / hoteliers.	
				RWO XIII			Fully Implemented	Management has designated Ms. Badria J. Abdula – OWWO II as Collecting Officer, while Ms. Marinelle L. Bucoy – OWWO II as Disbursing Officer.	
								Subject DVs were signed	

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	<p><i>Accounting journal entries shall be reflected therein and it shall serve as the basis for recording in the books of accounts.”</i></p> <p>Section of COA Circular No. 97-002 dated February 10, 1997, states as follows:</p> <p>“2. <b>GENERAL PRINCIPLES</b></p> <p>Ideally, cash should be handled under the general principles of the imprest system, to wit:</p> <p>1. Daily receipts on collections must be deposited intact with the proper bank.</p> <p>2. All payments must be made by check.</p> <p>3. Only payments in small amounts may be made through the petty cash fund. Replenishment of the petty cash fund shall be equal to the total amount of expenditures made there from.</p> <p>In practice, however, there are certain instances when it may be very difficult, impractical, or impossible to make payments by check. In such a case, payments may be made by the disbursing officer in the form of cash through his cash advance.”</p> <p>Audit of disbursements/LRs in the OWWA-CO and RWO XIII disclosed the following:</p> <p><u>OWWA-CO</u></p> <p>a) Out of the P2,011,441.90 covered by LR No. FM-OWWA 07-10.4, the propriety and regularity of the expenditures charged to</p>	<p>sign the DVs or explain the reasons for not certifying the same.</p> <p>RWO I Management explained that the van rentals totalling P29,000.00 were paid through CA, giving foremost consideration to serving the public interest during the period of the ECQ, and henceforth, committed to comply with the recommendation.</p>						electronically by the Accountant.	



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	<p>the CA of a Deputy Administrator totalling P1,269,920.00 is doubtful due to the awarding of the procurement transactions not to reputable drugstores and supermarkets. This is an indication that OWWA's resources were not expended in accordance with rules and regulations and is contrary to Section 2, PD No. 1445.</p> <p>The procurement transactions referred to were the following:</p> <p>Purchase of Hygiene kits, sanitary napkins and thermal scanners aggregating P969,920.00 were procured from a Construction and Trading with business address at 80 M Cornejo ST., Malibay, Brgy. 161, Pasay City, which establishment cannot be found on the address stated in the Collection Receipt (CR) issued for the procurement transactions, after an ocular inspection made by the Audit Team. Details are as follows:</p> <table><tr><th>CR No.</th><th>Delivery Receipt No.</th><th>Sales Invoice No.</th><th>Date</th><th>Procured Items</th><th>Amount (in Php)</th></tr><tr><td rowspan="6">0001606 Dated 5/12/2020</td><td>2351</td><td>0002157</td><td>05/05/2020</td><td>1000 pcs Hygiene Kit @ P120.00/kit</td><td>120,000.00</td></tr><tr><td>2352</td><td>0002158</td><td>05/07/2020</td><td>520 pcs Sanitary Napkin @ P10.00/pad</td><td>5,200.00</td></tr><tr><td>2354</td><td>0002159</td><td>05/09/2020</td><td>1000 pcs Hygiene Kit @ P160.00/kit</td><td>160,000.00</td></tr><tr><td>2356</td><td>0002161</td><td>05/09/2020</td><td>86 pcs Sanitary Napkin @ P20.00/pad</td><td>1,720.00</td></tr><tr><td>2357</td><td>0002163</td><td>05/10/2020</td><td>1000 pcs Hygiene Kit @ P160.00/kit</td><td>160,000.00</td></tr><tr><td>2359</td><td>0002165</td><td>05/11/2020</td><td>100 pcs Sanitary Napkin @</td><td>3,000.00</td></tr></table>	CR No.	Delivery Receipt No.	Sales Invoice No.	Date	Procured Items	Amount (in Php)	0001606 Dated 5/12/2020	2351	0002157	05/05/2020	1000 pcs Hygiene Kit @ P120.00/kit	120,000.00	2352	0002158	05/07/2020	520 pcs Sanitary Napkin @ P10.00/pad	5,200.00	2354	0002159	05/09/2020	1000 pcs Hygiene Kit @ P160.00/kit	160,000.00	2356	0002161	05/09/2020	86 pcs Sanitary Napkin @ P20.00/pad	1,720.00	2357	0002163	05/10/2020	1000 pcs Hygiene Kit @ P160.00/kit	160,000.00	2359	0002165	05/11/2020	100 pcs Sanitary Napkin @	3,000.00							
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		2360	0002166	05/11/2020	P30.00/pad 700 pcs Hygiene Kit @ P160.00/kit	112,000.00								
	Sub-total					561,920.00								
	0001607 Dated 5/13/2020	2364	0002170	05/13/2020	50 pcs Thermal Scanner @ P2,950.00/p c	147,500.00								
	0001609 Dated 5/18/2020	2362	0001609	05/18/2020	1300 pcs Hygiene Kit @ P160.00 each	208,000.00								
		2361	0002167	05/12/2020	1500 pcs Sanitary Napkin @ P35.00 each	52,500.00								
	Sub-total					408,000.00								
	Total					969,920.00								
	Moreover, the following were likewise noted:													
	<ul style="list-style-type: none"><li>• The composition of the hygiene kits costing P160.00 per kit was not itemized;</li><li>• The procured sanitary napkins (P10, P20, P30) per pad is very costly, the napkins can be bought in small sari-sari stores at P5.00-P8.00 per pad only;</li><li>• Internet prices of thermal scanners ranges from P400 to P800 only as compared to the ones charged to CA which is P2,950.00 per unit;</li><li>• It is unlikely that these items were bought from a store which deals with construction supplies or hardware, considering that the Mercury Drugstore is just around the vicinity of the OWWA.</li></ul>													
	Likewise, the following purchases of bottled water and snack items such as Lemon Square, Fudgee Bar, Dowee Donut, Cupcakes with total cost of P300,000.00 were procured from a caterer with business address at Tandang Sora, Old Balara,													

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	<p>Quezon City. These items are available in Supermarkets/Hypermarkets within the vicinity of Pasay City. The Audit Team also noted that the unit price of the items procured was not indicated in the ORs issued by the caterer, to wit:</p> <table><tr><th>OR No.</th><th>Date</th><th>Particulars</th><th>Amount (in Php)</th></tr><tr><td>0561 A</td><td>May 4, 2020</td><td>1,000 bottles Mineral water, 500 pcs. Ensaymada sandwich &amp; 500 cup cakes</td><td>30,000.00</td></tr><tr><td>0562 A</td><td>May 1, 2020</td><td>1,000 bottles Mineral water and 1000 pcs. Assorted cup cakes</td><td>30,000.00</td></tr><tr><td>0563 A</td><td>May 2, 2020</td><td>1,000 bottles Mineral water and 1000 pcs. Assorted cup cakes</td><td>30,000.00</td></tr><tr><td>0564 A</td><td>May 3, 2020</td><td>1,000 bottled Mineral water and 500 pcs. Egg sandwich % 500 Fudgee bar</td><td>30,000.00</td></tr><tr><td>0565 A</td><td>May 5, 2020</td><td>1,000 bottles Mineral water, 500 pcs. Ensaymada</td><td>30,000.00</td></tr><tr><td>0566 A</td><td>May 6, 2020</td><td>1,000 bottles Mineral water, 500 pcs. Sandwiches and 500 pcs. Lava Cakes, Lemon Square</td><td>30,000.00</td></tr><tr><td>0567 A</td><td>May 7, 2020</td><td>1,000 bottles Mineral water, 500 pcs. Tuna Sandwiches and 500 pcs. Cup Cakes</td><td>30,000.00</td></tr><tr><td>0568 A</td><td>May 8, 2020</td><td>1,000 bottles Mineral water, 500 pcs. Dowee Donut and 500 pcs. Fudgee Bar</td><td>30,000.00</td></tr><tr><td>0569 A</td><td>May 9, 2020</td><td>1,000 bottles Mineral water, 500 pcs. Ensaymada sandwich &amp; 500 cup cakes</td><td>30,000.00</td></tr><tr><td>0570 A</td><td>May 10, 2020</td><td>1,000 bottles Mineral water and 1000 pcs. Assorted cup cakes</td><td>30,000.00</td></tr><tr><td colspan="3">Total</td><td>300,000.00</td></tr></table> <p>b) JEVs were not attached to 14 DVs with total amount of P54,639,095.91 as basis for recording and in conformity with the GAM for NGAs.</p> <p><u>RWO I</u></p> <p>c) Disbursements on the implementation of the Project Care and Hatid-Sundo programs/activities with an aggregate amount of P4,343,120.00, were made through Cas by the SDOs instead of direct payment to suppliers, which is not in conformity with Section 2 of COA Circular No. 97-002, resulting in large amounts of</p>	OR No.	Date	Particulars	Amount (in Php)	0561 A	May 4, 2020	1,000 bottles Mineral water, 500 pcs. Ensaymada sandwich & 500 cup cakes	30,000.00	0562 A	May 1, 2020	1,000 bottles Mineral water and 1000 pcs. Assorted cup cakes	30,000.00	0563 A	May 2, 2020	1,000 bottles Mineral water and 1000 pcs. Assorted cup cakes	30,000.00	0564 A	May 3, 2020	1,000 bottled Mineral water and 500 pcs. Egg sandwich % 500 Fudgee bar	30,000.00	0565 A	May 5, 2020	1,000 bottles Mineral water, 500 pcs. Ensaymada	30,000.00	0566 A	May 6, 2020	1,000 bottles Mineral water, 500 pcs. Sandwiches and 500 pcs. Lava Cakes, Lemon Square	30,000.00	0567 A	May 7, 2020	1,000 bottles Mineral water, 500 pcs. Tuna Sandwiches and 500 pcs. Cup Cakes	30,000.00	0568 A	May 8, 2020	1,000 bottles Mineral water, 500 pcs. Dowee Donut and 500 pcs. Fudgee Bar	30,000.00	0569 A	May 9, 2020	1,000 bottles Mineral water, 500 pcs. Ensaymada sandwich & 500 cup cakes	30,000.00	0570 A	May 10, 2020	1,000 bottles Mineral water and 1000 pcs. Assorted cup cakes	30,000.00	Total			300,000.00						
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	<p>CAs to the SDOs during the year, thus exposing government funds to risk of loss or misappropriation.</p> <p><u>RWO IX</u></p> <p>d) A designated Collecting Officer is performing a special disbursing function, contrary to Section 30, GAM for NGAs, Volume I and Section 4.1.5 of COA Circular No. 97-002.</p> <p><u>RWO XIII</u></p> <p>e) All DVs were not certified by the Accountant as to availability of funds and completeness of documents, contrary to Section 4(5) of PD No. 1445.</p>																
31	<p><i>Lapses/deficiencies in the handling of CAs</i></p> <p><b>Lapses were noted in the granting, authorization and liquidation of CAs, such that cash advances were not liquidated on time in the OWWA-CO, cash advances were granted to AOs with previous unliquidated CA in RWO VI and CAs were distributed to several OWWA personnel in RWO XI, thereby exposing the funds to possible loss and is contrary to COA Circular No. 97-002 dated February 10, 1997 and Section 30, Chapter 6, GAM for NGAs, Volume I.</b></p> <p>The pertinent provisions of COA Circular No. 97-002 dated February 10, 1997 are as follows:</p> <p><i>“Section 4.1.2 No additional cash advances shall</i></p>	<p>The following was recommended:</p> <table><tr><th>Office</th><th>Recommendations</th></tr><tr><td>CO</td><td>a. Submit an explanation why the liquidation for COVID-19 related expenses for the Filipino seafarers of MV Diamond Princess was submitted more than three months after the purpose of the CA was served; and b. Oblige the concerned SDOs to immediately liquidate their CAs, otherwise, instruct the Accountant to cause the withholding of their salaries pursuant to Item 9 of COA Circular No. 97-002 dated February 10, 1977.</td></tr><tr><td>RWOs I and XI</td><td>Stop the practice of transferring the CAs from an AO to another AOs.</td></tr><tr><td>RWO VI</td><td>Strictly adhere to the provisions of Section 89 of PD No. 1445, and COA Circular No. 97-002 dated February 10, 1997 that no CA shall be granted to AOs</td></tr></table>	Office	Recommendations	CO	a. Submit an explanation why the liquidation for COVID-19 related expenses for the Filipino seafarers of MV Diamond Princess was submitted more than three months after the purpose of the CA was served; and b. Oblige the concerned SDOs to immediately liquidate their CAs, otherwise, instruct the Accountant to cause the withholding of their salaries pursuant to Item 9 of COA Circular No. 97-002 dated February 10, 1977.	RWOs I and XI	Stop the practice of transferring the CAs from an AO to another AOs.	RWO VI	Strictly adhere to the provisions of Section 89 of PD No. 1445, and COA Circular No. 97-002 dated February 10, 1997 that no CA shall be granted to AOs		Central Office			Fully Implemented		a. The SDO for Filipino seafarers of the COVID-infested Cruise Ship, stated that it took three months to submit the documents due to restrictions imposed by the Bureau of Quarantine (BOQ) doctors for safety reasons since the documents submitted by the seafarers may have been exposed to the COVID-19 virus. As such, all documents
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	<p><i>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.</i></p> <p><i>Section 4.1.3 A cash advance shall be reported on as soon as the purpose for which it was given has been served.</i></p> <p><i>Section 4.1.5 Only duly appointed or designated disbursing officers may perform disbursing functions. Officers and employees who are given cash advances for official travel need not be designated as Disbursing Officers.</i></p> <p><i>Section 4.1.6 Transfer of cash advances from one Accountable Officer (AO) to another shall not be allowed.</i></p> <p><i>Section 5.3 Within ten (10) days after receipt of the report and supporting documents from the AO, the Accountant shall verify the report, record it in the books and submit the same with all the vouchers/payrolls and supporting documents to the Auditor. The cash advance shall be considered liquidation upon the recording thereof by the Accountant in the books of accounts although not yet audited by the COA Auditor.</i></p> <p><i>Section 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.</i></p> <p><i>Section 5.8 All cash advances shall be fully liquidated at the end of each year. Except for</i></p>	<table><tr><td></td><td>with unliquidated CA.</td></tr></table> <p>Management and concerned SDOs commented as follows:</p> <table><tr><th>Office</th><th>Recommendations</th></tr><tr><td>CO</td><td><p>a. The SDO for Filipino seafarers of the COVID-infested Cruise Ship, stated that it took three months to submit the documents due to restrictions imposed by the Bureau of Quarantine (BOQ) doctors for safety reasons since the documents submitted by the seafarers may have been exposed to the COVID-19 virus. As such, all documents were put on hold at the quarantine room of OWWA Region III for sanitation.</p><p>b. The AD informed that only three out of the seven SDOs have not yet fully liquidated their CAs. The two SDOs have already submitted their LRs and are subject to review, the other one has not submitted yet the LR and demand letter was already sent. Final Demand Letter will be sent to the SDO to be answered within five days otherwise, Management will push thru with the withholding of her salary pursuant to Item No. 9 of COA Circular No. 97-002 dated February 10, 1997.</p></td></tr><tr><td>RWO VI</td><td>Management furnished the AT a document showing electronic submissions of documents relevant to the liquidation of CAs sent to agency personnel other than the Accountant, on a date earlier than the reflected date of receipt and recording by the Accounting Section. In addition, they stated that the observance of strict home quarantines of the AOs, the absence of regular employees other than the AO who was granted the CAs and the urgency of the CAs contributed to the delay in liquidation. Further, it was also informed that the expenses incurred and paid prior to the grant of CA were refunded on January 14, 2021.</td></tr></table> <p><b>Auditor’s Rejoinder</b></p>		with unliquidated CA.	Office	Recommendations	CO	<p>a. The SDO for Filipino seafarers of the COVID-infested Cruise Ship, stated that it took three months to submit the documents due to restrictions imposed by the Bureau of Quarantine (BOQ) doctors for safety reasons since the documents submitted by the seafarers may have been exposed to the COVID-19 virus. As such, all documents were put on hold at the quarantine room of OWWA Region III for sanitation.</p> <p>b. The AD informed that only three out of the seven SDOs have not yet fully liquidated their CAs. 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	<p><i>petty cash fund, the AO shall refund any unexpected balance to the Cashier/Collecting Officer who will issue the necessary official receipt.”</i></p> <p>Also, Section 30, Chapter 6 of the GAM for the NGAs, Volume I states that:</p> <p><b>“Sec. 30. Cash Advance for Specific Purpose/Time-Bound Undertaking.</b> <i>Cash advance for special purpose/time-bound undertaking shall be granted only to duly authorized accountable officer/special disbursing officer. It shall be accounted for in the books of accounts as “Advances to Special Disbursing Officer.” It shall be liquidated by the accountable officer within a specified period. Any unutilized cash advance shall be refunded and an OR shall be issued to acknowledge collection thereof.”</i></p> <p>Due to the exigency of the situation brought about by the COVID-19 Pandemic, and in line with the OWWA’s Project Care, CAs were granted to designated SDOs at the OWWA-CO and the RWOs intended for the expenses to be incurred in overseeing the mass repatriation of displaced/repatriated OFWs.</p> <p>Audit of the CAs and the corresponding LRs of the designated SDOs for COVID-19 response in the OWWA-CO and RWOs VI and XI revealed various deficiencies/lapses in the handling, utilization, and liquidation of cash advances. Details are as follows:</p>	<p>The ATs rejoined as follows:</p> <table><tr><th>Office</th><th>Rejoinder</th></tr><tr><td>CO</td><td>The AT acknowledged the efforts Management has exerted in order to provide immediate services to repatriated/displaced/affected OFWs amidst all the challenges and risks brought about by the COVID-19 Pandemic. The AT understands the difficulties such as time constraints and government-imposed restrictions as a contributing factor for the delays incurred in the submission of documents for liquidations. However, we would like to reiterate strict adherence to COA Circular No. 97-002 dated February 10, 1997 on the prompt liquidation of the CAs.</td></tr><tr><td>RWO VI</td><td>The AT id cognizant of the tireless service of the employees and officials of OWWA RWO VI, as well as their conscious attempts to adhere to the law, regulations, and prior COA observations while risking their health and safety in the name of public service. It is, however, the mandate of the COA to ensure that government funds are properly accounted for and safeguarded even in this time of the Pandemic. Further, based on the presented timing difference between the submission of relevant documents for liquidation and the date reflected in the LR as to the receipt and recording of the Accountant, this Office recommends that proper coordination between the different departments and/or personnel of the agency be strengthened so as to avoid similar situations in the future.</td></tr></table>	Office	Rejoinder	CO	The AT acknowledged the efforts Management has exerted in order to provide immediate services to repatriated/displaced/affected OFWs amidst all the challenges and risks brought about by the COVID-19 Pandemic. The AT understands the difficulties such as time constraints and government-imposed restrictions as a contributing factor for the delays incurred in the submission of documents for liquidations. However, we would like to reiterate strict adherence to COA Circular No. 97-002 dated February 10, 1997 on the prompt liquidation of the CAs.	RWO VI	The AT id cognizant of the tireless service of the employees and officials of OWWA RWO VI, as well as their conscious attempts to adhere to the law, regulations, and prior COA observations while risking their health and safety in the name of public service. It is, however, the mandate of the COA to ensure that government funds are properly accounted for and safeguarded even in this time of the Pandemic. Further, based on the presented timing difference between the submission of relevant documents for liquidation and the date reflected in the LR as to the receipt and recording of the Accountant, this Office recommends that proper coordination between the different departments and/or personnel of the agency be strengthened so as to avoid similar situations in the future.							
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	CO	1. Non-adherence by the SDOs/AD on the timelines in the liquidation and settlement of CAs and submission of reports, thus hindered the AT from conducting timely audit of transactions and exposing the cash advance to possible loss or risk of misuse. 2. Out of the P26,540,000.00 CAs granted to 12 SDOs for the period May to December 2020, the aggregate amount of P11,240,000.00 remained unliquidated as of December 31, 2020, contrary to Nos. 4.1, 5.7, 5.8, 5.9 of COA Circular No. 97-002 dated February 10, 1997, on the granting, utilization and liquidation of CAs, hence the expended portion of the CAs remained unrecorded in the books of accounts of the OWWA as at year-end.							
	RWO I	Transfer of CA from one AO to another was noted posing risk of loss or misappropriation of the cash accountabilities of the AOs to whom the CAs were originally granted.							
	RWO VI	CAs totalling P1,100,000.00 were granted to OWWA RWO VI Officers with outstanding CAs, contrary to Section 89 of PD No. 1445 and COA Circular No. 97-002 dated February 10, 1997, thereby exposing government funds to risk of possible loss or misapplication.							
	RWO XI	Two CAs granted to two AOs totalling P750,000.00 for the implementation of the ERP were distributed to several agency personnel, contrary to COA Circular No. 97-002, thereby exposing the government funds to risk of loss or misuse.							
32	<p><i>Non-compliance with the bonding requirements</i></p> <p><b>Some designated SDOs of OWWA-CO, NCR and RWO VIII were either not bonded, with deficient and/or expired bond, thus cash accountabilities were not insured in case of loss or possible misuse and is contrary to Item d, Section 14, Chapter 6 of the GAM for NGAs, Volume I and Annex C of Treasury Circular No. 02-2009 dated August 6, 2009.</b></p> <p>Item d, Section 14, Chapter 6 of the GAM for NGAs, Volume I provides as follows:</p> <p><i>“d) Except for cash advance for official travel, no officer or employee shall be granted cash advance unless he/she is properly bonded in accordance with existing laws or regulations. The amount of cash advance which may be granted shall not exceed the maximum cash accountability</i></p>		<p>It was recommended, and the OWWA-CO and the respective RWOs agreed, to:</p> <p>a. OWWA-CO, to refrain from granting CAs to SDOs who are not bonded and to apply for the bond of the two SDOs who were not bonded;</p> <p>b. OWWA-CO and RWO-NCR, to increase the bonds of the SDOs to sufficiently cover the maximum cash accountability for a given period in accordance with the Schedule of Bonds provided</p>		Central Office			Fully Implemented	A strict implementation of no bond no cash advance is implemented.
				Central Office				Fully Implemented	Bonds were increased appropriately.
				RWO NCR				Fully Implemented	NCR already increased the bond of the SDOs.

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	<p><i>covered by his/her bond.”</i></p> <p>Treasury Circular No. 02-2009 dated August 6, 2009 Annex C provides the maximum cash accountability of AOs per amount of bond applied for.</p> <table><tr><th>Minimum Cash Accountability</th><th>Maximum Cash Accountability</th><th>Amount of Bond</th></tr><tr><td colspan="3"><i>(in Php)</i></td></tr><tr><td>xx</td><td>xx</td><td>xx</td></tr><tr><td>100,001.00</td><td>250,000.00</td><td>100,000.00</td></tr><tr><td>250,001.00</td><td>500,000.00</td><td>225,000.00</td></tr><tr><td>500,001.00</td><td>750,000.00</td><td>350,250.00</td></tr><tr><td>750,001.00</td><td>1,000,000.00</td><td>500,000.00</td></tr><tr><td>1,000,001.00</td><td>2,500,000.00</td><td>750,000.00</td></tr><tr><td>2,500,001.00</td><td>5,000,000.00</td><td>1,500,000.00</td></tr><tr><td>5,000,000.00</td><td>25,000,000.00</td><td>3,500,000.00</td></tr><tr><td>xx</td><td>xx</td><td>xx</td></tr></table> <p>Audit in the OWWA-CO and RWOs NCR and VII disclosed the following:</p> <table><tr><th>Office</th><th>Deficiencies</th></tr><tr><td>CO</td><td>CAs in the aggregate amount of P1,300,000.00 for COVID-19 related expenses were granted to two SDOs who are not bonded. Likewise, the total amount of P16,590,000.00 CAs granted to four SDOs exceeded the maximum cash accountability covered by bond, contrary to Item d, Section 14, Chapter 6 of the GAM for NGAs, Volume I and Annex C of Treasury Circular No. 02-2009 dated August 6, 2009.</td></tr><tr><td>RWO NCR</td><td>The RWO NCR granted CAs totalling P1,000,000.00 to two SDOs with expired bonds, and the amount of CAs exceeded the maximum cash accountability covered by the bond, contrary to applicable regulations.</td></tr><tr><td>RWO VII</td><td>CAs amounting to P2,216,478.25 for COVID-19 response were granted to SDOs who were inadequately or not bonded.</td></tr></table>	Minimum Cash Accountability	Maximum Cash Accountability	Amount of Bond	<i>(in Php)</i>			xx	xx	xx	100,001.00	250,000.00	100,000.00	250,001.00	500,000.00	225,000.00	500,001.00	750,000.00	350,250.00	750,001.00	1,000,000.00	500,000.00	1,000,001.00	2,500,000.00	750,000.00	2,500,001.00	5,000,000.00	1,500,000.00	5,000,000.00	25,000,000.00	3,500,000.00	xx	xx	xx	Office	Deficiencies	CO	CAs in the aggregate amount of P1,300,000.00 for COVID-19 related expenses were granted to two SDOs who are not bonded. Likewise, the total amount of P16,590,000.00 CAs granted to four SDOs exceeded the maximum cash accountability covered by bond, contrary to Item d, Section 14, Chapter 6 of the GAM for NGAs, Volume I and Annex C of Treasury Circular No. 02-2009 dated August 6, 2009.	RWO NCR	The RWO NCR granted CAs totalling P1,000,000.00 to two SDOs with expired bonds, and the amount of CAs exceeded the maximum cash accountability covered by the bond, contrary to applicable regulations.	RWO VII	CAs amounting to P2,216,478.25 for COVID-19 response were granted to SDOs who were inadequately or not bonded.	<p>by the Bureau of Treasury (BTr);</p> <p>c. Require the Accountant of RWO VII to check the bond of the SDO before the CA is released; and</p> <p>d. RWO NCR and RWO VII, to apply for the renewal of the bonds of AOs before their expiration dates.</p> <p>In a Memorandum dated May 8, 2021, Management submitted the Confirmation Letters from the BTr for AOs with renewed/increased bonds covering the period January 2020 to May 18, 2021.</p>		RWO VII			Fully Implemented		Bonds for Special Disbursing Officers (SDOs) of RWO VII with deficient bonds have already been increased and renewal for those with expired bonds were also done.
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33	<p><i>Non-compliance with RA No 9184, the Government Procurement Reform Act and the Government Procurement Policy Board Circular (GPPB) No. 01-2020 dated April 6, 2020</i></p> <p><b>RWOs I, IX and X did not updated/revise their Annual Procurement Plan (APP) for the</b></p>	<p>Concerned RWOs was recommended to:</p>																																																



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	<p><b>procurement of goods and services relative to COVID-19, contrary to Section 7.2 of the RIRR of RA No. 9184, Sections 3.1 and 3.2 of the Government Procurement Policy Board (GPPB) Circular No. 01-2020 dated April 6, 2020, thus affecting the validity and propriety of the transactions amounting to P11,878,711.03.</b></p> <p>Section 7.2 of the RIRR of RA No. 9184 provides that <i>“No procurement shall be undertaken unless it is in accordance with approved APP, including approved changes thereto. The APP must be consistent with duly approved yearly budget of the Procuring Entity and shall bear the approval of the HoPE or second-ranking official designated by the HoPE to act on his behalf.”</i></p> <p>Moreover, Sections 3.1 and 3.2 of the GPPB Circular No. 01-2020 dated April 6, 2020 provides as follows:</p> <p><i>“3.1 PEs shall prepare the project requirements, with the following details:</i></p> <p><i>a. Project Name;</i> <i>b. Approved Budget for the Contract (ABC);</i> <i>c. Technical Specifications, Scope of Work, or Terms of Reference;</i> <i>d. Date of Delivery or Implementation;</i> <i>e. Required quantity; and</i> <i>f. Other relevant information that the PE may require</i></p> <p><i>3.2 Once the budget for the Procurement Project has been validated by the budget officer or</i></p>	<p>a. Direct the BAC, through the BAC Secretary to update the APP to include all procurements to be undertaken by the Agency; and</p> <p>b. Strictly adhere with the aforementioned provisions for the procurement of goods and services for COVID-19 related expenses.</p> <p>The RWO IX Management stated that the transactions were done during the height of the Pandemic, hence majority, if not all, of the hotels were closed and only L’Meridian and Casa Latino responded to our call to open their hotels for the Repatriated Overseas Filipinos (ROFs). Moreover, PhilGEPS was not accessible for posting during ECQ.</p>		RWO-I			Fully Implemented		Already complied as per recommendation.
				RWO-IX			On-going		The Management will comply the said recommendation on or before September 24, 2021.
				RWO-X			Fully Implemented		RWO X updated the APP 2020 including the procurements related to the Covid-19 response.
									RWO X also ensures that the project requirements are prepared based on the capability of suppliers as determined through initial market scanning or scoping. management also exert best efforts in the inclusion of the Procurement Projects in the APP.

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	<p><i>equivalent position, the Procurement Project shall be included in the Annual Procurement Plan (APP) approved by the Head of the Procuring Entity (HoPE) or his or her delegate.</i></p> <p><i>However, in view of the urgent necessarily of the procurement covered under the Bayanihan Act, the Procuring Entity (PE) may commence with the procurement even without an approved APP, provided there is a document or certification from the budget officer or equivalent position showing that there is a budget for the purpose. The APP shall be approved thereafter and posted on the Pes website and submitted to the Government Procurement Policy Board (GPPB) or posted on the GPPB online portal for Emergency Procurement under the Bayanihan Act, once operational, on or before September 30, 2020.”</i></p> <p>Review of the expenses related to the OWWA PROJECT CARE disclosed the following:</p> <table><tr><th>Office</th><th>Deficiencies</th><th>Amount (in Php)</th></tr><tr><td>RWO I</td><td>The Agency did not update/revise their APP nor submit a Certification on the availability of the budget for the procurement of goods and services relative to COVID-19 totalling P6,148,817.03.</td><td>6,148,817.03</td></tr><tr><td>RWO IX</td><td>Expenditures totalling P5,729,894.00 for hotel accommodation for repatriated and stranded OFWs were not included in the Agency's updated APP.</td><td>5,729,894.00</td></tr><tr><td>RWO X</td><td>Management was unable to prepare the project requirements providing the details of the procurement and did not include the procurement in an approved APP as required by Sections 3.1 and 3.2 of the said GPPB Circular No. 1-2020 dated April 6, 2020.</td><td>Not stated</td></tr></table>	Office	Deficiencies	Amount (in Php)	RWO I	The Agency did not update/revise their APP nor submit a Certification on the availability of the budget for the procurement of goods and services relative to COVID-19 totalling P6,148,817.03.	6,148,817.03	RWO IX	Expenditures totalling P5,729,894.00 for hotel accommodation for repatriated and stranded OFWs were not included in the Agency's updated APP.	5,729,894.00	RWO X	Management was unable to prepare the project requirements providing the details of the procurement and did not include the procurement in an approved APP as required by Sections 3.1 and 3.2 of the said GPPB Circular No. 1-2020 dated April 6, 2020.	Not stated							
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					Action Plan	Person/Dept Responsible	Target Implementation Date				
							From				To
		Total	11,878,711.03								
	As a general rule, the APP is required prior to the conduct of Emergency Procurement. However, in view of the urgent necessity of the procurement covered under the Bayanihan to Heal and Recover as One Acts, the Agency may commence with the procurement even without an approved APP, provided there is a document or Certification from the Budget Officer or equivalent position showing that there is a budget for the purpose. The APP shall be approved thereafter and posted on the Procuring Entity's website and submitted to the GPPB.										
34	<i>Non-posting of emergency procurement in the GPPB Online Portal</i>  <b>OWWA-CO, RWOs I, IX and X did not post in the GPPB Online Portal/PhilGEPS' website their emergency procurements with total amount of P4,606,155,049.15, contrary to Section 3.6 of GPPB Circular No. 01-2020, GPPB Advisory No. 05-2020, Section 54.3 and Section 7.2 of the RIRR of RA No. 9184.</b>  Section 54.3 of the RIRR of RA No. 9184 states that <i>“in all instances of alternative methods of procurement, the BAC though the Secretariat, shall post, for information purposes, the notice of award, contract or purchase order, including notice to proceed if necessary, in the PhilGEPS website, the website of the Procuring Entity concerned, if available, and at any conspicuous place reserved for this purpose in the premises of the Procuring Entity, except for contracts with ABC of Fifty</i>			It was recommended to the concerned RWOs to:  a. Justify the basis for not complying with the requirements on posting and ensure that all emergency procurement transactions under the Bayanihan Act are posted on the GPPB Online Portal; and  b. Post the NOA, Contract, or Purchase Order in the OWWA website or on any conspicuous place of the Agency's premises and the GPPB portal, for	Central Office   						

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					From	To																	
	<p><i>Thousand Pesos (P50,000.00) and below.</i></p> <p>This was reiterated in Section 3.6 of GPPB Circular No. 1-2020 dated April 66, 2020 which provides that <i>“the BAC, through its Secretariat, shall post for information purposes the Notice of Award (NOA), contract, or purchase order in (i) the website of the PE or if none, any conspicuous place in the premises of the PE; and (ii) the GPPB online portal for Emergency Procurement under the Bayanihan Act, once it becomes operational.”</i></p> <p>We have noted in the following office/RWOs that –</p> <table><tr><th>Office</th><th>Observation</th><th>Amount (in Php)</th></tr><tr><td>CO</td><td>Emergency procurement for rental of accommodation facilities and transport services and purchases of food/meals and other incidental expenses related to COVID-19 were not poste din the PhilGEPS' website.</td><td>4,571,550,410.66</td></tr><tr><td>RWO I</td><td>All the emergency procurement transactions of the Agency relative to COVID-19 were not posted on the GPPB Online Portal for transparency and accountability, as required under the GPPB Advisory No. 05-2020. It will be the source of data or information to be used by the GPPB and its Technical Support Office to comply with the reportorial requirements under the Bayanihan Act.</td><td>6,148,817.03</td></tr><tr><td>RWO IX</td><td>Expenditures for Hotel Accommodation for repatriated and stranded OFWs amounting to P5,729,894.00, undertaken through the alternative mode of procurement of negotiated procurement – emergency cases were not posted in the PhilGEPS' website and the procurement was not included in the agency's updated Annual Procurement Plan (APP).</td><td>5,729,894.00</td></tr><tr><td>RWO X</td><td>The Notice of Award (NOA), contract and Purchase Order were not posted in the OWWA RWO X</td><td>22,725,927.46</td></tr></table>	Office	Observation	Amount (in Php)	CO	Emergency procurement for rental of accommodation facilities and transport services and purchases of food/meals and other incidental expenses related to COVID-19 were not poste din the PhilGEPS' website.	4,571,550,410.66	RWO I	All the emergency procurement transactions of the Agency relative to COVID-19 were not posted on the GPPB Online Portal for transparency and accountability, as required under the GPPB Advisory No. 05-2020. It will be the source of data or information to be used by the GPPB and its Technical Support Office to comply with the reportorial requirements under the Bayanihan Act.	6,148,817.03	RWO IX	Expenditures for Hotel Accommodation for repatriated and stranded OFWs amounting to P5,729,894.00, undertaken through the alternative mode of procurement of negotiated procurement – emergency cases were not posted in the PhilGEPS' website and the procurement was not included in the agency's updated Annual Procurement Plan (APP).	5,729,894.00	RWO X	The Notice of Award (NOA), contract and Purchase Order were not posted in the OWWA RWO X	22,725,927.46	<p>transparency.</p> <p>The OWWA-CO explained that they are in constant communication with the GPPB and a meeting will be set to discuss OWWA's situations, as OWWA engaged the services of their Service Providers for hotels/accommodation facilities, transportation services and food, as the need arises, while RWO I stated that they were not aware of such GPPB regulations, on the other hand, RWO IX commented that these transactions were done during the height of the Pandemic, thus majority, if not all, of the hotels were closed and only L'Meridian and Casa Latino responded to the Agency's call to open their hotels for ROFs and PhilGEPS was not accessible for posting during that time.</p>		<p>RWO IX</p> <p>RWO X</p>			<p>On-going</p> <p>Fully Implemented</p>	<p>posting of P50,000 and above in the PHILGEPS website.</p> <p>The Management will comply the said recommendation as soon as possible.</p> <p>RWO X already posted the Notice of Award (NOA), contract or purchase order in a conspicuous place of the Agency's premises for transparency.</p>
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							From	To			
		website or GPPB online portal for Emergency Procurement or any conspicuous places in the premises within OWWA RWO.									
		Total	4,606,15,049.15								
35	<p><i>Payments not subjected to creditable tax</i></p> <p><b>Procurement totalling P3,010,750.00 of RWOs IV-B and XIII were made through cash advances, hence not subjected to the withholding of creditable tax, contrary to Section 93 of PD No. 1445 and Revenue Memorandum Circular No. 23-012 dated February 4, 2012.</b></p> <p>Section 93 of PD No. 1445 provides as follows:</p> <p><i>“To whom warrants or checks payable. Warrants chargeable to revenue or trust funds of the national government or checks drawn against the Treasury Checking Account for Agencies maintained with any government depository shall be made payable either directly to the creditor to whom the money is due or to a disbursing officer for official disbursement.”</i></p> <p>In addition, Revenue Memorandum Circular No. 23-2012 dated February 4, 2012 stated that the Head of Offices and Chief Accountant/s or other persons holding similar positions in departments, bureaus, agencies, instrumentalities officially designated as such by the head of office are responsible for the correct withholding of taxes.</p> <p>Procurement of catering services from a single supplier amounting to P490,000.00 through CA by the RWO IV-B and disbursements out of the CAs for the Project Care totalling P2,520,750.00 of RWO</p>			<p>It was recommended that concerned personnel of RWOs IV-B and XIII ensure that payment on purchases be made directly to suppliers/contractors pursuant to Section 93 of PD No. 1445 and deduct/withhold the corresponding taxes due the government in accordance with Revenue Memorandum Circular No. 23-2012 dated February 14, 2012.</p>		RWO IV-B			Fully Implemented		Purchases were made through direct payment.
						RWO XIII			Fully Implemented		All transactions are already subjected with creditable withholding tax.

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken										
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					From	To													
	XIII were not in accordance with the above-cited regulations.																		
36	<p><b><i>Audit of Regular OWWA Transactions</i></b></p> <p><i>Delayed/non-submission of financial reports and supporting documents</i></p> <p><b>The delayed/non-submission of financial reports and documents in eight RWOs hindered the timely verification and audit of the RWO’s transactions, thus errors and deficiencies found in audit could not be effected at once and is not in accordance with Section 122 of PD No. 1445, Section 60, Chapter 19 of GAM for NGAs, Volume I and Sections 7.1.1 of COA Circular No. 2009-006 dated September 15, 2009.</b></p> <p>Section 122 of PD No. 1445 provides that <i>“Whenever deemed necessary in the exigencies of the service, the Commission may under regulations issued by it require the agency heads, chief accountants, budget officers, cashiers, disbursing officers, administrative or personnel officers and other responsible officials of the various agencies to submit trial balances, physical inventory reports, current plantilla of personnel, and such other reports as may be necessary for the exercise of its functions. Failure on the part of the officials concerned to submit the documents and reports mentioned herein shall automatically cause the suspension of payment of their salaries until they have complied with the requirements of the Commission.</i></p>	<p>It was recommended that Management require the Accounting Unit of the respective RWOs to prepare and submit the required quarterly and year-end TBs, FSs and pertinent supporting schedules/reports within the prescribed deadline.</p> <p>Management comments are as follows:</p> <table><tr><th>Office</th><th>Comments</th></tr><tr><td>RWO II</td><td>Management committed the timely submission of the financial reports for the succeeding period.</td></tr><tr><td>RWO IV-A</td><td>The Regional Accountant was hereby instructed to submit on time the financial reports and its supporting documents as prescribed under COA Circular No. 2009-006 and Section 60.b, Chapter 19 and Section 32, Chapter 3 of GAM for NGAs, Volume I.  DVs together with the supporting documents as well as the LRs had been submitted to the Office of the Auditor.</td></tr><tr><td>RWO IV-B</td><td>Management commented that the DVs for the months of February to June 2020 are ready for submission to the Office of the Auditor. However, the DVs for July to December 2020 are still on file for they are currently working on the completion of attachments thereto such as Deposit Slips, Payee’s Undertaking, and bank account details.</td></tr><tr><td>RWO V</td><td>Management committed that they will submit immediately to the AT the 253 original DVs and its supporting documents.  They justified that due to the overwhelming increased in the transactions have put the agency into drastic changes where all are to be prioritized. The normal transaction which can be done by a single employee cannot be done in this new normal. Lack of manpower</td></tr></table>	Office	Comments	RWO II	Management committed the timely submission of the financial reports for the succeeding period.	RWO IV-A	The Regional Accountant was hereby instructed to submit on time the financial reports and its supporting documents as prescribed under COA Circular No. 2009-006 and Section 60.b, Chapter 19 and Section 32, Chapter 3 of GAM for NGAs, Volume I.  DVs together with the supporting documents as well as the LRs had been submitted to the Office of the Auditor.	RWO IV-B	Management commented that the DVs for the months of February to June 2020 are ready for submission to the Office of the Auditor. However, the DVs for July to December 2020 are still on file for they are currently working on the completion of attachments thereto such as Deposit Slips, Payee’s Undertaking, and bank account details.	RWO V	Management committed that they will submit immediately to the AT the 253 original DVs and its supporting documents.  They justified that due to the overwhelming increased in the transactions have put the agency into drastic changes where all are to be prioritized. The normal transaction which can be done by a single employee cannot be done in this new normal. Lack of manpower		RWO NCR			Partially Implemented	Due to lack of manpower.	RWO NCR will maximize its personnel and submit on time.
Office	Comments																		
RWO II	Management committed the timely submission of the financial reports for the succeeding period.																		
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			RWO II			On-going	Delay for the submission of the required financial reports was due to current challenging time – Covid19 pandemic.	Prepare and submit the required financial reports within the prescribed deadline.											
			RWO IV-A			On-going		Then regional accountant is instructed to submit immediately the CY 2020 Financial Statements and supporting documents.											
			RWO IV-B			Fully Implemented		RWO IV-B has no regional accountant. Designated accountant is stationed in Head Office. Awaiting instruction to hire accountant and budget officer.											
			RWO V			Fully Implemented		RWO V is updated in submitting all reports.											
			RWO VII			Fully Implemented	The cause of the delay in	The Financial Statements (FS)											

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						From				To															
	<p>Likewise, COA Circular No. 95-006 dated May 18, 1995 provides that:</p> <p><i>“Accountable officers shall submit records of receipts, disbursements, expenditures, operations, and all other documents, to the Chief Accountants in the manner and within the time frame prescribed in existing rules and regulations.</i></p> <p><i>Disbursing Officers in particular shall faithfully comply with Section 100 of PD No. 1445 which requires them to render monthly reports of their transactions pursuant to existing auditing regulations not later than the fifth day of the ensuing month to the auditor concerned. The official involved in the daily recording of transactions in the books of accounts shall turn over the receipts and the disbursement records with all paid vouchers and documents evidencing the transaction to the Auditor within ten (10) days from date of receipt of said documents.”</i></p> <p>Section 5.3 of COA Circular No. 97-002 dated February 10, 1997 provides that: <i>“within ten (10) days after receipt of the report and supporting documents from the AO, the accountant shall verify the report, record it in the books and submit the same with all the vouchers/payrolls and supporting documents to the Auditor.”</i></p> <p>Section 7.1.1 of the COA Circular No. 2009-006 dated September 15, 2009 provides that <i>“The head of the agency, who is primarily responsible for all government funds and property pertaining to his</i></p>	<table><tr><td></td><td>is also considered a contributing factor. They explained also that some of the DVs not submitted were cancelled checks.</td></tr><tr><td>RWO VII</td><td>Financial statements were already submitted to the Office of the COA Auditor on March 22, 2021. The Accountant explained that this is the first time that financial statement were not submitted on time. This is due to the voluminous works brought by the pandemic.</td></tr><tr><td>RWO VIII</td><td>The Accountant reasoned that the delays in the submission of accounts were mainly due to the requirement that DVs be signed by the payees as acknowledgement of receipt of payment. Due to the pandemic, there had been a difficulty of their regular program beneficiaries to sign the DVs hence, the delays.</td></tr><tr><td>RWO XIII</td><td>Management acknowledge the delay on the timely submission of the abovementioned DVs and RCD. It was a result of the overwhelming documents that need to be compiled to effect the completeness of supporting documents before submission to COA. The management is fully aware of the consequence on not having submitted the said reports on time and will affect the immediate submission of said documents the soonest. The management pledged timely schedule of upcoming submission of reports within the prescribed period.</td></tr></table> <p><b>Auditor’s Rejoinder</b></p> <p>Auditor’s Rejoinder are as follows:</p> <table><tr><th>Office</th><th>Auditor’s Rejoinder</th></tr><tr><td>RWO IV-A</td><td>The Year End FS were only submitted on April 6, 2021, the day of exit conference which hindered the AT’s early detection and corrections of error/deficiencies. The AT continuously reminded the Management to comply with the recommendation of the AT.</td></tr><tr><td></td><td>The submitted DVs together with the supporting documents as well as the Liquidation Reports are under post audit by the AT. Monitoring for the complete submission of the DVs and Liquidation Reports will be made.</td></tr><tr><td>RWO V</td><td>The AT reiterated during the exit conference to submit immediately the unsubmitted DVs, otherwise, the</td></tr></table>		is also considered a contributing factor. They explained also that some of the DVs not submitted were cancelled checks.	RWO VII	Financial statements were already submitted to the Office of the COA Auditor on March 22, 2021. The Accountant explained that this is the first time that financial statement were not submitted on time. This is due to the voluminous works brought by the pandemic.	RWO VIII	The Accountant reasoned that the delays in the submission of accounts were mainly due to the requirement that DVs be signed by the payees as acknowledgement of receipt of payment. Due to the pandemic, there had been a difficulty of their regular program beneficiaries to sign the DVs hence, the delays.	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Monitoring for the complete submission of the DVs and Liquidation Reports will be made.	RWO V	The AT reiterated during the exit conference to submit immediately the unsubmitted DVs, otherwise, the							<p>preparation of the Financial Statements for CY 202 is mainly due to the voluminous disbursement vouchers for the expenses (hotel accommodation, transportation, meals, etc.) incurred in the assistance of arriving OFWs affected by the COVID-19 pandemic which needs immediate attention.</p> <p>for CY 2020 had already been submitted on March 9. 2021 for RWO VII.</p> <p>All financial reports together with the DVs and other supporting documents were already submitted.</p> <p>The Accounting Division already adhered to the timely submission of Disbursement Vouchers to COA.</p>
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					From	To																											
	<p><i>agency, shall ensure that: a) the required financial and other reports and statements are submitted by the concerned agency officials in such form and within the period prescribed by the Commission, xxx.”</i></p> <p>Based on the above provisions, the following shall be furnished to COA within the prescribed period for proper analysis, verification, and examination:</p> <table><tr><th>Reports</th><th>Due Date of Submission to COA</th></tr><tr><td>• JEVs / RCI / RCD / ORs</td><td>10<sup>th</sup> day after end of each month</td></tr><tr><td>• Payroll</td><td>Within 5 days after 15<sup>th</sup> day/end of the month pay period</td></tr><tr><td>• Liquidation Reports</td><td>10 days from date of receipt of the accountant</td></tr><tr><td>• Contracts / POs</td><td>Within 5 days from date of issuance</td></tr><tr><td>• Trial Balance</td><td>Within 10 days after the end of each month</td></tr><tr><td>• Financial Statements</td><td>Within 10 days after the end of each month</td></tr><tr><td>• BRS</td><td>Within 15 days after the end of each month</td></tr></table> <p>Similarly, Section 60, Chapter 19 of the GAM for NGAs, Volume I set the deadlines on the submission of the financial statements and schedules as follows:</p> <table><tr><th>Period Covered</th><th>Statement/Report</th><th>Deadline</th></tr><tr><td>Quarterly</td><td>Trial Balances (TBs), Financial Statements (FS), and Supporting Schedules (SSs)</td><td>Ten days after the end of the quarter</td></tr><tr><td>Year-end</td><td>Trial Balances (TBs), Financial Statements (FS) and Supporting Schedules (SSs) 9Combined CO, ROs and OUs)</td><td>February 14 of the following year</td></tr></table> <p>Review of the report submission by OWWA offices revealed that there has been delayed or non-submission of financial reports and supporting schedules for the period January to December 31, 2020 ranging from 19 to seven months and 19 days. Details below shows the dates of submission as</p>	Reports	Due Date of Submission to COA	• JEVs / RCI / RCD / ORs	10 <sup>th</sup> day after end of each month	• Payroll	Within 5 days after 15 <sup>th</sup> day/end of the month pay period	• Liquidation Reports	10 days from date of receipt of the accountant	• Contracts / POs	Within 5 days from date of issuance	• Trial Balance	Within 10 days after the end of each month	• Financial Statements	Within 10 days after the end of each month	• BRS	Within 15 days after the end of each month	Period Covered	Statement/Report	Deadline	Quarterly	Trial Balances (TBs), Financial Statements (FS), and Supporting Schedules (SSs)	Ten days after the end of the quarter	Year-end	Trial Balances (TBs), Financial Statements (FS) and Supporting Schedules (SSs) 9Combined CO, ROs and OUs)	February 14 of the following year	<div><div></div><div><p>transactions would be subjected to suspensions.</p><p>The AT also suggested for the re-orientation of the AU on the reports to be submitted and deadlines to meet. It was emphasized also that the lack of personnel in the finance unit is one of the factors contributory to the late submission.</p><p>Further, proper supervision should be done by the Accountant and the Cashier-Designate of the JOs performing the job. Proper orientation also of the JOs on the deadlines of the chores assigned to them should be conducted.</p></div></div>						
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	<p>follows:</p> <table><tr><th>Report Title</th><th>Office</th><th>Period Covered</th><th>Due date</th><th>Number of Months / Days Delayed</th></tr><tr><td rowspan="5">TBs, FS and SSs</td><td>NCR</td><td rowspan="5">Monthly, Quarterly and Year-end</td><td rowspan="5">10 days after the end of month/quarter and February 14, of the following year</td><td>19 to 160 days</td></tr><tr><td>RWO IV-A</td><td>Not Submitted</td></tr><tr><td>RWO V</td><td>17 days to 6 months and 6 days</td></tr><tr><td>RWO VII</td><td>Not submitted</td></tr><tr><td>RWO VIII</td><td>30 to 122 days</td></tr><tr><td rowspan="2">RCI</td><td>RWO II</td><td>January December to</td><td rowspan="2">10<sup>th</sup> day after end of each month</td><td>1 month and 23 days to 7 months and 19 days</td></tr><tr><td>RWO IV-A</td><td>January December to</td><td>Not Submitted</td></tr><tr><td rowspan="2">LRs</td><td>RWO II</td><td>January December to</td><td rowspan="2">10 days from date of receipt of the accountant</td><td>1 month and 23 to 7 months and 19 days</td></tr><tr><td>RWO IV-A</td><td>January December to</td><td>Not Submitted</td></tr><tr><td>RCD</td><td>RWO II</td><td>January December to</td><td>10<sup>th</sup> day after end of each month</td><td>23 days to 7 months and 19 days</td></tr><tr><td rowspan="4">DVs</td><td>RWO IV-B</td><td>June December to</td><td rowspan="4">10<sup>th</sup> day after end of each month</td><td rowspan="4">Not Submitted</td></tr><tr><td>RWO V</td><td>January December to</td></tr><tr><td>RWO VI</td><td>DVs for COVID-19 related expenses</td></tr><tr><td>RWO XIII</td><td>January December to</td></tr><tr><td>RPCI, RPCPPE</td><td>NCR</td><td>Year end</td><td>January 31, of the following year</td><td>33 days</td></tr><tr><td>Contracts</td><td>RWO II</td><td>Contract for the accommodation facility</td><td>Within 5 days from date of issuance</td><td>Not Submitted</td></tr></table> <p>The delayed submission of the required reports and its supporting documents affected the timely examination and verification of the transactions by the AT and the timely correction of errors if any.</p>	Report Title	Office	Period Covered	Due date	Number of Months / Days Delayed	TBs, FS and SSs	NCR	Monthly, Quarterly and Year-end	10 days after the end of month/quarter and February 14, of the following year	19 to 160 days	RWO IV-A	Not Submitted	RWO V	17 days to 6 months and 6 days	RWO VII	Not submitted	RWO VIII	30 to 122 days	RCI	RWO II	January December to	10 <sup>th</sup> day after end of each month	1 month and 23 days to 7 months and 19 days	RWO IV-A	January December to	Not Submitted	LRs	RWO II	January December to	10 days from date of receipt of the accountant	1 month and 23 to 7 months and 19 days	RWO IV-A	January December to	Not Submitted	RCD	RWO II	January December to	10 <sup>th</sup> day after end of each month	23 days to 7 months and 19 days	DVs	RWO IV-B	June December to	10 <sup>th</sup> day after end of each month	Not Submitted	RWO V	January December to	RWO VI	DVs for COVID-19 related expenses	RWO XIII	January December to	RPCI, RPCPPE	NCR	Year end	January 31, of the following year	33 days	Contracts	RWO II	Contract for the accommodation facility	Within 5 days from date of issuance	Not Submitted						
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37	<p><i>Account not updated to conform with the RCA (Updated)</i></p> <p><b>Accounts in the Trial Balance of CO, RWO-CAR, I and VI were not in accordance with the Revised Chart of Accounts (RCA Updated 2019), contrary to COA Circular No. 2020-001 dated January 8, 2020.</b></p> <p>COA Circular No. 2020-001 dated January 8, 2020 prescribes Volume III-Revised Chart of Accounts (Updated 2019) to replace Volume III-The RCA (Updated 2015) of the GAM for NGAs.</p> <p>The updated account titles and UACS object, among others, are shown below:</p> <table><tr><th colspan="2">Trial Balance (using RCA Updated 2015)</th><th colspan="2">Modified RCA (per COA Circular NO. 2020-001)</th></tr><tr><th>Account Title</th><th>UACS Object Code</th><th>Account Title</th><th>UACS Object Code</th></tr><tr><td><b>Receivables</b></td><td></td><td><b>Receivables</b></td><td></td></tr><tr><td>Allowance for Impairment – Loans Receivables- Others</td><td>10301991</td><td>Allowance for Impairment – Loans Receivables- Others</td><td>10301992</td></tr><tr><td><b>Inventories</b></td><td></td><td><b>Inventories</b></td><td></td></tr><tr><td>Semi-Expendable Other Machinery and Equipment</td><td>1040519000</td><td>Semi-Expendable Other Equipment</td><td>1040599000</td></tr><tr><td><b>PPE</b></td><td></td><td><b>PPE</b></td><td></td></tr><tr><td>Land</td><td></td><td>Land</td><td></td></tr><tr><td><i>Accumulated Impairment Losses-Land</i></td><td>1060101100</td><td><i>Accumulated Impairment Losses-Land</i></td><td>1060101200</td></tr><tr><td>Machinery and Equipment</td><td></td><td>Machinery and Equipment</td><td></td></tr><tr><td>Other Machinery and Equipment</td><td>1060599000</td><td>Other Equipment</td><td>1060599000</td></tr><tr><td><i>Accumulated Depreciation-Other Machinery and Equipment</i></td><td>1060599100</td><td><i>Accumulated Depreciation-Other Equipment</i></td><td>1060599100</td></tr><tr><td><i>Accumulated Impairment</i></td><td>1060599200</td><td><i>Accumulated Impairment</i></td><td>1060599200</td></tr></table>	Trial Balance (using RCA Updated 2015)		Modified RCA (per COA Circular NO. 2020-001)		Account Title	UACS Object Code	Account Title	UACS Object Code	<b>Receivables</b>		<b>Receivables</b>		Allowance for Impairment – Loans Receivables- Others	10301991	Allowance for Impairment – Loans Receivables- Others	10301992	<b>Inventories</b>		<b>Inventories</b>		Semi-Expendable Other Machinery and Equipment	1040519000	Semi-Expendable Other Equipment	1040599000	<b>PPE</b>		<b>PPE</b>		Land		Land		<i>Accumulated Impairment Losses-Land</i>	1060101100	<i>Accumulated Impairment Losses-Land</i>	1060101200	Machinery and Equipment		Machinery and Equipment		Other Machinery and Equipment	1060599000	Other Equipment	1060599000	<i>Accumulated Depreciation-Other Machinery and Equipment</i>	1060599100	<i>Accumulated Depreciation-Other Equipment</i>	1060599100	<i>Accumulated Impairment</i>	1060599200	<i>Accumulated Impairment</i>	1060599200	<p>It was recommended that Management require the concerned offices to update the Account title and UACS object code on the use of the appropriate account titles in accordance with COA Circular No. 2020-001 dated January 8, 2020.</p>		<p>Central Office</p> <p>RWO CAR</p> <p>RWO I</p>		<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Modified Revised Chart of Accounts (per COA Circular No. 2020-001) is being used.</p> <p>The Chart of Accounts as prescribed under Volume III of the GAM for NGAs is already being implemented.</p> <p>Prescribed Chart of Accounts is already being implemented.</p>
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						Action Plan	Person/Dept Responsible	Target Implementation Date				
								From	To			
	Losses-Other Machinery and Equipment		Losses-Other Equipment									
	Leased Assets Improvements		Leased Assets Improvements									
	Leased Asser Improvements, Buildings	1060902000	Leased Asser Improvements, Buildings and Other Structures	1060902000								
	Accumulated Depreciation-Leased Asset Improvements, Buildings	10060902100	Accumulated Depreciation-Leased Asset Improvements, Buildings and Other Structures	1060902100								
	Accumulated Impairment Losses-Leased Asset Improvements, Buildings	1060902200	Accumulated Impairment Losses-Leased Asset Improvements, Buildings	1060902200								
	Liabilities		Liabilities									
	Due to Central / Home / Head Office	2030106000	Due to Central / Home / Head Office	2030101000								
	Income		Income									
	Miscellaneous Income	4060399000	Miscellaneous Income	4069999000								
	Expenses		Expenses									
	Office Supplies Expenses	5020301000	Office Supplies Expenses	5020301002								
	Repairs and Maintenance – Buildings and Other Structures	5021304000	Repairs and Maintenance – Infrastructure Assets	5021303000								
	Repairs and Maintenance – Machinery and Equipment – Office Equipment	5021305001	Repairs and Maintenance – Office Equipment	5021304002								
	Repairs and Maintenance – Transportation Equipment	5021306000	Repairs and Maintenance – Transportation Equipment	5021305001								
	Depreciation – Machinery and Equipment – Communication Equipment	5050105001	Depreciation – Machinery and Equipment – Communication Equipment	5050104000								
	Depreciation – Transportation Equipment	5050106000	Depreciation – Transportation Equipment	5050106001								
	Details of the accounts that were not in accordance with the updated RCA are as follows:											

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken																									
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	<table><tr><th>Office</th><th>Accounts</th><th>Amount (in Php)</th></tr><tr><td>CO</td><td>- Inventories</td><td>7,000.00</td></tr><tr><td></td><td>- PPE</td><td>92,007,395.00</td></tr><tr><td>CAR</td><td>- Inventories</td><td>41,030.00</td></tr><tr><td>RWO VI</td><td>- Allowance for Impairment – Loans Receivable-Others</td><td>10,208,833.46</td></tr><tr><td>RWO I</td><td>- Due to Central Office</td><td rowspan="5">Not provided</td></tr><tr><td></td><td>- Miscellaneous Income</td></tr><tr><td></td><td>- Office Supplies Expenses</td></tr><tr><td></td><td>- Repairs and Maintenance Expenses</td></tr><tr><td></td><td>- Depreciation Expenses</td></tr></table>	Office	Accounts	Amount (in Php)	CO	- Inventories	7,000.00		- PPE	92,007,395.00	CAR	- Inventories	41,030.00	RWO VI	- Allowance for Impairment – Loans Receivable-Others	10,208,833.46	RWO I	- Due to Central Office	Not provided		- Miscellaneous Income		- Office Supplies Expenses		- Repairs and Maintenance Expenses		- Depreciation Expenses							
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38	<p><b>PROGRAM EVALUATION</b></p> <p><i>Implementation of Balik Pinas Balik Hanapbuhay (BPBH) Program</i></p> <p><b>For the implementation of the Balik Pinas Balik Hanapbuhay (BPBH) Program, P30,265,000.00 or 95.85 percent of the total budget of P31,575,000.00 for the period January to December 2020 was released by RWO NCR for repatriated/displaced/distressed 1,769 member-OFW beneficiaries. However, inadequate monitoring of the sustainability and viability of the livelihood projects undertaken by recipients was observed, as out of the 1769 recipients, only 160 or 9.04 percent were selected for monitoring by RWO NCR, of which, only 69 or 3.90 percent responded to the Management’s validation, with the BPBH Program Monitoring Report (BPBH-MR) no submitted to the Audit Team, contrary to paragraph VI of Memorandum of Instruction (MOI) No. 005, Series of 2017.</b></p>	<p>Management’s effort in extending immediate relief to repatriated/ displaced/ distressed 1,769 member-OFW beneficiaries by releasing funds as budgeted and planned despite the ongoing COVID-19 Pandemic was commended and recommended to continue the same effort in the implementation of the BPBH program.</p> <p>It was also recommended that Management require the concerned Overseas Workers Welfare Officer of the Program Services Unit to:</p> <p>a) Conduct monitoring/validation of the livelihood projects</p>		RWO NCR			Fully Implemented		NCR assure the continuance of the commended performance.																									

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
	<p>The BPBH Program is a package of livelihood support/assistance intended to provide immediate relief to returning member-OFWs, active or non-active who were: a) displaced from their jobs due to wars/political conflicts in host countries, or policy reform controls and changes by the host government; b) victims of illegal recruitment and/or human trafficking or other distressful situations; c) distressed wards at the Migrant Workers and Overseas Filipino Resource Center who are due for repatriation; and d) repatriated OWWA-members who were employed by foreign employers which are beset with financial difficulties due to economic conditions. This was implemented by the OWWA through issuance of Memorandum of Instruction (MOI) No. 7, Series of 2013 and subsequent amendments.</p> <p>The BPBH livelihood package is composed of:</p> <p>a. Cash assistance of up to a maximum amount of Twenty Thousand Pesos (P20,000.00) as start-up or additional capital for livelihood project;</p> <p>b. Entrepreneurship Development Training; and</p> <p>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.</p> <p>In addition, paragraph VI of MOI No. 005, Series of 2017 provides the following on monitoring and evaluation of BPBH program implementation:</p>	<p>undertaken by the beneficiaries of the Program to ensure that the projects are implemented accordingly, as provided by paragraph VI of the MOI No. 005, Series of 2017 and render a report thereon; and</p> <p>b) Submit the BPBH-MR to the Audit Team</p> <p>The Management of RWO NCR explained that the conduct of monitoring/validation of the program was undertaken through phone calls and Short Messaging Services (SMS) in order to comply with the minimum health protocols and in order to avoid the spread of the COVID-19, thus resulting to low response rate of the displaced beneficiaries.</p>							

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken																																			
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	<p>“Initial monitoring shall be done a month after the release of the assistance/ grant to ensure that the projects are implemented. Thereafter, <b>the RWOs shall monitor all approved livelihood projects every six (6) months to ensure that projects are implemented accordingly</b> to the business plan/proposal and identify other interventions to help sustain the operation of the project.” <b>(emphasis supplied)</b></p> <p>For CY 2020, OWWA RWO-NCR had an approved budget of P40,000,000.00. The ROW-NCR received a total amount of P31,575,000.00 from the OWWA-Central Office (CO) for the implementation of the Program, as follows:</p> <table><tr><th>Date</th><th>JEV No.</th><th>Amount (in Php)</th></tr><tr><td>February 29, 2020</td><td>2020-02-0624</td><td>11,230,000.00</td></tr><tr><td>June 30, 2020</td><td>2020-06-3103</td><td>6,730,000.00</td></tr><tr><td>June 30, 2020</td><td>0202-06-3106</td><td>1,430,000.00</td></tr><tr><td>June 30, 2020</td><td>2020-06-3110</td><td>3,205,000.00</td></tr><tr><td>July 31, 2020</td><td>2020-07-3950</td><td>4,330,000.00</td></tr><tr><td>September 30, 2020</td><td>2020-09-5230</td><td>4,080,000.00</td></tr><tr><td>December 31, 2020</td><td>2020-12-7646</td><td>570,000.00</td></tr><tr><td>TOTAL</td><td></td><td>31,575,000.00</td></tr></table> <p>Out of this amount, a total of P30,265,000.00 or 95.85% was released to program beneficiaries, thereby extending immediate relief to repatriated/displaced/distressed 1,769 member-OFW beneficiaries for the period of January to December 2020 with amounts ranging from P5,000 to P20,000.00 each. The details are shown below:</p> <table><tr><th>Period Covered</th><th>Amount (in Php)</th><th>No. of Beneficiaries</th></tr><tr><td>January 2020</td><td>-</td><td>-</td></tr><tr><td>February 2020</td><td>-</td><td>-</td></tr></table>	Date	JEV No.	Amount (in Php)	February 29, 2020	2020-02-0624	11,230,000.00	June 30, 2020	2020-06-3103	6,730,000.00	June 30, 2020	0202-06-3106	1,430,000.00	June 30, 2020	2020-06-3110	3,205,000.00	July 31, 2020	2020-07-3950	4,330,000.00	September 30, 2020	2020-09-5230	4,080,000.00	December 31, 2020	2020-12-7646	570,000.00	TOTAL		31,575,000.00	Period Covered	Amount (in Php)	No. of Beneficiaries	January 2020	-	-	February 2020	-	-							
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					Action Plan	Person/Dept Responsible	Target Implementation Date			
							From			
	March 2020	5,325,000.00	305							
	April 2020	5,315,000.00	310							
	May 2020	730,000.00	38							
	June 2020	2,600,000.00	147							
	July 2020	1,560,000.00	89							
	August 2020	1,155,000.00	73							
	September 2020	690,000.00	41							
	October 2020	435,000.00	23							
	November 2020	190,000.00	11							
	December 2020	12,265,000.00	732							
	Total	30,265,000.00	1,769							
	<p>The MOI provides among others, that Management should conduct monitoring after a month of the release of the grant and six months thereafter, to ensure that projects are implemented accordingly to the business plan. However, due to the rapid spread of the COVID-19, performing site inspections to the BPBP Program beneficiaries is not ideal, thus conducting phone call interviews and Short Messaging Services (SMS) would suffice.</p> <p>Management failed to provide the BPBH-MR to the AT, instead provided the narrative report on the said program. The information in the BPBH-MR is necessary in determining compliance with the requirements of the MOI and monitoring of the projects if the goal and objectives of the program are satisfactorily achieved.</p> <p>Based on the narrative report on the BPBH Program submitted on April 6, 2021, 160 OFW beneficiaries from January to November 2020 were randomly selected for the conduct of business monitoring or only 9.04 percent of the total 1,769 beneficiaries. Out of which only 69 or 3.90 percent responded to the Management’s validation, details as follows:</p>									
	Particulars	Number	Percentage from Total							

Ref	Audit Observations			Audit Recommendations	Agency Action Plan			Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken																	
					Action Plan	Person/Dept Responsible	Target Implementation Date																				
							From				To																
	<div><div>Randomly selected OFW Beneficiaries for Validation</div><table><tr><td>- Responded</td><td>69</td><td>3.90</td></tr><tr><td>- Did not respond</td><td>91</td><td>5.14</td></tr><tr><td>Total Sample</td><td>160</td><td>9.04</td></tr><tr><td>*Total number of OFW Beneficiaries availed of the program</td><td>1,769</td><td>100.00</td></tr></table></div>			- Responded	69	3.90	- Did not respond	91	5.14	Total Sample	160	9.04	*Total number of OFW Beneficiaries availed of the program	1,769	100.00												
	- Responded	69	3.90																								
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	Total Sample	160	9.04																								
	*Total number of OFW Beneficiaries availed of the program	1,769	100.00																								
	<p>The submitted narrative report noted that out of the selected 160 respondents, only 69 or 43 percent responded to the phone call interviews while the remaining 91 or 57 percent did not respond to the calls/text messages for the conduct of livelihood monitoring.</p> <p>Result of the busines monitoring for the 69 respondents as provided on the submitted narrative report were as follows:</p> <table><tr><th>Status of the Business</th><th>No. of Respondents</th></tr><tr><td>Sustained their original livelihood projects</td><td>32</td></tr><tr><td>Shifted to another type of business</td><td>5</td></tr><tr><td>Unable to sustain their business due to several reasons such as low income, low customer volume, and safety concerns in presumption to the impact of COVID-19 pandemic</td><td>22</td></tr><tr><td>Did not initiate their proposed livelihood projects instead used the grant for settling personal debts and purchasing basic necessities.</td><td>3</td></tr><tr><td>Already moved and established their business in the province instead of the place of business in their approved applications</td><td>5</td></tr><tr><td>Returned abroad however the business are currently managed by relatives</td><td>2</td></tr><tr><td>Total</td><td>69</td></tr></table> <p>The AT however, was not able to conduct site inspections on the approved proposals and one-to-one interview with the program beneficiaries for validation due to the implementation of the minimum safety health protocols and Enhanced Community Quarantine (ECQ) due to the COVID-19 Pandemic.</p>			Status of the Business	No. of Respondents	Sustained their original livelihood projects	32	Shifted to another type of business	5	Unable to sustain their business due to several reasons such as low income, low customer volume, and safety concerns in presumption to the impact of COVID-19 pandemic	22	Did not initiate their proposed livelihood projects instead used the grant for settling personal debts and purchasing basic necessities.	3	Already moved and established their business in the province instead of the place of business in their approved applications	5	Returned abroad however the business are currently managed by relatives	2	Total	69								
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	Unable to sustain their business due to several reasons such as low income, low customer volume, and safety concerns in presumption to the impact of COVID-19 pandemic	22																									
	Did not initiate their proposed livelihood projects instead used the grant for settling personal debts and purchasing basic necessities.	3																									
	Already moved and established their business in the province instead of the place of business in their approved applications	5																									
	Returned abroad however the business are currently managed by relatives	2																									
	Total	69																									



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	In view of the foregoing, the validity of the disbursements could not be ascertained due to non-submission of the BPBH-MR and the limited and/or absence of site inspections and interviews.								
39	<p><i>Deficiencies in the implementation of the Welfare Calamity Assistance (WAP)</i></p> <p><b>Inadequacy in the implementation of the WAP given to OWWA and their families affected by natural calamities thus rendering questions on the actual receipt of financial assistance by the program beneficiaries due to: (a) release of funds through cash advances to an official who is neither appointed nor designated as disbursing officer in RWO V; and (b) incomplete and doubtful information on claim forms in RWO XI, contrary to the OWWA MOI No. 011, Series of 2018, Items 3.2, 4.1.5, 4.1.6 and 8 of COA Circular No. 97-002 dated February 10, 1997 and Sections 2, 4, 124 and PD No. 1445.</b></p> <p>COA Circular No. 97-002 dated February 10, 1997 provides the Rules and Regulations on the Granting, Utilization and Liquidation of Cash Advances. The pertinent provisions of the Circular, are:</p> <p>Item 3.2 – Special cash advances are those granted on the explicit authority of the Head of the Agency only to duly designated disbursing officers or employees for other legally authorized purposes.</p> <p>Item 4.1.5 – Only duly appointed or designated disbursing officers may perform disbursing functions...xxx.</p>	<p>It was recommended that Management require the concerned Regions to:</p> <p>a.For RWO V, grant special CAs only to a duly appointed or designated disbursing officer or employee who may perform disbursing functions in accordance with Items 3.2 and 4.1.5 of COA Circular No. 97-002, dated February 10, 1997; and</p> <p>b.For RWO XI:</p> <ul style="list-style-type: none"><li>• Direct the officers concerned to submit their written explanations on the observations noted above;</li><li>• Devise procedures that will eliminate any doubts that may arise from particular transactions. We suggest that a separate form be used for the application requiring all the information needed for the</li></ul>		RWO-V			Fully Implemented		Management said that due to the outnumbered regular personnel of OWWA RWO-V and all are pre-occupied and overloaded attending to the multifarious programs and are loaded also with CAs not yet liquidated, so in order not to hamper transactions of more importance, thus, the OIC-Director draw cash advance for several times.
				RWO-XI			Fully Implemented		Management submitted a letter dated March 19, 2021 explaining in detail the circumstances faced by the beneficiaries and the Agency/government personnel who were responsible in the implementation of the WAP and why such issues raised in audit occurred.

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	<p>Item 4.1.6 – Transfer of cash advance from once Accountable Officer to another shall not be allowed.</p> <p>Item 8 – It shall be the responsibility of the Head of the Agency to ensure the proper granting, utilization and liquidation of all cash advances in accordance with these rules and regulations.</p> <p>Section 2 of PD No. 1445 provides that <i>“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 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.”</i></p> <p>Item 6, Section 4 of the PD No. 1445 states that: <i>“Claims against government funds shall be supported with complete documentation.”</i></p> <p>Sections 123 and 124 of the same PD also provide:</p> <ul style="list-style-type: none"><li>• <b>Section 123. Definition of internal control.</b> Internal control is the plan of organization and all the coordinate methods and measures adopted within an organization or agency to safeguard its assets, check the accuracy and reliability of its accounting data, and encourage adherence to prescribed managerial policies.</li></ul>	<p>evaluation, and the claim for will only be used upon the payment of financial assistance to ensure that it was filled out by the beneficiary himself/herself and the actual date of receipt would then be after the grant of CA to the disbursing officer; and</p> <ul style="list-style-type: none"><li>• Ascertain that all government forms used to support claims of financial assistance are properly and completely filled-out.</li></ul> <p>The Management commented as follows:</p> <table><tr><th>Office/RWO</th><th>Management Comments</th></tr><tr><td>RWO V</td><td><p>Management reasoned out that due to the outnumbered regular personnel of OWWA RWO-V and all are pre-occupied and overloaded attending to the multifarious programs and are loaded also with CAs not yet liquidated, so in order not to hamper transactions of more importance, thus, the OIC-Director draw cash advance for several times.</p><p>But the Management will ensure compliance to the recommendation. Likewise, the OIC-Director stated during the exit conference that he will no longer draw cash advance.</p></td></tr><tr><td>RWO XI</td><td><p>Management submitted a letter dated March 19, 2021 explaining in detail the circumstances faced by the beneficiaries and the Agency/government personnel who were responsible in the implementation of the WAP and why such issues raised in audit occurred.</p></td></tr></table>	Office/RWO	Management Comments	RWO V	<p>Management reasoned out that due to the outnumbered regular personnel of OWWA RWO-V and all are pre-occupied and overloaded attending to the multifarious programs and are loaded also with CAs not yet liquidated, so in order not to hamper transactions of more importance, thus, the OIC-Director draw cash advance for several times.</p> <p>But the Management will ensure compliance to the recommendation. Likewise, the OIC-Director stated during the exit conference that he will no longer draw cash advance.</p>	RWO XI	<p>Management submitted a letter dated March 19, 2021 explaining in detail the circumstances faced by the beneficiaries and the Agency/government personnel who were responsible in the implementation of the WAP and why such issues raised in audit occurred.</p>						
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	<p>• <b>Section 124.Installation.</b> It shall be the direct responsibility of the agency head to install, implement, and monitor a sound system of internal control.</p> <p>The OWWA issued MOI No. 011, Series of 2018, pertaining to Amendatory Guidelines on the Implementation of the WAP. It partially provides the following:</p> <p><b><i>I. Nature and Objective</i></b></p> <p>The <b>WAP</b> is an assistance extended to OWWA members, active or non-active, and/or their families, who are not eligible under any of the existing OWWA social benefit programs. It seeks to provide cash relief assistance to OWWA members and/or their families, whether at the jobsite or in country, among others, (a) calamity assistance for OWWA members and/or their families affected by natural or human-induced disasters/calamities</p> <p><b><i>II. Entitlement and Coverage</i></b></p> <table><tr><th rowspan="2">Category</th><th colspan="2">Amount of Assistance</th><th rowspan="2">Validity / Filing Period</th><th rowspan="2">Eligible Beneficiaries</th></tr><tr><th>For Active Members</th><th>For Non-Active Members</th></tr><tr><td>a. Calamity Assistance – Typhoons (TCWS#5), Heavy Flooding, Earthquakes (magnitude 6), Massive Landslides/Muds lides, Arson, Armed Conflict, Widespread Civil Disturbance, Acts of Terrorism, and Other Related Disasters</td><td>P3,000.00 Up to maximum P20,000.00  (for succeeding availments)</td><td>P1,500.00 Up to maximum P10,000.00  (for succeeding availments)</td><td>Within three months after the Declaration of State of Calamity/Emergency/ Crisis by appropriate international or national/ local authorities, i.e. National or Local Disaster Risk Reduction and Management Council (N/LDRMMC)</td><td>OFW-member or his/her qualified beneficiary</td></tr></table>	Category	Amount of Assistance		Validity / Filing Period	Eligible Beneficiaries	For Active Members	For Non-Active Members	a. Calamity Assistance – Typhoons (TCWS#5), Heavy Flooding, Earthquakes (magnitude 6), Massive Landslides/Muds lides, Arson, Armed Conflict, Widespread Civil Disturbance, Acts of Terrorism, and Other Related Disasters	P3,000.00 Up to maximum P20,000.00  (for succeeding availments)	P1,500.00 Up to maximum P10,000.00  (for succeeding availments)	Within three months after the Declaration of State of Calamity/Emergency/ Crisis by appropriate international or national/ local authorities, i.e. National or Local Disaster Risk Reduction and Management Council (N/LDRMMC)	OFW-member or his/her qualified beneficiary						
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	<p><b>III. General Policies</b></p> <p>1. xxx</p> <p>2. The OFW has paid at least one (1) OWWA membership contribution</p> <p>3. The WAP can only be availed of once except for:</p> <p>    a. Calamity assistance where an OFW-member can have multiple availments but only up to the prescribed maximum benefit/assistance; xxx</p> <p>4. Reckoning period for entitlement to claims is the date of filing of application/claim. In the event that a claimant dies while in the claim is in-process or in the pipeline, the eligible beneficiary may still receive the claim.</p> <p><b>IV. Documentary Requirements</b></p> <p>Applicant-OFW or family member shall submit required documents per category to OWWA RWOs, as follows:</p> <table><tr><th>Category</th><th>Required Documents</th><th>Who are qualified to file/claim</th></tr><tr><td>a. Calamity Assistance</td><td><ul style="list-style-type: none"><li>Duly accomplished Claim Form with a Declaration that no other OFW-family has availed of the grant (Annex C)</li><li>2x2 ID picture (1 copy)</li><li>Valid government – issued Identification Card or any document to establish identity of claimant; and</li><li>Proof of relationship, if applicant is a dependent of OFW-member</li></ul></td><td><ul style="list-style-type: none"><li>OFW-member or</li><li>Next-of-kin (NOK)</li></ul></td></tr></table>	Category	Required Documents	Who are qualified to file/claim	a. Calamity Assistance	<ul style="list-style-type: none"><li>Duly accomplished Claim Form with a Declaration that no other OFW-family has availed of the grant (Annex C)</li><li>2x2 ID picture (1 copy)</li><li>Valid government – issued Identification Card or any document to establish identity of claimant; and</li><li>Proof of relationship, if applicant is a dependent of OFW-member</li></ul>	<ul style="list-style-type: none"><li>OFW-member or</li><li>Next-of-kin (NOK)</li></ul>							
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	<p>Audit revealed the following deficiencies in the implementation of the WAP:</p> <p>a. CAs and liquidations of the SDOs for CY 2020 in RWO V disclosed that there were CAs drawn by the OIC-Regional Director (RD) totalling P2,499,000.00 for payment of the WAP to OWWA members and their families affected by typhoons. Details of the CAs are summarized below:</p> <table><tr><th>Date Granted</th><th>Check No.</th><th>Purpose</th><th>Amount (in Php)</th></tr><tr><td>Dec. 27, 2019</td><td>2395263</td><td rowspan="3">WAP Calamity Assistance</td><td>750,000.00</td></tr><tr><td>Jan. 1, 2020</td><td>2395313</td><td>750,000.00</td></tr><tr><td>Dec. 1, 2020</td><td>2471980</td><td>999,000.00</td></tr><tr><td colspan="3">Total</td><td>2,499,000.00</td></tr></table> <p>(a) The drawing of CA by the RD weakens the internal control on the granting, utilization and liquidation of CA, particularly the check and balance as there is no other officer to check the proper disposition thereof. The RD, being the person vested with the authority to grant the CA, and the responsibility to oversee the compliance to the rules and regulations pertaining to CAs. Further, his duties and responsibilities do not include the disbursing function, and neither is he appointed or designated as disbursing officer; hence, he should not perform the disbursing function.</p> <p>(b) The magnitude of the duties and responsibilities of the RD will not permit him to make the payment of calamity assistance</p>	Date Granted	Check No.	Purpose	Amount (in Php)	Dec. 27, 2019	2395263	WAP Calamity Assistance	750,000.00	Jan. 1, 2020	2395313	750,000.00	Dec. 1, 2020	2471980	999,000.00	Total			2,499,000.00						
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	<p>to affected OFW and their families. He will then resort to transferring the money to other OWWA RWO V employees who will make the payment, which is not allowed under existing regulations.</p> <p>(c) The payment of calamity assistance through a remittance provider is more economical and safer than paying through a CA. the Agency will only incur a minimal cost of P20.00 as service fee for payment to each beneficiary, while more administrative costs will be incurred, like gasoline/fuel, rental of transportation vehicle and the paid man-hours, during the payout through the CA, not mentioning the risk involved while transporting such huge amount of money from the Regional Office to the designated pay out area.</p> <p>(d) Finally, the RD has also the responsibility to take care of the resources of the government and ensure that government funds 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 effectiveness in the operations of government.</p> <p>b. While in RWO XI, the Office in CY 2020 granted CAs to its personnel for the payment of financial assistance to various OFW-members or their Next-of-Kin (NOK) who are residents of areas greatly affected by the earthquake in CY 2019.</p>								

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	<div>Details as follows:</div> <table><thead><tr><th rowspan="2">Name of personnel</th><th colspan="3">Cash Advances</th><th rowspan="2">Amount (in Php)</th><th rowspan="2">Date Liquidated</th></tr><tr><th>Date</th><th>Check No.</th><th>DV No.</th></tr></thead><tbody><tr><td>1. Mayette A. Almano</td><td>2/4/2020</td><td>2811370</td><td>20020064</td><td>768,000.00</td><td>3/4/2020</td></tr><tr><td>2. Gina Mae L. Quimora</td><td>2/4/2002</td><td>2811371</td><td>20020063</td><td>900,000.00</td><td>2/10/2020</td></tr><tr><td>3. Aileen D. Casiller</td><td>2/11/2020</td><td>2811602</td><td>20020336</td><td>750,000.00</td><td>2/18/2020</td></tr><tr><td>4. Gina Mae L. Quimora</td><td>2/11/2020</td><td>2811603</td><td>20020335</td><td>900,000.00</td><td>2/14/2020</td></tr><tr><td>5. Gina Mae L. Quimora</td><td>2/19/2020</td><td>2811839</td><td>20020556</td><td>900,000.00</td><td>2/24/2020</td></tr><tr><td>6. Aileen D. Casiller</td><td>2/19/2020</td><td>2811841</td><td>20020557</td><td>750,000.00</td><td>3/4/2020</td></tr><tr><td>7. Carmelo T. Elaya</td><td>2/19/2020</td><td>2811842</td><td>20020558</td><td>450,000.00</td><td>2/24/2020</td></tr><tr><td>8. Carmelo T. Elaya</td><td>2/24/2020</td><td>2811904</td><td>20020629</td><td>450,000.00</td><td>3/4/2020</td></tr><tr><td>9. Gina Mae L. Quimora</td><td>2/24/2020</td><td>2811905</td><td>20020628</td><td>900,000.00</td><td>4/7/2020</td></tr><tr><td colspan="4">TOTAL</td><td>6,768,000.00</td><td></td></tr></tbody></table> <div>(a) Scrutiny of some claim forms (CFs) attached to the LRs disclosed that these were not completely filled-out by the beneficiaries. There were instances where the: a. Date of receipt was not indicated; b. Date of receipt was prior to the date of the cash advance; c. Amount in words was not provided; d. The ink used to write the amount in figures is different from the one used to sign on the acknowledgement and declaration portion; e. Same penmanship for different beneficiaries; and f. Boxes provided for the certification of the beneficiary were not marked.</div> <div>(b) Interview with the WAP evaluator disclosed that a Family Welfare Officer assigned at the DOLE XI, Davao del Sur Field Office, spearheaded the identification of beneficiaries</div>	Name of personnel	Cash Advances			Amount (in Php)	Date Liquidated	Date	Check No.	DV No.	1. Mayette A. Almano	2/4/2020	2811370	20020064	768,000.00	3/4/2020	2. Gina Mae L. Quimora	2/4/2002	2811371	20020063	900,000.00	2/10/2020	3. Aileen D. Casiller	2/11/2020	2811602	20020336	750,000.00	2/18/2020	4. Gina Mae L. Quimora	2/11/2020	2811603	20020335	900,000.00	2/14/2020	5. Gina Mae L. Quimora	2/19/2020	2811839	20020556	900,000.00	2/24/2020	6. Aileen D. Casiller	2/19/2020	2811841	20020557	750,000.00	3/4/2020	7. Carmelo T. Elaya	2/19/2020	2811842	20020558	450,000.00	2/24/2020	8. Carmelo T. Elaya	2/24/2020	2811904	20020629	450,000.00	3/4/2020	9. Gina Mae L. Quimora	2/24/2020	2811905	20020628	900,000.00	4/7/2020	TOTAL				6,768,000.00							
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	<p>and received the applications from the OFW-members or their NOK, with the assistance of the Public Employment Service Office (PESO) personnel. These applications were brought to OWWA RWO-XI in Davao City for evaluation. Subsequently, CAs were granted to the Agency personnel for payout of financial assistance to the affected OFW-members or their NOK.</p> <p>In view of the foregoing, the flawed implementation of the WAP given to OWWA and their families render questions on validity of the actual receipt of financial assistance by the program beneficiaries.</p>								
40	<p><b><u>Audit Foreign Posts</u></b></p> <p>In CY 2019, audit of foreign based government agencies (FBGAs) which include the OWWA Posts were conducted by special Audit Teams created by the COA Central Office. As of April 15, 2021, we received the Management Letters (MLs) containing the results of the audit conducted on 13 OWWA Posts in 1) Rome, Italy, 2) Madrid, Spain, 3) Toronto, Canada, 4) Washington, D.C., United States of America (USA), 5) Singapore 6) Kaoshiung, Taiwan, 7) Taichung, Taiwan, 8) Macau-Special Autonomous Region, 10) Tel Aviv, Israel, 11) Jeddah, Kingdom of Saudi Arabia (KSA), 12) Al Khobar, KSA, Jordan, and 13) Tokyo, Japan.</p> <p>The MLs contain among others the results of the review of the adequacy of controls of the cash and property accountabilities of the AOs assigned thereat, evaluation of budgetary controls and</p>	<p>It was recommended that the WelOf –</p> <p>a. Request from the Philippine Embassy (PE)-Rome, through the Ambassador, being the signatory of the bank account, for the (i) transfer/remittance of the amount of €18,816.46 to OWWA – Co through the OWWA LBP account in the Philippines in accordance with Section 64 (O) of DOLE AO No. 168 series of 2013; and (ii) closure of the bank account maintained by the PE-Rome for OWWA to avoid the incurrence of additional</p>		Accounting Division / OWWA Rome			Fully Implemented		<p>a. The closure of the bank account under the name of PE-Rome was effected already on 23 June 2020 and the fund balance was remitted through OWWA LBP Account.</p>



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	<p>monitoring of performance and accomplishments. The results of the audit of the different OWWA Posts are provided below:</p> <p><b>Cash Management and Accountability</b></p> <p><b>Membership contributions amounting to €16,550.05 collected by the former Welfare Officer (WelOf) of Rome, Italy, remained unremitted per record of OWWA-CO contrary to Section 64(O) of DOLE Administrative Order (AO) No. 168, Series of 2013.</b></p> <p>Section 64 (O) of DOLE AO No. 168, Series of 2013, provides that: <i>“The Collecting Officer shall remit to the POEA, the OEC Collections and to the OWWA, the Membership Contributions, not later than the fifth day of the following month, through the banks designated by the POEA/OWWA Central Office.”</i> (Emphasis supplied)</p> <p>Inquiry disclosed that the amount of €18,816.46 representing transfer of accountability of Cash in Bank by the former WelOf is still intact at the INTESO SAN PAOLO bank under the account name of Ambasciata Delle Filippine (Philippine Embassy) – OWWA, with Bank Account No. 1000-00009302 using the Codice Fiscale (tax account code/number) of the Embassy which is under the supervision of the Head of the Post.</p> <p>Audit of the bank statement confirmed that the €18,816.46 composed of €6,110.10 and €9,372.00 collections and €3,334.36 cash advances of the</p>	<p>bank charges;</p> <p>b. Cause the opening of a new account for OWWA, in coordination with the PE-Rome and OWWA-Milan, pursuant to Section V.A (2) of AO No. 90 and Section 61.A of AO No. 168 series of 2013; and</p> <p>c. Cause the reconciliation of the difference of €1,607.95.</p> <p>During the exit conference, the Philippine Ambassador in Rome informed that they were able to secure a Codice Fiscale for OWWA thru the efforts of the Embassy’s Administrative Officer and relayed that the PE-Rome will assist the WelOf in facilitating the opening of a new account for OWWA, as well as in remitting the unremitted collections of €18,816.46 to OWWA-CO through the OWWA LBP account in the Philippines.</p>					<p>On-going</p> <p>Fully Implemented</p>	<p>OWWA Rome has taken step to open the official bank account and submitted the basic documents needed by the bank. But due to the COVID-19 pandemic and surged in the numbers of infection in Italy, transactions at all offices / establishments are being done on appointment basis thru online in compliance with the protocols of the host country. Likewise, bank and other offices have reduced their operating time. Further, the Embassy has transferred to a new location and accordingly the opening of account was referred by the depository bank to the branch under the jurisdiction of the new address of the Embassy. Post will pursue the opening of account as soon as the situation would normalize.</p> <p>Communicated with former Welfare Officer Hector Cruz, Jr. the difference of €1,607.95 and asked him to reconcile the amount with the Accounting Division.</p>	

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	<p>former WelOf were deposited in the above-named bank. As of November 6, 2019, the account has a balance of €15,752.60 and bank charges totalling €229.72 which were imposed by the bank to the OWWA.</p> <p>It was noted, however, that there still exists an unreconciled balance of €1,067.95 between the records of the OWWA-Rome and OWWA-CO unremitted collections of the predecessor of the incumbent WelOf, as presented in the table.</p> <table><tr><th>Particulars</th><th colspan="2">(In Euro)</th></tr><tr><td>Balance per OWWA-CO</td><td></td><td>16,550.05</td></tr><tr><td>OWWA voluntary membership collections for the period February 16-28, 2019</td><td>6,110.10</td><td></td></tr><tr><td>OWWA voluntary membership collections for the period March 1-15, 2019</td><td>9,372.00</td><td></td></tr><tr><td>Balance per OWWA-Rome</td><td></td><td>15,482.10</td></tr><tr><td>Unreconciled difference</td><td></td><td>1,067.95</td></tr></table>	Particulars	(In Euro)		Balance per OWWA-CO		16,550.05	OWWA voluntary membership collections for the period February 16-28, 2019	6,110.10		OWWA voluntary membership collections for the period March 1-15, 2019	9,372.00		Balance per OWWA-Rome		15,482.10	Unreconciled difference		1,067.95					Fully Implemented		The account was closed and fund balance amounting to €15,482.10 was already transferred in Manila in 2 tranches dated Sept. 16 and Oct. 06 respectively. The amount was duly acknowledged and recorded by the Accounting Division.
Particulars	(In Euro)																									
Balance per OWWA-CO		16,550.05																								
OWWA voluntary membership collections for the period February 16-28, 2019	6,110.10																									
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Unreconciled difference		1,067.95																								
41	<p><b>Cash collections of the WelOfs of Rome, Italy, Singapore, Madrid, Spain, Jeddah, KSA, Washington D.C., USA were not deposited intact on the next banking day and deposits were delayed ranging from seven to 103 days contrary to Section 69 of PD No. 1455, COA Circular No, 97-002 dated February 10, 1997, OWWA MOI No. 003 series of 2008 and Section 64b of DOLE AO No. 168, Series of 2013.</b></p> <p>Section 69 of PD No. 1445 states that: <i>“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 treasury of the agency concerned and credited to the particular</i></p>	<p>It was recommended that:</p> <p>a. The WelOfs of Madrid and Washington D.C. to comply strictly with the aforementioned regulations in depositing their collections, which the WelOfs agreed;</p>		<p>OWWA Madrid, Spain</p> <p>OWWA Washington, D.C.</p>			<p>Fully Implemented</p> <p>Fully Implemented</p>		<p>Welfare Officer Josephine Tobia closed the account on February 2021 before the end of her Tour of Duty. AS Nicolas remitted collection directly to Manila every end of the month. The new Welfare Officer Mae D. Codilla who arrived on August 12, 2021 in Washington, D.C. is still in process of opening the account</p>																	

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	<p><i>accounts to which the said moneys belong. ...”</i></p> <p>Likewise, COA Circular No. 97-002 dated February 10, 1997 states that all collecting officers shall deposit intact all their collections, as well as collections turned over to them by sub-collectors/tellers, with Authorized Government Depository Bank (AGDB) daily, or not later than the next banking day.</p> <p>OWWA MOI NO. 003 series of 2008 provides that on-site membership collections could be deposited daily and remitted monthly to the OWWA dollar accounts.</p> <p>Sections 64 (M) and 64 (O) of DOLE AO No. 168, Series of 2013, provide as follows:</p> <p>“M. Deposit of collection shall not be later than the following banking day unless otherwise authorized in writing by the OWWA Administrator to deposit it on a weekly/semi-monthly/monthly basis for justifiable reason/s such as very small amount of daily collections, there is a bank charges for each deposit, or other valid reasons subject to COA rules.</p> <p>O. The Collecting Officer shall remit to the POEA, the OEC collections and to the OWWA, the Membership Contributions, not later than the fifth day of the following month, through the banks designated by the POEA/OWWA CO.”</p> <p>The results of audit disclosed that the collections of AOs in five OWWA Posts were not deposited intact</p>	<p>b. The AO of Singapore to convert USD collections in Singapore dollars and immediately remit them just like any SGD collections or remit the same in USD; and</p> <p>c. To the WelOf of Rome to comply with the provisions of Section 64(M) and (O) of DOLE AO No. 168 on the frequency of the deposit of daily collections to the authorized bank and the remittance of said collections to OWWA-CO</p> <p>During the exit-conference, the Labor Attaché of Singapore suggested that they be deposited/remitted in USD subject to applicable bank charges.</p>		<p>OWWA Singapore</p> <p>OWWA Rome, Italy</p>			<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>with Bank of America or Citibank.</p> <p>b. Met with PNB-Singapore and discussed the requirements in opening a corporate account in Singapore.</p> <p>Sought authority from OWWA CO/Administrator for OWWA-Singapore to open an official bank account.</p> <p>Opened an official USD bank account with PNB-Singapore on 08 June 2021 under Account Name and Account Number OWWA Singapore / 52589000995.</p> <p>As mentioned during the course of Audit and the subject of our memoranda at Main Office. The WelOf was not given authority by PE Rome to continue using the PE Rome Collection account, hence, the delay in the deposit/remittance. In view of this, the WelOf was not given authority by the Main Office to use personal account in depositing and remittance of collections.</p> <p>It was also mentioned that the attention of the Welfare Officer was being called by the bank</p>	

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	<p>on the next banking day contrary to the aforementioned rules and regulations, as shown in the table below:</p> <table><tr><th>Posts</th><th>Amount</th><th>No. of days delay</th></tr><tr><td>Rome, Italy</td><td>€115,044.05</td><td>61 to 103</td></tr><tr><td>Singapore</td><td>USD20,867</td><td>7 to 56</td></tr><tr><td>Madrid, Spain</td><td>\$2,910.40 and €177.20</td><td>27 to 30</td></tr><tr><td>Jeddah, KSA</td><td>SAR2,718,762.00</td><td>One to 35</td></tr><tr><td>Washington D.C., USA</td><td>\$16,128.02</td><td>Not indicated</td></tr></table> <p>The collections of Singapore totalling USD20,867 pertain to receipt of membership fees in US dollars of OFWs in Cambodia and Indonesia during outreach missions. The Post in Singapore does not have a US Dollar account for depositing the membership fees of OFWs who pay in USD. Whenever the WelOf goes to the Philippines, she carries with her the USD collections and deposits the same to the OWWA LBP USD account.</p> <p>The delayed deposits of collections exposed the funds to the risk of misappropriation or possible misuse or possible misuse or lose through theft/robbery.</p>	Posts	Amount	No. of days delay	Rome, Italy	€115,044.05	61 to 103	Singapore	USD20,867	7 to 56	Madrid, Spain	\$2,910.40 and €177.20	27 to 30	Jeddah, KSA	SAR2,718,762.00	One to 35	Washington D.C., USA	\$16,128.02	Not indicated						<p>from time to time because of voluminous transactions in the account. This issue of Post with the bank has been long existing and subject of audit observation.</p> <p>Further, there is a limit/restricted amount of €999.00 per week/person imposed by the remittance center because remittances are being strictly monitored by AMLA.</p>
Posts	Amount	No. of days delay																							
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42	<b>Funds for Maintenance and Other Operating Expenses (MOOE) and Program Funds of the OWWA Posts in Jordan and Tokyo, Japan amounting to USD123,100.00 and USD28,28,597.86, respectively were deposited under the personal Savings Account of the respective WelOfs instead of in the name of the OWWA, which is not in conformity with sound internal control principle which prohibits the comingling of public funds with personal funds,</b>	<p>It was recommended that the:</p> <p>a. WelOf of Jordan agreed to coordinate with the Finance Officer of the PE for the opening of a sub-account under the Embassy's account with AJIB and consequently facilitate the immediate transfer of all balances of the</p>		OWWA Amman, Jordan			Fully Implemented		<p>The Post commented that the OWWA, together with the Philippine Overseas Labor Office (POLO) in Jordan, has taken steps to open a separate account at the Arab Bank and is presently awaiting approval of the Embassy's request (through a</p>																

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	<p><b>thereby exposing public funds from risk or misuse and rendering difficulty in accounting thereof.</b></p> <p>One of the basic internal control principles on the handling and custody of ash requires the segregation of public from personal funds to ensure that government funds are rightfully accounted for as public funds and are not co-mingled with private funds and that such public funds are spent and utilized only for public purposes.</p> <p>Audit disclosed that the MOOE, Program Fund and service fees for the local hires totalling USD123,100.00 or JOD87,401 and USD28,597.86 or ¥3,106,036 were credited to the personal account of the WelOfs of Jordan and Tokyo, respectively. This practice showed that the Agency funds are co-mingled with the personal funds of the WelOfs. This condition expenses government funds to the risk of being spent for personal purposes and rendered is difficult to make a proper accounting of the OWWA funds as the balance of the account is composed of both the personal and OWWA funds.</p> <p>Inquiry disclosed that only the Philippine Embassy (PE) is authorized under Jordan Central Bank regulations to open an account for the Philippine Government, however, per inquiry made by the Finance Officer of the Philippine Embassy with its depository bank in Amman, Jordan, it was informed that the OWWA may open a sub-account under the Embassy's account maintained with Arab Jordan Investment Bank (AJIB).</p>	<p>MOOE and Program Funds for transfer of all balances of the MOOE and Program Funds for proper accounting and verification of the funds; and</p> <p>b. WelOf of Tokyo</p> <p>i) To request the OWWA-CO to refrain from transferring funds other than her salaries and allowances to her personal account, and instead make fund transfers to the appropriate bank accounts of the Post; and</p> <p>ii) To immediately transfer the cash advance inadvertently credited to her personal account to the correct fund bank account for an efficient cash management.</p>		OWWA Tokyo, Japan			<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Not Verbale) by the Jordan Ministry of Foreign Affairs, which is pre-requisite for the opening of a government or corporate account.</p> <p>MOOE, Program Fund and Service Fee for Local Hires were transferred by Central Office Cash Division to appropriate Post's office bank accounts instead of WelOf's personal bank account.</p> <p>Funds for MOOE and Program Funds are now directly deposited to its corresponding bank accounts maintained with PNB Tokyo Branch.</p>	
43	Examination of the cash and cash	It was recommended that the AOs		OWWA	Dec. 1,	Present	Fully		The Head of Post recommended

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	<p><b>accountabilities of the AOs of Al Khobar Post showed an overage of US\$1,142.22 or P58,056.02 which indicates the co-mingling of personal funds of AOs with the Post’s funds and inadequate adoption of control monitoring activities.</b></p> <p>Second internal control dictates that AOs shall keep personal monies separate and distinct from government funds in their custody or otherwise apply the same to any use not authorized by law or ordinance.</p> <p>Results of cash examination revealed that the AOs have incurred over-expenditures in their cash advances amounting to US\$1,142.22 or P58,056.02.</p>	<p>separate their personal funds from the government funds in their custody and strictly monitor the utilization and liquidation of cash advances by the proper maintenance of cash disbursement records/registers.</p> <p>The AOs admitted the incurrence of over-expenditures which are indeed valid transactions and the lapses in the monitoring that could not be avoided due to its current organizational structure and limited personnel that require them to take multi-tasking responsibilities. Further, the AOs emphasized that providing social and welfare services to OFWs require much of their time in performing fieldwork, thus they find it difficult to stay in the office to prepare the documents for liquidation of their cash advances.</p>		Al Khobar	2020		Implemented		<p>not to mix the personal money to any Cash Advances to avoid such over-expenditures which the accountable person complied immediately.</p> <p>Keeping up the good records in managing Cash Advances accordingly as well as other financial transactions at Post here in Al Khobar.</p>
44	<p><b>The OWWA Post in Toronto, Canada does not maintain a depository account for its collections contrary to Section 21 of the Manual on the New Government Accounting System (MNGAS) for NGAs Volume I, thereby exposing the funds to the risk of loss or misappropriation.</b></p> <p>Section 21 of the MNGAS for NGAs, Volume I provides that all Collecting Officers shall deposit intact all their collections to an Authorized</p>	<p>It was recommended and the WelOf agreed to open and maintain a bank account which will serve as depository accounts for all collections to safeguard the cash collections from any risk or loss or misappropriation.</p>		OWWA Toronto, Canada			Fully Implemented		<p>AS previously noted, the Welfare Officer has opened a chequing account with TD Bank. The Account is being used for the OWWA membership collections which are deposited daily or not later than the next banking day.</p>

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	<p>Government Depository Bank (AGDB) daily or not later that the next banking day.</p> <p>Audit of the cash accountabilities of the Collecting Officer disclosed that her collections were only kept in the cash vault until the same are remitted to the OWWA-CO as no bank depository account is being maintained by the Post. This condition is not in line with the principle of good stewardship in keeping government funds, thus exposes the funds to the risk of loss or misappropriation.</p>								
45	<p><b>Handling of CAs by the concerned official of Kaoshiung, Taiwan disclosed the use in CY 2019 and CY 2018 CAs of US\$1,171.42 instead of liquidating the same and incurrence of expenditures in excess of CAs contrary to the pertinent provisions of DOLE AO No. 190 Series of 2012.</b></p> <p>Items V.C.4, V.C.5 and V.C.9 o DOLE AO No. 190, Series of 2012 dated June 4, 2012 provides as follows:</p> <p>“Item V.C.4 states that: <i>“Labatt/WelOf shall not incur/authorize expenditures in excess of the total allocated budget, unless there is prior authority from the Central Office (CO). said officers responsible for the incurrence of overdrafts shall be held personally liable thereof.”</i></p> <p>Item V.C.5 provides that: <i>“The cash advance for a particular year cannot be used to pay expenses for the following year unless specifically authorized in writing by the Central Office and subject to accounting and auditing rules.”</i></p>	<p>It was recommended that the concerned official of the Kaoshiung, Taiwan Post adhere to the above cited provisions of DOLE AO No. 190, Series of 2012, particularly on the full liquidation of the CAs at the end of each year or up to January 20 of the following year and to refrain from paying expenses of the ensuing year with prior year’s CAs.</p> <p>The concerned official explained that they were granted authority to deduct from the succeeding CA in 2019 the unliquidated amount of US\$1,171.42, or NT\$35,902.85 from his previous CA in 2018. As to the incurrence of overdraft, the same official informed that funds for CY 2019 were received only in March 2019. Since all programs for the OFWs are pre-planned for</p>		OWWA Kaoshiung, Taiwan			Fully Implemented		<p>As explained during the conduct of audit, while all the cash advances sent by OWWA Home Office are all accounted for, Posts are being questioned for the submission of an Authority to Deduct as required by OWWA’s Finance Management Division in which Posts were instructed to submit said document rather than returning the unutilized money. Amount will be deducted from fund releases for the Post, the following year. Proof of full liquidation is the adjustment in the Subsidiary Ledger from OWWA Accounting Division.</p> <p>While submission of Authority to Deduct is being required by OWWA-FMS not only with OWWA-Kaoshiung but to all OWWA Posts and accepted by the COA Resident Auditor, it</p>

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	<p>Item V.C.9 states that: <i>“All cash advances shall be fully liquidated at the end of the year or not later than 20 of January of the following year; otherwise, the salary of the Labor Attaché and/or the WelOf, as the case may be, shall be withheld, without prejudice to possible withholding of all other entitlements and to the imposition of other disciplinary measures.”</i> x xx.</p> <p>Review of the CAs or Program Fund received on July 22, 2018 in the amount of US\$13,500, or NT\$413,761.50 disclosed that it was not fully liquidated by January 20, 2019, instead the unliquidated balance of US\$1,171.42, or NT\$35,902.85 was carried over and expended in the ensuing year (2019). Moreover, the expenditures incurred during CY 2019 for Program Fund exceeded the total CAs for the same year in the total amount of US\$27,600.00 or NT\$851,224.54 by US\$4,108.08 or NT\$126,969.64. these situations are contrary to the aforementioned Items V.C.4, V.C.5 and V.C.9 DOLE AO No. 190 Series of 2012.</p>	<p>the rest of the year with specified budget, they have to push through with the scheduled trainings and activities, even if it meant shelling out his personal money.</p> <p>The Audit Team stated that they were not furnished with a written authority from the OWWA-CO to deduct the unliquidated CY 2018 CA of US\$1,171.42 from CY 2019 CA despite verbal request thereof.</p>							would be appreciated if a Memorandum or guidelines related to it will be provided as required by the COA International Audit Team that audited OWWA-Kaoshiung last October of 2019, or perhaps OOCS can coordinate with OWWA Resident Auditor about the matter.
46	<p><b>The accountability reports of the former WelOf of Madrid, Spain were not properly turned over to the incumbent WelOf contrary to Section 77 of PD No. 1445.</b></p> <p>Section 77 of PD No. 1445, states as follows:</p> <p><b>“Section 77. Invoice and receipt upon transfer of funds or property.</b> When government funds or property are transferred from one accountable officer to another, or from an outgoing officer to</p>	<p>It was recommended that:</p> <p>a. The incumbent WelOf inform the OWWA-CO about the non-availability of the financial records at the Madrid, Spain Post; and</p> <p>b. Request to the OWWA-CO to order the former WelOf to turn over her accountability</p>		OWWA Madrid, Spain			On-going		On November 19, 2019, the current Welfare Officer forwarded all the COA AOMs and the WelOf’s responses to the OWWA Head Office (Admin’s Office, OOCS, IAD, Cash Division) for information and appropriate action on the AOMs that need the OWWA HO’s action. (See



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	<p>his successor, it shall be done upon properly itemized invoice and receipt which shall invariably support the clearance to be issued to the relieved or outgoing officer, subject to regulations of the Commission.”</p> <p>The financial reports, disbursement records and supporting documents in possession of the former WelOf were not turned over to the incumbent WelOf thus the accountability of the previous WelOf for the period August 8, 2017 to July 29, 2019 could not be established due to the absence of these reports/documents.</p>	<p>reports to her successor WelOf pursuant to Section 77 of PD No 1445.</p>							<p>attached email)</p> <p>Already informed and requested for the Home Office’s action on the specific AOM.</p>																								
47	<p><b>The Fidelity Bond relative to the accountability of the AOs at the Posts of Tel Aviv, Israel, Singapore and Jeddah, Kingdom of Saudi Arabia (KSA) were not sufficient to cover the maximum amount of their cash accountabilities contrary to Item 5.1 of Treasury Circular No. 02-2009 dated August 6. 2009.</b></p> <p>Section 101 (2), Chapter 5 of PD No. 1445 states, <i>“Every accountable officer shall be properly bonded in accordance with law”</i>. Likewise, Section 5.1 of Treasury Circular No. 02-2009 explained that the amount of bond shall be based on the total accountability of the AO as determined by the head of the agency.</p> <table><tr><th>Post</th><th>Approved Amount of Bond</th><th>Allowed Maximum Cash Accountability</th><th>Maximum Cash Handled</th></tr><tr><td></td><td></td><td>(in Php)</td><td></td></tr><tr><td>Tel Aviv, Israel</td><td>100,000.00</td><td>500,000.00</td><td>Not stated</td></tr><tr><td>Singapore</td><td>500,000.00</td><td>1,000,000.00</td><td>2,857,290.00</td></tr><tr><td>Jeddah, KSA</td><td>100,000.00</td><td>500,000.00</td><td>2,933,793.00</td></tr><tr><td>Collecting Officer</td><td>500,000.00</td><td>1,000,000.00</td><td>1,265,845.00</td></tr></table>	Post	Approved Amount of Bond	Allowed Maximum Cash Accountability	Maximum Cash Handled			(in Php)		Tel Aviv, Israel	100,000.00	500,000.00	Not stated	Singapore	500,000.00	1,000,000.00	2,857,290.00	Jeddah, KSA	100,000.00	500,000.00	2,933,793.00	Collecting Officer	500,000.00	1,000,000.00	1,265,845.00	<p>It was recommended and the respective WelOfs of Tel Aviv, Singapore and Jeddah agreed to request to the OWWA-CO for the increase of the fidelity bonds of their respective AOs to adequately cover their maximum accountability.</p>		OWWA Singapore			Fully Implemented	<p>Delay in the provision of Post’s copy of approved bond.</p> <p>The approved bond of the current Welfare Officer (M. Clarin) is Php750,000.00 which is higher by Php250,000.00 as compared to the bond of the formerly assigned officer at Post.</p> <p>Bond will expire / be cancelled on</p>	<p>Post was provided with a copy of the approved Bond on 10 February 2022 by the Cash Division.</p> <p>Welfare Officer M. Clarin will submit renewal of bond by end of February 2022.</p>
Post	Approved Amount of Bond	Allowed Maximum Cash Accountability	Maximum Cash Handled																														
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Tel Aviv, Israel	100,000.00	500,000.00	Not stated																														
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	<p>a. The accounts of an agency shall be kept in such details as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.</p> <p>b. Xxx Section 4(6) states that: <i>“Claims against government funds shall be supported with complete documentation.”</i></p> <p>Sections 5.1.2, 5.7 and 6.3 of COA Circular No. 97-002 dated February 10, 1997 provide as follows:</p> <ul style="list-style-type: none"><li>Section 5.1.2 states that: <i>“the AO shall liquidate her cash advance for Petty Operating Expenses and Field Operating Expenses within 20 days after the end of the year; subject to replenishment as frequently as necessary during the year.”</i></li><li>Section 5.7 of the same COA Circular categorically provides that <i>“when a cash advance is no longer needed or has not been used for a period of two months, it must be returned to or refunded immediately to the Collecting Officer”</i>.</li><li>Section 6.2 states that <i>“The AO shall reconcile the book balance with the cash on hand daily. He shall foot and close the books at the end of each month. The AO and the Accountant shall reconcile their books of accounts at least quarterly.”</i></li></ul>	<table><tr><td>Washington D.C., USA</td><td>required and be extra cautious in issuing receipts to avoid lapses.</td></tr><tr><td>Toronto, Canada, Washington D.C., USA, Singapore, Jeddah, KSA</td><td>Prepare the RAAF in accordance with the form prescribed in Appendix 67 in compliance with the GAM for NGAs, Volume I.</td></tr><tr><td rowspan="4">Taichung, Taiwan</td><td>Prepare CDReg as prescribed under Section 43, Chapter 2, GAM for NGAs, Volume I.</td></tr><tr><td>Stamp “PAID” all the supporting documents to liquidation pursuant to COA Circular No. 92-389 dated November 3, 1992.</td></tr><tr><td>The SDO and the OWWA-CO adopt a feedback mechanism or periodic/quarterly reconciliation of CA balances to ensure a reconciled and accurate balance of accountability and adjust for the noted deficiencies.</td></tr><tr><td>The Post adopts a policy uniform for all treatment on fluctuating FOREX conversions to facilitate recording and reconciliation of accounts.</td></tr><tr><td>Tel Aviv, Israel, Washington D.C., USA</td><td>Use the CDReg in recording disbursements as prescribed in Appendix 43 of the GAM for NGAs, Volume II.</td></tr><tr><td>Washington D.C., USA</td><td>Require the AS to submit the BRS every month together with other required reports as provided under Section 65B of DOLE AO No.168.</td></tr><tr><td>Rome, Italy</td><td>Refrain from deducting the bank charges from the remittances of membership contributions, instead charge these against the MOOE in accordance with Section 63(Q) of AO No. 168 and Section V.b (b.3.2.2) of AO No, 190.</td></tr><tr><td>Jeddah, KSA</td><td>Stop the practice of issuing ORs without the minimum data, in compliance with COA Circular No. 2004-006, especially if multiple fees and charges are collected.</td></tr><tr><td>Macau</td><td>Instruct the local hire to quantify the work accomplished as stated in the Accomplishment Report and strictly observe Section 4(6) of PD No. 1445.</td></tr></table>	Washington D.C., USA	required and be extra cautious in issuing receipts to avoid lapses.	Toronto, Canada, Washington D.C., USA, Singapore, Jeddah, KSA	Prepare the RAAF in accordance with the form prescribed in Appendix 67 in compliance with the GAM for NGAs, Volume I.	Taichung, Taiwan	Prepare CDReg as prescribed under Section 43, Chapter 2, GAM for NGAs, Volume I.	Stamp “PAID” all the supporting documents to liquidation pursuant to COA Circular No. 92-389 dated November 3, 1992.	The SDO and the OWWA-CO adopt a feedback mechanism or periodic/quarterly reconciliation of CA balances to ensure a reconciled and accurate balance of accountability and adjust for the noted deficiencies.	The Post adopts a policy uniform for all treatment on fluctuating FOREX conversions to facilitate recording and reconciliation of accounts.	Tel Aviv, Israel, Washington D.C., USA	Use the CDReg in recording disbursements as prescribed in Appendix 43 of the GAM for NGAs, Volume II.	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Macau	Instruct the local hire to quantify the work accomplished as stated in the Accomplishment Report and strictly observe Section 4(6) of PD No. 1445.	<div>OWWA Madrid, Spain</div> <div>OWWA Taichung, Taiwan</div> <div>OWWA Rome, Italy</div>			<div>Fully Implemented</div> <div>Fully Implemented</div> <div>Fully Implemented</div>	<p>others, effective immediately.</p> <p>All cancelled ORs which were not sent by the former Welfare Officer were already transmitted to the Home Office.</p> <p>On 17 December 2019, all the original cancelled OWWA Official receipts were turned over to Cash Division through OOCs.</p> <p>Already coordinated the matter to the Director of FMS.</p> <p>As recommended, collections were remitted in full amount and corresponding bank charges</p>
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	<p>Section 2 (Q) of COA Circular No. 92-389 dated November 3, 1992 states that: <i>“Paid vouchers, including its supporting documents, shall be perforated and conspicuously stamped Paid by the Cashier.”</i></p> <p>Section 3.2 of COA Circular No. 2004-006 dated September 9, 2004 provides that the ORs contain minimum data content, as follows:</p> <ul style="list-style-type: none"><li>• Name of Disbursing Officer making the payment</li><li>ii. Date of payment</li><li>iii. Name of recipient</li><li>iv. Address of the Recipient</li><li>v. Purpose of the Payment</li><li>vi. Amount of Payment Received</li></ul> <p>Pertinent provisions of the GAM for NGAs are as follows:</p> <ul style="list-style-type: none"><li>• Sections 4(h0, 39, 22, 17(k) of Chapter 2, 5, 6 and 8, respectively, of the GAM for NGAs, Volume I, provide as follows:</li><li>• Section 4(h) of Chapter 2 provides that <i>“Pre-numbered ORs shall be issued in strict numerical sequence”</i>. X xx.</li><li>• Section 39 of Chapter 5 states that <b>“Reporting of Collection and Deposits</b>, Recipients and Deposits shall be reported as follows:</li></ul>	<p>The respective WelOfs, except for the WelOf of Taichung Post who commented that he will refer the observations to the OWWA-CO, agreed to comply with the recommendations.</p>		<p>OWWA Toronto, Canada</p> <p>OWWA Tel-Aviv, Israel</p> <p>OWWA Jeddah, KSA</p> <p>OWWA Washington, D.C.</p>			<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>		<p>were charged to MOOE.</p> <p>Complied with COA recommendations</p> <p>Israel Post already complied with the use of the prescribed form (<i>Appendix 43 of the GAM for NGAS, Volume II</i>) in recording disbursements.</p> <p>All CAs are liquidated.</p> <p>Complied with the recommendations by COA.</p>

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	<ul style="list-style-type: none"><li>At the close of the business day, the Collecting Officers shall prepare the Report of Collections and Deposits (RCD) (Appendix 26) for submission to Accounting Office/Unit. The report list all the ORs issued in numerical sequence including cancelled ones.</li><li>Xxx”</li><li>Section 22 of Chapter 6 provides that <b>“Accounting Books, Records, Forms and Reports to be Prepared and Maintained. A Cash Disbursements Register (CDReg) (Appendix 43) shall be maintained to record, monitor and report transactions involving the grant, utilization and liquidation of the cash advance”</b> X xx</li><li>Section 17(k), Chapter 8 states that “Report of Accountability for Accountable Forms (RAAF) Appendix 67-shall be prepared by the Accountable Officer to report on the movement and status of accountable forms his/her possession. The accountable forms include those with or without face value.”</li></ul> <p>Section 64(Q) of DOLE AO No. 168 provides that expenses for the remittance of collections shall be paid by the WelOf, chargeable to their respective MOOE. Section V.5 (b.3.2.2) of DOLE AO No. 190 allows the cost of bank fees for the services like remittance charges or other bank charges as indicated in the passbook/bank debit advice to be included in the expenses of MOOE.</p>								

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	<p>Audit of cash and accounts of the AOs of nine Posts disclosed lapses in the handling and custody of CAs, as shown in the table below:</p> <table><tr><th>Post</th><th>Deficiencies</th></tr><tr><td>Jeddah, Kingdom of Saudi Arabia</td><td>The AO failed to submit liquidation reports in time as required under Section 5.1.2 and 5.7 of COA Circular No. 97-002 dated February 10, 1997 on the grant, utilization and liquidation of CAs.</td></tr><tr><td>Madrid, Spain</td><td>Original copies of cancelled ORs were filed with the Post and were not submitted to OWWA-CO, hence the ORs were not fully accounted and verified, contrary to the provisions of Section 39, Chapter 5, GAM for NGAs, Volume I; and Section 111 of PD No. 1445.</td></tr><tr><td>Toronto, Canada, Washington D.C., USA</td><td>ORs not issued in numerical sequence as required under Section 4 (h), Chapter 2, GAM for NGAs, Volume II.</td></tr><tr><td>Toronto, Canada Washington D.C., USA Singapore, Rome, Italy, Jeddah, KSA</td><td>Report for Accountability for Accountable Forms (RAAF) is not in the prescribed form as required under Section 17(k), Chapter 8 of the GAM for NGAs, Volume I.</td></tr><tr><td rowspan="4">Taichung, Taiwan</td><td>The CDR prepared in the Post does not conform with Section 22, Chapter 6, GAM for NGAs, Volume I.</td></tr><tr><td>Supporting documents on the liquidation of the CA were not stamped "PAID" as required under COA Circular No. 92-389 dated November 3, 1992.</td></tr><tr><td>Quarterly/Periodic reconciliation between the SDO and OWWA Accounting Office Division was not made as required under Section 6.3 of COA Circular No. 97-002 dated February 10, 1997.</td></tr><tr><td>Discrepancy in the conversion rate was resulting in reconciling items between the CDR and SL.</td></tr><tr><td>Tel Aviv, Israel</td><td>Disbursement Record (CDRec) is being maintained by the SDO in lieu of the Cash Disbursements Register (CDReg) which is the one prescribed under Appendix 43 of the GAM for NGAs, Volume II, hence may lead to a weak financial control.</td></tr><tr><td>Washington D.C., USA</td><td>BRS were not prepared and submitted to OWWA-CO on or before the 5<sup>th</sup> day of the following month together with the submission of the collection reports as required under Section 65B of DOLE AO 168 series of 2013.</td></tr><tr><td>Rome, Italy</td><td>Bank charges amounting to €309.02 were deducted from the collections of Rome, Italy resulting in the under remittance of collections contrary to Section 64(Q) and Section V.5 (b.3.2.2) of DOLE AO No. 190 Series of 2012.</td></tr><tr><td>Jeddah, Kingdom of Saudi Arabia</td><td>The ORs issued by the Collecting Officer were not properly accomplished due to the absence of the nature of collection and the amount as part of the minimum data content for ORs, contrary to Section 3.2 of COA Circular No. 2004-006.</td></tr><tr><td>Macau</td><td>Payment for salaries of local hires were not supported with</td></tr></table>	Post	Deficiencies	Jeddah, Kingdom of Saudi Arabia	The AO failed to submit liquidation reports in time as required under Section 5.1.2 and 5.7 of COA Circular No. 97-002 dated February 10, 1997 on the grant, utilization and liquidation of CAs.	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						From			
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49	<p><b>Lapses were noted in the preparation and maintenance of the Cash Receipts Register (CRReg) of the OWWA Posts in Singapore, Rome, Italy, Tel Aviv, Israel and Washington D.C., USA</b></p> <p>Section 39, Chapter 5 of the GAM for NGAs, Volume I provides that:</p> <p><i>“Receipts and deposits shall be reported as follows:</i></p> <p>X xx</p> <ul style="list-style-type: none"><li><i>Field Offices (FOs)/Operating Units (OUs) without complete set of books shall record their collections of income chronologically in the Cash Receipts Register (CRReg) (Appendix 27). The certified copy of the CRReg together with the required supporting documents, duplicate copies of ORs and Deposit Slip (DSs) shall be submitted within five (5) days after the end of each month to the concerned mother unit (central/regional/division office) by the FOs (a unit under the central/regional/division office) for review and recording of the transactions in the CRJ by the Chief Accountant.</i></li></ul> <p>Appendix 27 of GAM for NGAs, Volume II prescribes the use of the CRReg by the Collecting Officer (Cos) to record the cash collections received and deposits/remittance made out collection. The</p>		<p>It was recommended and the:</p> <p>a) WelOf of Singapore, Rome, Italy, Tel Aviv and Washington D.C. Posts agreed to prepare the CRReg (Appendix 27) of the GAM for NGAs, Volume I;</p> <p>b) WelOf of Washington D.C. Post agreed to coordinate with the courier to trace the undelivered report and require for the immediate delivery to OWWA-CO and to submit a revised reports to correct the erroneous reports and henceforth, ensure the accurate preparation of the CRReg.</p>		<p>OWWA-Singapore</p> <p>OWWA-Rome, Italy</p> <p>OWWA-Tel Aviv</p> <p>OWWA-Washington D.C.</p> <p>OWWA-Washington D.C.</p>		<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Partially Implemented</p> <p>Fully Implemented</p> <p>Partially Implemented</p>	<p>Complied with the recommendations of COA.</p> <p>The Collecting Officer (Administrative Staff) is maintaining the required CRReg.</p> <p>The Collecting Officer – Administrative Staff shall still have to certify the correctness of every sheet of the Register and appropriately accomplish the same pursuant to the instructions provided for in Appendix 27 of the GAM.</p> <p>Complied with the recommendations by COA.</p> <p>Courier has not traced the undelivered report based on the follow-up made by Post.</p>	

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	<p>CO/Cashier shall maintain this Register to monitor the cash collections and deposits and to summarize the breakdown of receipt/income received as of specific date.</p> <p>DOLE AO No. 168 Series of 2013, on the Guidelines and Procedures for the Financial and Administrative Operations of the POLO, requires the submission of the CRReg or Report of Collections (ROC) not later that the 5<sup>th</sup> day of the succeeding month.</p> <p>Review of the CRReg of four OWWA Posts disclosed the following deficiencies:</p> <table><tr><th>Post</th><th>Deficiencies</th></tr><tr><td>Singapore</td><td>The Collecting Officer does not prepare and maintain the required CRReg but instead records her collections and deposits in a Cashbook contrary to Section 39, Chapter 5 (d) of GAM for NGAs, Volume I.</td></tr><tr><td>Rome, Italy</td><td>CRReg maintained by the AO was not the prescribed format for CRReg presented under Appendices 27 of the GAM for NGAs, Volume II.</td></tr><tr><td>Tel Aviv, Israel</td><td>CRReg maintained by the AO was not properly accomplished as prescribed under Appendix 27 of the GAM for NGAs, Volume II.</td></tr><tr><td>Washington D.C., USA</td><td><ul style="list-style-type: none"><li>Records of the OWWA-CO showed that the CRReg/ROC for the months of April 2018, August 2018, June 2019 and July 2019 were not submitted. Validation from the records of the Post showed, however, that the reports were already sent to OWWA-CO through Federal Express except for report for the month of April 2018 which was not delivered yet by FedEx.</li><li>Errors were also noted in the preparation of the CRR/ROC.</li></ul></td></tr></table>	Post	Deficiencies	Singapore	The Collecting Officer does not prepare and maintain the required CRReg but instead records her collections and deposits in a Cashbook contrary to Section 39, Chapter 5 (d) of GAM for NGAs, Volume I.	Rome, Italy	CRReg maintained by the AO was not the prescribed format for CRReg presented under Appendices 27 of the GAM for NGAs, Volume II.	Tel Aviv, Israel	CRReg maintained by the AO was not properly accomplished as prescribed under Appendix 27 of the GAM for NGAs, Volume II.	Washington D.C., USA	<ul style="list-style-type: none"><li>Records of the OWWA-CO showed that the CRReg/ROC for the months of April 2018, August 2018, June 2019 and July 2019 were not submitted. Validation from the records of the Post showed, however, that the reports were already sent to OWWA-CO through Federal Express except for report for the month of April 2018 which was not delivered yet by FedEx.</li><li>Errors were also noted in the preparation of the CRR/ROC.</li></ul>							
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50	<p><b><i>Property Management</i></b></p> <p><b>All reported PPE of the Posts in Rome, Italy, Jordan and Madrid, Spain are existing all serviceable properties are properly maintained and accounted for. However, several</b></p>	<p>It was recommended and Management agreed to:</p> <p><b><u>Jeddah, KSA</u></b></p> <p>a. Require the Property Officer</p>		OWWA-			Fully		Properties were classified									



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	<p><b>undetermined items below the capitalization threshold of P15,000.00 which are appropriately classified as semi-expendable properties were recorded as PPEs in Jeddah, KSA, Tokyo, Japan and Macau, SAR Posts.</b></p> <p>Section 10, Chapter 8, GAM for NGAs, Volume I state as follows:</p> <p>"Tangible items below the capitalization threshold of P15,000.00 shall be accounted as semi-expendable property. The following policies apply as follows:</p> <ul style="list-style-type: none"> <li>a. Semi-expendable property which were recognized as PPE shall be reclassified to the affected accounts.</li> <li>b. These tangible items shall be recognized as expenses upon issue to the end-user." <p>Audit revealed that several items below the capitalization threshold of P15,000.00 which are to be classified as semi-expendable items were reported in the RPCPPE of Jeddah, KSA and Tokyo, Japan Posts.</p> </li></ul>	<p>of the Post to prepare a separate report on semi-expendable properties for the PPE below the threshold of P15,000.00; and</p> <p>b. Require the Accountant to records the issuance of semi-expendable properties as Expenses.</p> <p><b>Tokyo, Japan</b></p> <p>c. Require the Post to comply with Section 10, Chapter 8 and Appendix 66, Volumes I and II, respectively, of the GAM for NGAs on the proper reporting of PPE and semi-expendable assets. The supplies or property with unit values below the P15,000.00 threshold must be removed from the RPCPPE and reported in a separate Report on the Physical Count of Inventories (RPCI).</p> <p><b>Macau</b></p> <p>d. Reclassify the recording of various semi-expendable properties from PPE too Semi-expendable Properties</p>		Jeddah, KSA			Implemented		accordingly. Report for Semi-expendable items was already prepared.
				OWWA-Tokyo, Japan			Fully Implemented		Reclassification of properties was properly done.
				OWWA-Macau SAR	October 2019	Present	On-going		Post takes note of the audit observation and shall comply to the suggested recommendations.  Post used the prescribed form in

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		account and henceforth record the same in the RPCI.							reclassifying the recording of various items and record in the RCPI.
51	<p><b>Obsolete Properties</b></p> <p>Deficiencies were noted in the handling of obsolete and unserviceable properties in OWWA Posts at a) Washington, D.C., USA b) Kaoshiung, Taiwan, c) Jordan and d) Jeddah, KSA, contrary to the provisions of Section 79 of PD No. 1445, Section 68 of DOLE AO No. 168 series of 2013, and Section 42(h) of GAM for NGAs, Volume I.</p> <p>Section 79 of PD No. 1445 stats as follows:</p> <p>“Section 79. Destruction or sale of unserviceable property. When government property has become unserviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefore, 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. If found to be valuable, it may be sold at public auction to the highest bidder under the supervision of the proper committee on award or similar body in the presence of the auditor concerned or other duly authorized representative of the Commission, after advertising by printed notice in the Official Gazette, or for not less than three consecutive days in any newspaper of</p>	<p>It was recommended and the concerned WelOfs agreed to:</p> <p><u>Washington D.C., USA</u></p> <p>a. Request clearance from OWWA-CO through the POLO to dispose the unserviceable equipment;</p> <p><u>Kaoshiung, Taiwan</u></p> <p>b. Initiate the necessary action/s towards the disposal of the identified unserviceable items amounting to NT\$104,032.00 or P154,366.94 the soonest possible time;</p>		OWWA-Washington D.C., USA			On-going	Not yet implemented due to COVID Pandemic.	Post will request clearance from OWWA-Central Office through POLO to dispose the unserviceable equipment. Post will comply with the recommendation by COA.
				OWWA-Kaohsiung, Taiwan			On-going		The Post was about to dispose obsolete and unserviceable properties, but OWWA Property and Management Division required the Post to submit more documentations and were overtaken by the events of almost two years of Pandemic. Said disposal document from OWWA was requested and will commence procedures once alert level by Taiwan government has been lifted.

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	<p>general circulation, or where the value of the property does not warrant the expense of publication, by notices posted for a like period in at least three public places in the locality where the property is to be sold. In the event that the public auction fails, the property may be sold at a private sale at such price as may be fixed by the same committee or body concerned and approved by the Commission.”</p> <p>Section 68 of DOLE AO No. 168 series of 2013 provides that the POLO shall request clearance from the CO (Attention: The Disposal Committee) to dispose any unserviceable equipment and property subject to COA rules, using the IIRUP.</p> <p>Section 42 (h) of GAM for NGAs, Volume I provides that Inventory and Inspection Report for Unserviceable Property (<i>Appendix 74</i>) 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 accounts.</p> <p>The results of audit in four OWWA Posts are as follows:</p> <table><tr><th>Post</th><th>Amount</th><th>Deficiencies</th></tr><tr><td>Washington D.C., USA</td><td>US\$388.59</td><td>Unserviceable property not disposed of, thus, unnecessarily occupying space and exposing them to further deterioration and decreased salvage value.</td></tr><tr><td>Kaoshiung, Taiwan</td><td>NT\$104,032.00 or P154,366.94</td><td>Unserviceable properties not listed in the IIRUP and no action so far was initiated by the concerned official to dispose the same contrary to Section 42, Chapter 10 of the</td></tr></table>	Post	Amount	Deficiencies	Washington D.C., USA	US\$388.59	Unserviceable property not disposed of, thus, unnecessarily occupying space and exposing them to further deterioration and decreased salvage value.	Kaoshiung, Taiwan	NT\$104,032.00 or P154,366.94	Unserviceable properties not listed in the IIRUP and no action so far was initiated by the concerned official to dispose the same contrary to Section 42, Chapter 10 of the	<p><u>Jordan</u></p> <p>c. Instruct the Property Officer to facilitate the disposal of all unserviceable properties</p> <p><u>Jeddah, KSA</u></p> <p>d. Require the property Officer to: i) prepare a separate report on semi-expendable properties for the PPE below the threshold of P15,000.00; ii) report unserviceable properties in the IIRUP for dropping from the PPE accounts and for the reclassification and recording to the Other Assets account; and iii) properly monitor the ICS; and</p> <p>e. Require the Accountant to record the issuance of semi-expendable properties as Expenses.</p>		OWWA-Jordan			Fully Implemented	Post will facilitate the disposal of unserviceable properties or those which are no longer needed following the applicable mode of disposal and procedure set forth under Section 79 of P.D. No. 1445.
Post	Amount	Deficiencies															
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				OWWA-Jeddah, KSA				Partially Implemented	Properties were classified accordingly. Report for Semi-expendable items and IIRUP were already prepared.								

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	Jordan	Not indicated	GAM for NGAs, Volume I. Unserviceable and obsolete properties of undetermined amount have not been disposed of thereby resulting in their continued deterioration. Moreover, these undisposed properties remain under the accountability of the Property Officer despite being damaged, worthless or lost.							
	Jeddah, KSA	P25,437.50	Unserviceable properties amounting to P25,437.50 were still included in the RPCPPE.							
52	<p><i>Lapses were note din the handling of property and equipment in two OWWA Posts</i></p> <p><b><u>Kaoshiung, Taiwan</u></b></p> <p><b>Training equipment particularly those for Photography, in the total amount of NT\$25,800 or P42,673.20 were not properly safeguarded from possible loss, misuse and deterioration contrary to sound property management.</b></p> <p>It was noted during the physical inventory that training equipment for Photography amounting to NT\$25,800 or P42,673.20 were not properly safeguarded from possible loss, misuse and deterioration considering that the said items were just placed under the table inside the office and were not stored in a locked storage accessible only to the property custodian. Sound property management dictates that government properties should, at all times, be safeguarded against loss, misuse, theft deterioration and other irregularities.</p>			<p>It was recommended that the concerned official instruct the property custodian to store the above-mentioned photography equipment and other government properties in order to safeguard the same against loss, misuse, theft deterioration and other irregularities in accordance with sound property management.</p> <p>According to the concerned official, the training equipment used for photography class was transferred to the stockroom within the office area. The Audit Team validated the said action.</p>		OOCS / OWWA-Kaoshiung, Taiwan			Fully Implemented	Training Equipment used for Photography Class was immediately transferred to the stockroom for proper storage.
53	<b>Several items of PPE composed of 20 units of Lenovo desktop computers and seven units of</b>			It was recommended that the concerned official furnish the		OOCS / OWWA-			Fully Implemented	Despite of several information campaign through social media

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	<p><b>computer tables amounting NT\$317,240.00 or P477,905.26, were put into used and remained idle and just stored in a cabinet as of the date of the actual physical count.</b></p> <p>During the physical inventory conducted on October 14, 2019, we noted that the above-stated items of PPE were just kept in the storage area and were not being put into use resulting in unproductive utilization of government resources. Verbal inquiry disclosed that the said computers were intended for the Information Technology trainings of selected OFWs in Taiwan, which was implemented for a while but was later on aborted. The subject computers were never utilized and had been idle since then.</p>	<p>Audit Team with a written explanation/information on the plans/disposition of the above-stated idle desktop computers in the total amount of NT\$317,240.00 or P477,905.26, to show that appropriate action/s shall be undertaken to put the same in productive use.</p> <p>The concerned official narrated the following situations, which explained why the subject computers became idle:</p> <ul style="list-style-type: none"><li>• Funds for the Info Tech was received only on June 19, 2019 after the Reintegration and Skills trainings were already scheduled;</li><li>• After the receipt of the fund, the supposed participants were immediately informed about the Infor Tech training but they are no longer interested;</li><li>• A group of caretakers wanted to join but backed out at the last minute due to difficulty in having a day-off; and</li><li>• For CY 2020, the subject computers shall be utilized by the Photo-Editing Class</li></ul>		Kaohsiung, Taiwan					and personal appearances for Computer Class which the Computer Desktop are meant for, absence of possible student enrolees is the main reason for non-conduct of training. OWWA-Kaoshiung scheduled an Advance Photography Class for which our Computer Desktops could be utilized for Photo-Editing sessions but again, because of Pandemic and the restrictions being implemented by Taiwan government on mass gatherings and limitations of movements of foreign workers to prevent further spread of Covid-19 virus, Post had to postpone some of the scheduled trainings. All twenty (20) units of computer desktops, purchased by the predecessor, are stored appropriately, fully maintained and in good working condition.

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		sessions that will be offered to the graduates of Basic Photography training.							
54	<p><b><u>Taichung, Taiwan</u></b></p> <p><b>Internal control on property management and custodianship was weak manifested by: (a) non-disclosure of property number in the report and non-preparation of ICS and PAR in the Post; and (b) absence of property number in the Inventory/List of Semi-Expendable Items as of December 31, 2018.</b></p> <p>We noted that the RPCPPE as of December 31, 2018 prepared by the Post did not indicate the property number, although the property has already been tagged or property numbers were already assigned/indicated in the property stickers. This resulted in difficulty in locating and matching the property during physical inventory. Chapter 10, Property, Plant and Equipment of GAM for NGAs, Volume I provide the following:</p> <p>“Section 21. Issue of PPE. Based on approved RIS, the Supply and/or Property Custodian shall prepare the Property Acknowledgement Receipt (PAR) (Appendix 71) to support the issue of property to end-user. The PAR shall be renewed at least every three years or every time there is a change in accountability or custodianship of the property.</p> <p>Verification of the reports on file with the Post revealed that the following are not maintained, which is contrary to the aforecited provisions:</p>	It was recommended and the concerned official/employee agreed to maintain the Inventory List/Report that indicate the Property Number and prepare the ICS and PAR for proper accountability and for monitoring and compliance with the aforecited provisions.		OWWA-Taichung, Taiwan	Nov 2019	Present	Fully Implemented	<p>Compliance with regard to Property Management and custodianship has been done after such findings has been delivered.</p> <p>Property number is now consistent and now follow a particular coding and numbering.</p> <p>PAR (Appendix 71) is also being issued not to the corresponding end-user whenever a property is bought.</p> <p>ICS (Appendix 59) is also being used now when buying tangible items amounting to less than P15,000.00.</p> <p>Asked the Home Office the respective property code to be used and applied to the properties at post.</p> <p>PAR and ICS issuances are now being given/issued whenever a property is bought.</p>	

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	<div>1. PAR (Appendix 71) – 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.</div> <div>2. ICS (Appendix 59) – shall be prepared upon issue of semi-expendable property covered by approved RIS.</div>								
55	<div><b>Performance Evaluation</b></div> <div>Performance/Accomplishment report is considered as an integral part of the government's accountability framework and reporting is the final stage of any activity. It is a form of measurement used by the Audit Team to evaluate if the OFWs have benefitted from the Programs/Activities/Projects (PAPs) implemented and/or undertaken by the Post. The Post also uses the report to monitor and assess the extent of its accomplishments vis-à-vis the targets and to account the funds released to the Post.</div> <div><b>The ATs for the Posts in Macau, SAR and Madrid, Spain provided the following observations:</b></div> <div><b><u>Macau</u></b></div> <div><i>Labor Force Workers Services</i></div> <div><b>The Audit Teams noted impressive accomplishments of the Posts, but also observed programs and projects without target or with decreasing targets with no information on the reason thereon, thus better assessment</b></div>	<div>It was recommended and the WelOf agreed to fill in the target column for WARP to be used as benchmark in attaining the desired results and to keep on implementing all the programs intended for the OFWs to ensure the safety and well-being of their families. It was also advised for the Post to put remarks on all the programs that have decreasing targets to readily assess why the said circumstances/situation happened.</div> <div>Management commented that the decrease in number of activities was based on the corrected measures applied by the Post and recommendations of the previous Auditors. As of CY 2019, the Post has already adopted the recommendations of the previous Audit Team to count only the number of participants that</div>		OWWA-Macau, SAR	Oct 2019	Present	Fully Implemented		Post indicated and filled in the target column for WARP.

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	<p><b>of their performance could not be done.</b></p> <p><i>a. Training and Scholarship Grants</i></p> <p>The reported accomplishments of ITTP and its on-site participants for CYs 2017 and 2018 have surpasses the targets by 62.07 percent and 36.46 percent, respectively. While, the actual participants of the same program have decreased by 23.35 percent, from a target of 167 compared to the number of actual participants of 128 as of the end of the 2<sup>nd</sup> quarter of CY 2019.</p> <p><i>b. Labor Force Workers Services</i></p> <p>Workers Assistance and Repatriation Programs (WARPs) in CYs 2017 to 2019 have no targets and were only based on the needs or requests made by OFWs, hence the evaluation of the same could not be qualified.</p> <p><i>c. Reintegration and Preparedness Programs</i></p> <p>The accomplishments for Reintegration Preparedness Program for CYs 2017 and 2018 have increased tremendously, while target in CY 2018 was lower compared to the previous year due to incorrect computation on the number of participants who attend the</p>	attended the training instead of the number of sessions attended by the same participants.							



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	<p>training.</p> <p><i>d. Employment Regulations Services-Membership Registration and Promotion Services</i></p> <p>The actual accomplishments have exceeded the targets pf the program in CYs 2017 and 2018 by 1,335 and 1,761, respectively. While in targets in CY 2019 have decreased by 3,000, its accomplishments from January to June 2019 of 9,207 have also surpassed their target by 1, 207.</p>								
56	<p><b><u>Madrid</u></b></p> <p>The accomplishment reports showed positively the increase of the number of clients served and the key stakeholders attended from its programs and activities. But the accomplishment report did not disclose the targeted activities for each activity impending the team to substantiate performance.</p> <p><b>Absence of complete data and amounts budgeted for CYs 2017 to 2018 precluded the Audit Teams in the Posts of a) Washington D.C., USA, b) Singapore, c) Rome, Italy, d) Jordan, e) Tel Aviv, Israel, f) Al Khobar, KSA and g) Jeddah, KSA to review the targets and accomplishments for Fiscal Years (FYs) 2017 to 2019 of seven OWWA Overseas Posts.</b></p> <p>Section 10 of DOLE AO No. 168 series of 2013, dated April 30, 2013, provides that the POLO shall</p>	<p>It was recommended and the concerned WelOfs agreed to:</p> <p><b><u>Washington D.C., USA</u></b></p> <p>a) Provide complete reports including the budget allocated for each program of activities; and retain copies of the reports in their file;</p> <p><b><u>Jordan</u></b></p> <p>b) Instruct process owners/staff preparing the reports to</p>		<p>OWWA-Washington D.C, USA</p> <p>OWWA-Jordan</p>		<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Complied with the recommendations by COA to complete reports including the budget allocated for each program of activities.</p> <p>The audit observation and recommendation are well taken. POLO-OWWA Jordan will take</p>		

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	<p>submit an Integrated Physical and Financial Plan (IPFP) detailing the Post's target outputs for a specific fiscal year, indicating therein the numerical targets and output indicators accompanied by a detailed operational expenditure targets requirements, which shall be submitted every 15<sup>th</sup> day of December of the following year.</p> <p>Evaluation of the WFPs for FYs 2017 to 2019 of the Posts revealed the following deficiencies:</p> <p>Evaluation of the plans, targets and accomplishment of seven OWWA Posts for FYs 2017 to 2019 could not be done due to absence of complete date and amounts budgeted for CYs 2017 to 2018 it was also noted that the respective reports of the Posts do not have performance indicators (PIs) to measure their accomplishment for a specific year.</p> <table><tr><th>Post</th><th>Deficiencies</th></tr><tr><td>Washington D.C., USA</td><td>The Post does not have complete available data for their targets and accomplishments, thus proper evaluation could not be made. Moreover, one activity for CY 2019 does not have target but amount was provided as budget for the year.</td></tr><tr><td>Singapore</td><td>The targets for 11 programs indicators were not fully accomplished with performance rates ranging from 25 to 94 percent while in three PIs the accomplishments were much higher than the targets ranging from 159 to 701 percent indicating that in target setting, not all factors have been considered to arrive at a reasonable and attainable target.</td></tr><tr><td>Rome, Italy</td><td>The Post's performance could not be objectively assessed due to: (a) non-provision of work targets in the WFP for FYs 2017 and 2017; and (b) failure to indicate the 2019 targets in the WFP. Further, the activities/measures, targets and accomplishments in the WFP were not aligned with the OPCR.</td></tr><tr><td>Jordan</td><td>The accuracy of the reported accomplishments could not be validated due to inconsistencies/discrepancies of data/information pertaining to the same program/activity/project in the IPCR of the two WelOfs; OWWA WFP; and SPRS covering the calendar years 2017, 2018 and 2019 (as of October 31, 2019 only).</td></tr><tr><td>Tel Aviv, Israel</td><td>The accuracy of the reported accomplishment could not be established due to the absence of source documents and</td></tr></table>	Post	Deficiencies	Washington D.C., USA	The Post does not have complete available data for their targets and accomplishments, thus proper evaluation could not be made. Moreover, one activity for CY 2019 does not have target but amount was provided as budget for the year.	Singapore	The targets for 11 programs indicators were not fully accomplished with performance rates ranging from 25 to 94 percent while in three PIs the accomplishments were much higher than the targets ranging from 159 to 701 percent indicating that in target setting, not all factors have been considered to arrive at a reasonable and attainable target.	Rome, Italy	The Post's performance could not be objectively assessed due to: (a) non-provision of work targets in the WFP for FYs 2017 and 2017; and (b) failure to indicate the 2019 targets in the WFP. Further, the activities/measures, targets and accomplishments in the WFP were not aligned with the OPCR.	Jordan	The accuracy of the reported accomplishments could not be validated due to inconsistencies/discrepancies of data/information pertaining to the same program/activity/project in the IPCR of the two WelOfs; OWWA WFP; and SPRS covering the calendar years 2017, 2018 and 2019 (as of October 31, 2019 only).	Tel Aviv, Israel	The accuracy of the reported accomplishment could not be established due to the absence of source documents and	<p>thoroughly check and verify data from the source and/or supporting documents/reports and see to it that accurate data are captured consistently in the different reports being prepared and submitted by the OWWA in order to provide accurate and reliable data as input for decision-making;</p>						<p>concrete steps to reconcile the figures and data in their reports in order to avoid and eliminate discrepancies and inconsistencies as well as double-counting for accurate reporting.</p> <p>Towards this end, post has recognized the need to have additional staff or officer to be assigned and be developed for this purpose to closely monitor and regularly monitor, collate, tabulate, reconcile and encode the post's real time operations. At present, due to lack of manpower, efforts have been directed and focused more on the day-to-day resolution of the numerous OFW cases, delivery of support and assistance and other operational concerns. The recording and compilation of daily and weekly reports needs to be given equal priority likewise.</p> <p>Thus, for compliance purpose, post will secure the support of DOLE and OWWA Manila for the hiring of additional staff to augment existing manpower complement in the post.</p>
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	<div><div>AI Khobar, KSA</div><div>logbook or record of activities undertaken. Deficiencies in the documentation of Post's reported accomplishment cast doubt on the accuracy and validity of the figures in the reports that would render the same unreliable due to: a) accomplishments on the number of cases solved under mediation appears to be unreliable; b) capacity building services were not broken down into trainings actually undertaken; c) the update Master lists of Filipino Migrant Workers currently staying in the Host Country as at the date of the report was not filled-up; and d) there were no listings or documents in the Post to support all the figures in the Accomplishment Report.</div></div> <div><div>Jeddah, KSA</div><div>b) The Post's budget requirements for the year 2017 to 2019 showed an increasing trend despite the failure of Management to set targets and commitments for the year, thus the target accomplishment cannot be verified as to the completion of the same. The accuracy of the reported accomplishment could not, however, be established due to the absence of source documents. The Post was not maintaining a logbook or records of activities undertaken based on the reported cases in the WelOf messenger accounts and thru the SMS. b) The efficiency and effectiveness on the implementation of the plans and programs of the Post cannot be determined due to the absence of targeted activities in the Work and Financial Plan and records to validate the reported accomplishments.</div></div>	<p><b><u>Jeddah, KSA</u></b></p> <p>c) Provide the targets and baseline data for reference in determining the effectiveness in accomplishing its mandate; manage and utilize the budget allocation to implement the Post programs/projects and avoid under spending of fund releases for better services to our distressed OFWs in the region;</p> <p>d) Prepare the matrix of services for ready reference in the evaluation of the responsiveness of the Post; and</p> <p>e) Ensure that the reported accomplishments of the Post tally with the reports submitted to oversight committees, particularly the Congress of the Philippines.</p> <p>Also, the respective ATs of Singapore, Rome, Tel Aviv and Al Khobar recommended that:</p> <p><b><u>Singapore</u></b></p>		OWWA-Jeddah, KSA			<div>On-going</div> <div>On-going</div> <div>On-going</div>	<div>The Post submits SPRS/report of accomplishments on the prescribed time.</div> <div>Work and Financial Plan is being observed.</div> <div>COAs recommendation acted upon.</div>	

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		f) In coordination with the POLO considers all factors and previous year's accomplishment in target-setting to have a more realistic and attainable targets in all its performance indicators and avoid wide discrepancies between planned activities and accomplishment. It was also recommended that activities that cut across various indicators be reported in each indicator if they were considered in target setting;		OWWA-Singapore			Fully Implemented	Physical and financial targets are set based on previous year's accomplishments / performance as well as guidelines set by the OWWA Central Office.  Targets may or may not be achieved depending on various factors in the Post. But this does not mean that the Post is not doing its tasks based on the approved WFP.  Posts are provided with operational funds based on Post's WFP which is reviewed and approved by the PPDO and Budget Committee.	Targets and indicators will be thoroughly reviewed contingent on the guidelines set by PPDO and Budget Committee.

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		<p><u>Rome</u></p> <p>g) Ensure that the targets, accomplishments and performance indicators of the WFO are aligned with those of the OPCR. The activities/measures, targets, and accomplishment of the WFP should match with those presented in the OPCR, and the necessary adjustment and/or changes should be affected as the needed arises due to unjustifiable reason/s;</p> <p>h) Ensure that all targets are quantified in the WFP and OPCR based on prior year's actual number of activities/outputs undertaken/produced plus adjustment/s as foreseeable;</p> <p><u>Tel Aviv, Israel</u></p> <p>i) Maintain or preserve all necessary documents supporting the accomplishments of its targeted performance which are vital for the validation thereof; and</p> <p><u>Al Khobar</u></p>		OWWA-Rome			Fully Implemented		The audited period of 2017-2019 (1 <sup>st</sup> quarter) was under the term of former WelOf Hector Cruz. The incumbent WelOf requested and communicated in Manila the needed documents (WFP OPCR) by the audit team.
							Fully Implemented		Reformulated WFP for the succeeding year was made and submitted at Home Office as recommended.
				OWWA-Tel Aviv			Fully Implemented		Individual case files and source documents were now maintained at Post.

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		j) Maintain records to support its accomplishments and to likewise review its target-setting to make its target realistic.		OWWA-AI Khobar			On-going						
57	<p><b>Program Evaluation</b></p> <p>Several deficiencies were noted in the implementation of projects, programs and activities of OWWA Posts in Singapore, Jordan, Jeddah, KSA and Washington D.C., USA</p> <p>Pertinent provisions of DOLE AO No. 168 series of 2013 are as follows:</p> <p>“Section 41 provides for the establishment of the Migrant Workers and Other Overseas Filipinos Resource Center (MWOCFRC) in countries where there are large concentration of Filipinos.</p> <p>Section 45. Administration of the Center. The MWOFRC shall be under the direct control and supervision of the Head of the POLO. He/She shall keep the chief mission informed and updated on all matters affecting at least quarterly through a written report.”</p> <p>Review and evaluation of the projects, programs and activities of the four Posts disclosed the following:</p> <table><tr><th>Post</th><th>Deficiencies</th></tr><tr><td>Singapore</td><td>The needs of the OFWs in the enter were well-provided and on time and the programs implemented and services</td></tr></table>	Post	Deficiencies	Singapore	The needs of the OFWs in the enter were well-provided and on time and the programs implemented and services	<p>It was recommended that the OWWA Singapore Post make representation with the Urban Redevelopment Authority to allow the Post to lease a place that is conducive for the implementation of POLO/OWWA programs that will upgrade the skills of the OFWs housed in the Center; and</p> <p>The respective Ats recommended and the concerned WelOfs agreed to:</p>		OWWA-Singapore			Fully Implemented	<p>Post has not much influence on the decision as to the location of the MWOFRC. POLO is headed by the Labor Attache, and the payment for the rent of the MWOFRC comes from DOLE’s approved budget.</p> <p>It is the Labor Attache who enters into a rental agreement with the landlord.</p> <p>More so, it would also depend on what’s available in the market and the approved</p>	<p>After the conduct of onsite audit in September 2019, the MWOFRC relocated at 39 Tembeling Road Singapore 423582 as the contract with the previous unit has expired. Duration of contract is 01 December 2019 – 30 November 21 and is extended until 31 May 2022.</p>
Post	Deficiencies												
Singapore	The needs of the OFWs in the enter were well-provided and on time and the programs implemented and services												

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		provided by the Post were responsive to the needs of the OFWs, however, the relocation of the Center may create a negative impact in the performance of the Post to better secure the OFWs, if not resolved immediately.	<p><b><u>Jordan</u></b></p> <p>a) Evaluate the eligibility of the OFWs requesting medical assistance using the prescribed Claim Form to determine the qualification of the requesting party and the extent of assistance to be granted;</p> <p>b) Ensure that all requests and payments are supported with complete documentation as enumerated under OWWA MOI No. 01, s. 2018;</p> <p>c) Request exemption from the limits prescribed by the OWWA MOI or seek approval from the appropriate OWWA Office, if the needed assistance, as evaluated by the WelOfs, will exceed the authorized limits;</p> <p><b><u>Jeddah, KSA</u></b></p> <p>d) Prepare a database of services/interventions rendered, and complaints/cases filed with OWWA, as a basis in the evaluation of the effectiveness</p>		OWWA-Jordan			On-going	budget.
	Jeddah, KSA	The effective implementation of the Programs of the Post for Overseas Filipinos (OFs) cannot be established due to the absence of source documents as Management failed to submit the required data on OFWs needing assistance.							
	Jordan	a) Payment of medical/illness assistance under the WAP Funds for two OFWs exceeded the limit as provided under OWWA Memorandum of Instructions No. 01, s. 2018 by P42,168,738. b) Payments made on 394 medical assistance amounting to JOD10,273.500 were not supported with complete documentation as required under OWWA MOI NO. 01, s. 2018 and Section 4(6) of PD No. 1445.							
	Washington D.C., USA	The Post does not have reliable data to validate the attainment of programs as targeted. The program for Community Outreach for CY 2019 does not have target for CY 2019 but budget in the amount of \$16,800.00 (P848,400.00) was provided per WFP.							
					OWWA-Jeddah, KSA			Fully Implemented	A report of accomplishments/SPRS is being submitted on prescribed time.

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		<p>and efficiency of the Post in attending to the distressed OFWs;</p> <p>e) Request for additional personnel or designate a Records Officer to do the encoding of data and produce a reliable and credible database; and</p> <p><b><u>Washington</u></b></p> <p>f) Provide a complete information or data including the budget allocated for each program of the Post and maintain records which can be available, especially for audit purposes.</p>		OWWA-Washington, D.C.			Fully Implemented		Complied with the recommendation by COA to complete reports including the budget allocated for each program of activities.
58	<p><b>OTHER COMPLIANCE ISSUES</b></p> <p><i>Compliance with Tax Laws</i></p> <p><b>A total of P377,528,876.39 was withheld by the OWWA for CY 2020 and remitted P303,861,533.53, of which the yearned balance of P73,667,342.86 was either remitted in January 2021 or for further reconciliation, in compliance with Revenue Regulation No. 2-98 dated April 17, 1998. However, in RWO I, withholding tax of three percent was deducted from the monthly payment of the medical retainer’s services of P20,000.00 or a total of P240,000.00 instead of five percent, which was not in accordance with Section 2.57.2 of Bureau of Internal Revenue</b></p>	<p>It was recommended that:</p> <p>a) Management instruct the accountant of the RWOs NCR, VI, VII and XI to expedite the reconciliation and remittance of Due to BIR or effect the necessary adjustment, if any; and</p>		RWO NCR  RWO VI RWO VII  RWOXI			On-going  On-going Fully Implemented On-going		<p>RWO NCR did not receive any AOM about Tax Remittance. Management will check on this.</p> <p>RWO XI Davao City did not</p>



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	<p><b>(BIR) Regulation No. 11-2018, thus resulting in tax deficiency of P4,800.00.</b></p> <p>OWWA has adopted the centralized payroll system since CY 2017, thus withholding and remittances of taxes from the salaries and emoluments of employees are done by the OWWA-CO.</p> <p>The taxes withheld from suppliers by OWWA-CO and RWOs for purchases of goods and services should be remitted to the BIR on or before the 10<sup>th</sup> day of the succeeding month through Tax Remittance Advice (TRA) pursuant Revenue Regulation No. 2-98 dated April 17, 1998. However, the balances as at yearend of some RWOs showed that these withheld taxes were not remitted on due date to various reasons.</p> <p>Section 2.57.2 of BIR Revenue Regulation (RR) No. 11-2018 provides the Income Payments Subject to Creditable Withholding Tax and the Rates Prescribed Thereon as follows:</p> <p>“Except as herein otherwise provided, there shall be withheld a creditable income tax at the rates herein specified for each class of payee from the following items of income payments to persons residing in the Philippines:</p> <p>(A) Professional fees, talent fees, etc. for services rendered – On the gross professional, promotional, and talent fees or any other form of remuneration for the services rendered by the following:</p>	<p>b) the Director of RWO I agreed to instruct the Accountant of RWO I to withhold the prescribed rate of taxes from the payment of the medical retainer’s services as required by the BIR.</p>		RWO I			Fully Implemented		<p>receive AOM on Tax remittance, the SAO will check on this.</p> <p>It’s already a practice of the Region to withheld prescribed taxes from the payment of the medical retainer.</p>

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	<p>Individual payee:</p> <p>If gross income for the current year did not exceed P3M – Five percent (5%); If gross income is more than P3M – Ten percent (10%)</p> <p>Professional fees subject to expanded withholding tax in the Philippines under the Tax Reform for Acceleration and Inclusion (TRAIN) Law or RA No. 10963 covers those payments to licensed professionals under the Professional Regulation Commission (PRC) (e.g. CPAs, medical practitioners, engineers, architects, real estate service practitioners, etc.)</p> <p>In RWO I, the taxes withheld from the payment of services to the medical retainer was at a rate of three percent instead of five percent resulting in withholding tax deficiency of P4,800.00 during CY 2020, contrary to the requirement of BIR Revenue Regulation No. 11-2018 issued on March 15, 2018 which provides for the implementation of the tax reforms on Creditable or Expanded Withholding Tax (EWT) in the Philippines under the TRAIN or RA No. 10963 effective January 1, 2018, amending the three percent requirement under Revenue Regulation No. 2-1998.</p> <p>The practice of deducting three percent instead of five percent from the payment of the medical retainer’s services, deprived the government of additional funds to be used for the implementation of development projects.</p>								

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59	<p><i>Gender and Development (GAD)</i></p> <p><b>OWWA was able to accomplish GAD related activities integrated in the regular projects, activities, and programs of the CO and the various RWOs. However, the annual GAD Plan and Budget (GPB) for CY 2020 of OWWA was not submitted to nor endorsed by the Philippine Commission on Women (PCW), while the corresponding GAD Accomplishment Report (GAD AR) were not yet provided to the Audit Team contrary to Section 31 of the General Provisions of RA No. 11465, also known as the GAA for FY 2020, Paragraphs 1 and 5(c), Section 37A of Rule VI of the Implementing Rules and Regulations (IRR) of RA NO. 9710 or the Magna Carta of Women (MCW), and the related issuances of PCW.</b></p> <p>Section 31 of the General Provisions of RA No. 11465, also known as the FY 2020 GAA, states that <i>“All agencies of the government shall formulate a Gender and Development (GAD) Plan designed to address gender issues within their concerned sectors or mandate and implement the applicable provisions under RA No. 9710 or the Magna Carta of Women, x xx.”</i></p> <p>While Paragraphs 1 and 5(c), Section 37A of Rule VI of the IRR of MCW provides the following:</p> <p>“1. Development of and Budgeting for GAD Plans and Programs – All agencies, offices, bureaus, SUCs, GOCCS, LGUs, and other government instrumentalities shall formulate</p>	<p>Recommendation was reiterated that the Management submit the CY 2020 GAD AR to COA and PCW, and to prospectively submit the Annual GPB and the corresponding GAD AR in the format and within the timeframe prescribed by the PCW.</p> <p>The Management of the respective RWOs commented as follows:</p> <table><tr><th>Office</th><th>Management’s Comments</th></tr><tr><td>OWWA-CO</td><td><p>Management commented that the 2019 GPB was submitted to PCW for review on July 26, 2019 as per advice of the latter since it was the first time the OWWA to submit its report direct to PCW. OWWA was, at the time, not yet capacitated to accomplish the GPB based on the new requirements. Guidance from PCW was needed. The said GPB was reverted back t OWWA on August 16, 2020 with their comments and instruction to use the same in the preparation of other reports, which includes the 2020 GPB.</p><p>The 2020 GPB was immediately prepared thereafter using the 2019 GPB with PCW’s comments as a guide. However, on October 28, 2020, PCW informed OWWA that there is still no request to open on-line to encode the 2019 AR and the 2020 GPB.</p><p>After several follow-ups with PDPMED, OWWA received an answer via electronic mail to its appeal, advising OWWA to just reflect the 2020 GPB, in its 2020 GAR.</p></td></tr></table>	Office	Management’s Comments	OWWA-CO	<p>Management commented that the 2019 GPB was submitted to PCW for review on July 26, 2019 as per advice of the latter since it was the first time the OWWA to submit its report direct to PCW. OWWA was, at the time, not yet capacitated to accomplish the GPB based on the new requirements. Guidance from PCW was needed. The said GPB was reverted back t OWWA on August 16, 2020 with their comments and instruction to use the same in the preparation of other reports, which includes the 2020 GPB.</p> <p>The 2020 GPB was immediately prepared thereafter using the 2019 GPB with PCW’s comments as a guide. However, on October 28, 2020, PCW informed OWWA that there is still no request to open on-line to encode the 2019 AR and the 2020 GPB.</p> <p>After several follow-ups with PDPMED, OWWA received an answer via electronic mail to its appeal, advising OWWA to just reflect the 2020 GPB, in its 2020 GAR.</p>		PPDO			On-going		<p>Considering the comments of the PCW in in the 2021 GPB, OWWA deemed it proper to adjust its GAD AR to conform with the instruction of the PCW on the 2021 GPB. Hence, on 11 March 2021, OWWA requested for an extension to submit its GAD AR. The same was granted by the PCW in its electronic mail dated 12 March 2021.</p> <p>OWWA also requested technical assistance on the conduct of HDGD on its flagship program, being one of the recommendations of PCW in the 2021 GPB of OWWA.</p> <p>The TA session was conducted on 23 March 2021 and during the same meeting, PCW advised OWWA to prioritize the submission of the 2021 GPB over the 2020 GAD AR. They also agreed to give OWWA another extension on the submission of the said reports.</p>
Office	Management’s Comments												
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				RWO NCR			On-going	Fully Implemented	The Management already segregate its report.				
				RWO IV-B			Fully		All GAD AR were submitted to				

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	<p>their annual GAD Plans, Programs and Budgets within the context of their mandates. x xx</p> <p>5. Monitoring and Evaluation of the Implementation and Budget Utilization of GAD Plans and Programs</p> <p>a. x xx</p> <ul style="list-style-type: none"><li>At the end of the fiscal period, all government agencies shall submit to PCW their GAD AR including the utilization of the GAD Budget. x xx”.</li></ul> <p>In relation thereto, Section 4.0 of PCW MC NO. 2019-02 dated August 1, 2019 provides that the deadline of encoding and submission to PCW of FY 20202 GPBs through Gender Mainstreaming Monitoring System (GMMS) for executive departments, attached agencies, etc is on September 16, 2019. Eventually, due to the COVID-19 Pandemic, the PCW issued MC No. 2020-03 dated April 27, 2020 which provides guidance on the revision and/or implementation of the FY 2020 GPB to implement GAD PAPs that address gender issues and concerns related to the COVID-19 situation.</p> <p>Moreover, Section 1 of PCW MC No. 2021-01 dated January 20, 2021 provides that the deadline of encoding and submission to PCW of FY 2020 GAD AR through GMMS for executive departments and their attached agencies is on March 12, 2021.</p> <p>On January 21, 2021, the Audit Team requested the</p>	<table><tr><td>RWO NCR</td><td>Management acknowledged the recommendations and, in this regard, RWO NCR appointed a GAD focal personal and issued a memo to all unit heads to comply with the submission of sex-disaggregated data in its reports.</td></tr><tr><td>RWO IV-B</td><td>Management commented that the RWO submitted its GAD Plan and AR to the CO through ROCS using the prescribed templates.</td></tr><tr><td>RWO VI</td><td>During the exit conference, the Management conveyed agreement and committed to the preparation of the GPB. Further, the AT was informed that a Memorandum was already prepared to institutionalize the GFPS of OWWA RWO VI.</td></tr><tr><td>RWO XI</td><td>Management informed that they included the matter in their 'Issues and Concerns" that was submitted for the Year-end Planning Activity of the CO. they stated about the difficulty encountered at the regional level to ascertain a synchronized accomplishment vis-à-vis the PCW-approved GAD Plan. They requested that the CO Gender and Development Focal Point System cascade to the regional offices the results/comments on the Agency GAD Plan submitted to PCW.</td></tr></table> <p>The Audit Team of OWWA-CO rejoined that Management comments are duly noted. However, it is still recommended for Management to comply with the issuances of PCW especially on the submission of GPB and GAD AR.</p>	RWO NCR	Management acknowledged the recommendations and, in this regard, RWO NCR appointed a GAD focal personal and issued a memo to all unit heads to comply with the submission of sex-disaggregated data in its reports.	RWO IV-B	Management commented that the RWO submitted its GAD Plan and AR to the CO through ROCS using the prescribed templates.	RWO VI	During the exit conference, the Management conveyed agreement and committed to the preparation of the GPB. Further, the AT was informed that a Memorandum was already prepared to institutionalize the GFPS of OWWA RWO VI.	RWO XI	Management informed that they included the matter in their 'Issues and Concerns" that was submitted for the Year-end Planning Activity of the CO. they stated about the difficulty encountered at the regional level to ascertain a synchronized accomplishment vis-à-vis the PCW-approved GAD Plan. They requested that the CO Gender and Development Focal Point System cascade to the regional offices the results/comments on the Agency GAD Plan submitted to PCW.		RWO XI			Implemented  On-going	The CO GAD Focal Point System has not cascaded to the regional office the results/comment of the Agency GAD Plan submitted to PCW.	COA.  The capability training noted in the recommendation is also being considered to be included in the capability building activity for the personnel in the 3 <sup>rd</sup> quarter of 2021.
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	<p>Management of the OWWA-CO to submit a copy of the PCW approved GPB and GAD AR for CY 2020. Management responded per letter dated February 11, 2021, that:</p> <p>“xxx for the CY 2020 GPB, PCW advised OWWA to just reflect in the 2020 GAD AR, as advised by the PCW. The GAD AR for CY 2020 is still being prepared. ROCS and OOCs are consolidating the reports from RWOs and Overseas Workers (OWs). We expect t submit the same before the <u>March 05, 2021</u> deadline set by PCW. x xx” (Underscoring supplied)</p> <p>However, the letter of the PCW Executive Director to the OWWA Administrator dated February 8, 2021, provided the following:</p> <p>xxx With regard to your FY 2020 GPB and GY 2019 GAD AR, <u>since we did not receive any submission of the said documents in the GMMS, we recommend that FY 2020 GAD activities conducted by your agency be reflected in the submission of your FY 2020 GAD AR.</u> As for the FY 2019 GAD AR, we will facilitate the reopening of the GMMS so you could encode your FY 2019 GAD AR in the GMMS for record keeping and reference purposes, but there will no longer be endorsed.</p> <p>As provided in Section 8.6 of PWC-NEDA-DBM Joint Circular 2012-01, “PCW shall endorse agency GPBs only “... <i>if the requested revisions or additional information in answer to questions about the GPB are accepted by PCW within the</i></p>								

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	<p><u>prescribed deadlines. “The endorsement of the GPB is to ensure that plans, programs and activities to be conducted by the agency will contribute to women’s empowerment and gender equality goals, and that these will be funded through the submission of the endorsed GPB to the DBM in accordance with the national budget call. Considering that the fiscal years of the GPBs for consideration have already passed, we can no longer endorse these.” (Underscoring supplied)</u></p> <p>As stated in the above statement, the OWWA was not able to submit the CY 2020 GPB, hence, PWC advised to reflect the actual GAD activities conducted by the OWWA in the CY 2020 GAD AR. Still, non-preparation of the GPB provided no basis to determine whether the programs and activities conducted by the OWWA were aligned with the existing gender issues and concerns to be addressed that will contribute to women’s empowerment and gender equality goals.</p> <p>Nevertheless, some RWOs reported GAD related accomplishments as follows:</p> <table><tr><th>Office</th><th>Utilization (in Php)</th><th>Accomplishments</th></tr><tr><td>RWO I</td><td>43,265,448.30</td><td>Client focused – P42,863,236.00<ul style="list-style-type: none"><li>• MCW Section 24 (right to Education and Training)- Family Support and Reintegration Services – P2,310,000.00</li><li>• Conduct of Capability Building for OFW Leaders – P170,021.00</li><li>• Conduct of Skills for Employment Training – P203,500.00</li><li>• Welfare Services – MCW Sec 10 (Right to Protection and Security in times of disasters, calamities and other crisis situations specially in all phases of relief, recovery and reintegration) – P10,252,600.00</li></ul></td></tr></table>	Office	Utilization (in Php)	Accomplishments	RWO I	43,265,448.30	Client focused – P42,863,236.00 <ul style="list-style-type: none"><li>• MCW Section 24 (right to Education and Training)- Family Support and Reintegration Services – P2,310,000.00</li><li>• Conduct of Capability Building for OFW Leaders – P170,021.00</li><li>• Conduct of Skills for Employment Training – P203,500.00</li><li>• Welfare Services – MCW Sec 10 (Right to Protection and Security in times of disasters, calamities and other crisis situations specially in all phases of relief, recovery and reintegration) – P10,252,600.00</li></ul>							
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			<ul style="list-style-type: none"> <li>Enterprise Development and Livelihood Loan Program-MCW IRR Section 26 (Right to Livelihood, Credit, Capital, and Technology – P29,220,000.00</li> <li>Enhanced Social Protection and Welfare Program-MCW IRR Section 26 (Right to Livelihood, Credit, Capital, and Technology – P615,000.00</li> <li>Organization focused – P402,212.30</li> <li>COVID 19 prevention and control measures – P402,212.30</li> </ul>							
	RWO II	19,752,424.46	Client and Organization Focused <ul style="list-style-type: none"> <li>Balik Pinas Balik Hanapbuhay Program – livelihood assistance to provide immediate relief to OFWs who were displaced/distressed – P10,000,000</li> <li>UWIAN NA PROGRAM FOR RETURNING OFWs displaced due to Pandemic – P5,608,288.27</li> <li>Sa Pinas Ikaw and Ma'am at Sir (SPIMS) – assistance to teacher OFWs who have already decided to stay in the country for good – P2,184,136.19</li> <li>Balik Pinay Balik Hanapbuhay Program (Female OFWs) – livelihood assistance to provide immediate relief to undocumented OFWs who were displaced/distressed – P320,000.00</li> <li>LDAP for Undocumented OFWs – P760,000.00</li> <li>Project EASE – Educational assistance through Scholarship in Emergencies for the Returning OFW Members affected by COVID19 – P880,000.00</li> </ul>							
	RWO IV-B	1,480,000.00	<ul style="list-style-type: none"> <li>Conduct of Entrepreneurial development Raining – P180,000.00</li> <li>Conduct of Financial Literacy Training – P60,000.00</li> <li>Conduct of Values Formation, Personality Development and Language Training – P110,000.00</li> <li>Provision of livelihood assistance to surviving female spouse of deceased or incarcerated migrant worker – P390,000.00</li> <li>Setting-up of Lactation Room and provision of breastmilk storage – P740,000.00</li> </ul>							
	RWO V	9,078.00	<ul style="list-style-type: none"> <li>Provision of BABYEKits (feminine kits for women or in bicol term “babaye”) to the survivors of Super Typhoon Rolly in partnership with MPCF Legazpi.</li> </ul>							
	RWO VI	84,857,719.20	<ul style="list-style-type: none"> <li>BalikPinasBalikHanapbuhay (BPBH) – P8,760,000.00</li> <li>BPBH (National Reintegration Center for OFWs) – P400,000.00</li> <li>Emergency Repatriation Assistance – P67,613,340.00</li> <li>Financial Assistance – P7,310,000.00</li> </ul>							

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			<ul style="list-style-type: none"><li>• ELAP Livelihood Assistance Program – P525,000.00</li><li>• Language Training and Culture Familiarization – P90,000.00</li><li>• Other General Services (Job Order Salary) – P159,379.20</li></ul>								
	RWO VII	143,397.00	Organization Focused <ul style="list-style-type: none"><li>• MCW IRR Section 25 (Right to Decent Work) – Women workers shall be protected against safety and health hazards – P102,560.00</li><li>• Mental Health Awareness in the Workplace – P40,837.00</li></ul>								
	RWO VIII	18,223,601.11	<ul style="list-style-type: none"><li>• The GAD activities of RWO VIII were integrated in their regular activities which included (a) conduct of skills for employment training, (b) provision of airport assistance to distressed women migrant workers, (c) livelihood assistance to surviving female spouse of deceased or incarcerated migrant worker, (d) accommodation and transportation assistance to migrant workers, (e) financial assistance to distressed migrant workers, (f) educational assistance to dependents of migrant workers and (g) provision of personal protective equipment to employees.</li></ul>								
	RWO X	127,842,695.00	Client and Organization Focused								
	RWO XI	26,267,194.77	<ul style="list-style-type: none"><li>• Client Focused</li><li>• WAP – Conduct of Predeparture Orientation – P226,666.68</li><li>• WAP – Endorsement of request to POLO and other NGAs – P660,372.00</li><li>• Balik Pinas Balik Hanapbuhay Program – P14,990,000.00</li><li>• Balik Pinay – National Reintegration Center for OFWs (NRCO) – P390,000.00</li><li>• Livelihood Development Assistance Program (LDAP) – P430,000.00</li><li>• WAP – Provisions of airport assistance – P6,879,219.89</li><li>• DOLE AKAP – P1,690,936.20</li><li>• Sa Pinas, Ikaw and Maa/Sir (SPIMS) – P1,000,00.00</li></ul>								
	RWO CAR	366,870.12	Client Focused – P310,007.12 <ul style="list-style-type: none"><li>• 517beneficiaries of OWWA program attached the orientation/seminars incorporating mental health issues which help OFW families mitigate the impact of the pandemic</li></ul> Organization Focused- 56,863.00 <ul style="list-style-type: none"><li>• 35 participants attended the seminar on Understanding Human Rights, Right to Health and Enhancing Health Protocols s responders to the pandemic</li></ul>								



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	<p>On the other hand, in RWOs NCR and III, the Management failed to incorporate relevance and impact of COVID-19 response programs and projects to GAD through the use of sex-disaggregated data in the submitted reports while in RWO IV-A, the Management failed to submit the copy of the PCW endorsed GPB and GAD AR for CY 2020.</p> <p>Lastly, as of this date, the CY 2020 GAD AR of OWWA-CO was not yet submitted to the COA, hence, precluding the Audit Team from verifying and /or conducting audit of the agency's compliance with the aforementioned regulations.</p>								
60	<p><i>Senior Citizens and Persons with Disability (PWD)</i></p> <p><b>Unlike RWOs I and III with expended allocated funds for senior citizens and PWDs of P4,395,849.07, RWOs NCR, II, IV-A, IV-B and VII did not formulate plans and targets to implement Programs and Projects for the benefit of this sectors for CY 2020 as required under Section 32 of the General provisions of RA No. 11465 for FY 2020 nor allocated the required one percent of the funds for the purpose.</b></p> <p>Section 32 of the RA No. 11465 or the GAA of FY 2020 <i>“states that all <b>agencies of the government shall formulate plans, programs and projects intended to address the concerns of senior citizens and persons with disability, insofar as it relates to their mandated functions, and integrate the same in their regular activities. Moreover, all</b></i></p>	<p>It was recommended that the Management (a) formulate plans and programs to be integrated into the agency’s regular activities that will address the concerns of the senior citizens and persons with disability; and (b) allocate at least one percent of the agency’s total budget for their implementation.</p>		<p>RWO II</p> <p>RWO IV-A</p> <p>RWO IV-B</p>			<p>On-going</p> <p>Fully Implemented</p> <p>Fully Implemented</p>		<p>RWO II revisited OWWA programs and services implementation to incorporate and be able to address the concerns of the senior citizens and persons with disability.</p> <p>The RWO IV-A Office is a Senior Citizen and PWD-friendly. The office is situated in a ground floor area and is very much accessible. RWO IV-A is prioritizing Senior Citizen and PWDs on queuing to avail the program of the agency.</p> <p>RWO IV-B complied with the</p>

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	<p><i>government infrastructure and facilities shall provide architectural or structural features, designs or facilities that will reasonably enhance the mobility, safety, and welfare of persons with disability pursuant to Batas Pambansa Blg. 344 and RA No. 7277.” (emphasis supplied).</i></p> <p>Section 4.2 of the Joint DBM and DSWD Circular No. 2003-001 dated April 28, 2003 provides that “<i>All government agencies, department, bureaus, offices, commissions and state universities and colleges shall allocate at least one percent (1%) of their respective budget for the implementation of plans, programs, projects, activities and services for older persons and persons with disabilities</i>”</p> <p>For CY 2020, the RWOs NCR, II, IV-A, IV-B and VII did not formulate, plans, program and projects intended to address the concerns of senior citizens and PWDs which should be integrated into the regular activities of the Agency, and consequently did not allocate funds for the same, contrary to the aforecited regulations.</p> <p>On the other hand, RWOs I and III identified the programs and projects and expended funds that were allocated to directly address the concerns of these sectors. Details are as follows:</p> <table><tr><th>Program</th><th>No. of Assisted Senior Citizens</th><th>No. of Assisted PWDs</th><th>Amount of Cash Assistance (in Php)</th></tr><tr><td colspan="4">RWO I</td></tr><tr><td>NRCO Livelihood Development Assistance Program</td><td>2</td><td>-</td><td>20,000.00</td></tr><tr><td>Hatid SUndo</td><td>694</td><td>2</td><td>284,849.07</td></tr></table>	Program	No. of Assisted Senior Citizens	No. of Assisted PWDs	Amount of Cash Assistance (in Php)	RWO I				NRCO Livelihood Development Assistance Program	2	-	20,000.00	Hatid SUndo	694	2	284,849.07		RWO VII			On-going	<p>recommendation. During the pandemic, senior citizens were included as participants in our on-line activities.</p> <p>Provisionally developed plans and programs for integration to OWWA RWO VII under the regular activities that will address the concerns of the senior citizens and persons with disability; and taking into consideration the needed allocation of at least one percent of the agency’s total budget for their implementation.</p>
Program	No. of Assisted Senior Citizens	No. of Assisted PWDs	Amount of Cash Assistance (in Php)																				
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	<table><tr><td>Program</td><td></td><td></td><td></td></tr><tr><td>Project Agapay</td><td>3</td><td>-</td><td>30,000.00</td></tr><tr><td>DOLE AbotKamayangPagtulong (AKAP)</td><td>287</td><td>-</td><td>Paid by DOLE</td></tr><tr><td colspan="4">RWO III</td></tr><tr><td>Medical, disability and bereavement programs</td><td>234</td><td>-</td><td>4,061,000.00</td></tr><tr><td>Grand Total</td><td>1,220</td><td>2</td><td>4,395,849.07</td></tr></table> <p>Although these sectors may be among the beneficiaries of the implemented livelihood and medical assistance, Management still needs to identify from among its programs and projects, those that directly and fully addressed the concerns of senior citizens and PWDs and allocate at least one percent budget for their implementations.</p>	Program				Project Agapay	3	-	30,000.00	DOLE AbotKamayangPagtulong (AKAP)	287	-	Paid by DOLE	RWO III				Medical, disability and bereavement programs	234	-	4,061,000.00	Grand Total	1,220	2	4,395,849.07							
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61	<p>Compliance with Property Law</p> <p>The insurable assets of various OWWA offers with carrying amount of P20,773,066.17 were nor protected against unforeseen events such as loss thru fire, earthquake, typhoon and/or flood as these are not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS), thus, exposing</p>	<p>It was recommended that Management:</p> <p>a. Secure all insurable assets with GIF of the GSIS in order to ensure compensation of the equivalent value in case of</p>		PPMD			Fully Implemented		Property Inventory Form in compliance to the COA-Audit Observation Memorandum (AOM), already submitted on 18 May 2021.																							
				RWO NCR			Fully		Management already reconciled																							

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	<p><b>OWWA to the risk of not being indemnified with the equivalent amount thereof, contrary to RA No. 656 as amended by PD No. 245 dated July 13, 1973 and other pertinent rules and regulations. On the other hand, insured Motor Vehicles with insurance premium paid by OWWA CO totalling P40,342.98 are not included in the submitted RPCPPE, thus raising doubt on the validity of disbursement made.</b></p> <p>RA NO. 656, otherwise known as the Property Insurance Law dated June 16, 1951, as amended by PD No. 245 dated July 13, 1973 states as follows:</p> <p><i>“Every government, except a municipal government below first class, is hereby required to insure its properties, with the Fund against any insurable risk herein provided and pay the premiums thereon”</i></p> <p>In addition, the Office of the President, as well as the COA, have been persistent in reminding all National Government Agencies to enforce the compliance with the RA No. 656, thus, the following issuances have been issued:</p> <p><b>a. Memorandum Circular No, 634 dated May 10, 1973</b> – requiring all departments, bureaus, offices, agencies and instrumentalities of government, all provincial, city and municipal governments and government-owned and controlled corporations to insure their properties and assets in accordance with Property Insurance Law;</p>	<p>loss or damage;</p> <p>b. Submit the PIF not later than April 30, 2021 and include in the agency annual budget the amount of premiums for the general insurance covering all insurable properties and other assets in accordance with COA Circular 2018-002; and</p> <p>c. Establish the existence of the Motor Vehicles with paid insurance premium totalling P40,342.98 and update the submitted RPCPPE.</p> <p>The Management of the respective offices commented as follows:</p> <table><tr><th>Office</th><th>Management's Comments</th></tr><tr><td>CO</td><td>Management commented that they will comply with the submission of the PIF ad shall coordinate with the Engineering and General Services Division (EGSD) and Financial Investment Management Office (FIMO) as regards for the inclusion of the amount of premiums for the general insurance covering all insurable properties and other assets, especially the Motor Vehicles totalling P14,100,752.00 in the agency annual budget as per COA Circular No. 2018-002.  Also, they will comply with the updating of RPCPPE toe stablish the existence of the Motor Vehicles with paid insurance premium totalling to P40,342.98.</td></tr><tr><td>RWO NCR</td><td>In line with the cited recommendations, the Management</td></tr></table>	Office	Management's Comments	CO	Management commented that they will comply with the submission of the PIF ad shall coordinate with the Engineering and General Services Division (EGSD) and Financial Investment Management Office (FIMO) as regards for the inclusion of the amount of premiums for the general insurance covering all insurable properties and other assets, especially the Motor Vehicles totalling P14,100,752.00 in the agency annual budget as per COA Circular No. 2018-002.  Also, they will comply with the updating of RPCPPE toe stablish the existence of the Motor Vehicles with paid insurance premium totalling to P40,342.98.	RWO NCR	In line with the cited recommendations, the Management		<p>RWO I</p> <p>RWO IV-B</p>		<p>Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>	<p>the documents and the officer is already insured.</p> <p>Vehicles of RWO I were already insured for CY 2021. This will be renewed yearly to compensate possible loss or damage that may incur.</p> <p>Insurance premium for motor vehicle were paid to GSIS and budget for the same was submitted to Head Office.</p>
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	<p>b. <b>COA Circular Nos. 79-112 dated August 30, 1979</b> – to assist the GSIS in implementing the Property Insurance Law;</p> <p>c. <b>Administrative Order No. 33 series of 1987</b> – prescribing guidelines for insurance of all properties, contracts, rights of action and other insurance risks of the government, including those in which the government has an insurable interest, with the GIF of the GSIS; and</p> <p>d. <b>COA Circular No. 92-390 dated November 17, 1992</b> – imposed that all heads of national agencies, local government units and government owned or controlled corporations shall be responsible for the preparation and submission of the inventory of all insurable physical assets and also requires submission of said inventory report to the GSIS not later than October 31, of the ensuing year.</p> <p>e. <b>COA Circular No. 2018-002 dated May 31, 2018</b> – provides for the guidelines in the use and submission of the Property Inventory Form as basis for the assessment of general insurance coverage over all insurable assets, properties and interests of the government with the GIF of the GSIS.</p> <p>Moreover, Item 4.1 of COA Circular No. 2012-003 dated October 29, 2012 provides definition of Unnecessary Expenses that <i>“The term pertains to expenditures which could not pass the test of</i></p>	<table><tr><td></td><td>have reconciled the RPSPE with the accounting records. Also, Management is on the process of securing insurance of all its insurable assets with the General Insurance Fund.</td></tr><tr><td>RWO I</td><td>Management explained that they were not able to insure their motor vehicles due to the pandemic, but they committed to insure the vehicles this CY 2021.</td></tr><tr><td>RWO IV-B</td><td>Management already accomplished the PIF for properties/equipment and common supplies &amp; materials per COA Circular No. 2018-002 and ready for submission to GSIS.</td></tr></table>		have reconciled the RPSPE with the accounting records. Also, Management is on the process of securing insurance of all its insurable assets with the General Insurance Fund.	RWO I	Management explained that they were not able to insure their motor vehicles due to the pandemic, but they committed to insure the vehicles this CY 2021.	RWO IV-B	Management already accomplished the PIF for properties/equipment and common supplies & materials per COA Circular No. 2018-002 and ready for submission to GSIS.							
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	<p><i>prudence or the diligence of a good father of a family, thereby denoting non-responsiveness to the exigencies of the service. x xx This would also include incurrence of expenditure not dictated by the demands of good government, and those the utility of which cannot be ascertained at a specific time. x xx”</i></p> <p>Below are the detailed observations:</p> <p><b>a. Uninsured Items totalling to P20,773,066.17</b></p> <table><tr><th>Office</th><th>Items</th><th>Amount (in Php)</th></tr><tr><td>Central Office</td><td>Motor Vehicles</td><td>14,100,752.00</td></tr><tr><td>RWO NCR</td><td>Various Properties</td><td>4,032,226.78</td></tr><tr><td>RWO I</td><td>Motor Vehicles</td><td>427,800.39</td></tr><tr><td>RWO IV-B</td><td>Various Properties</td><td>2,212,287.00</td></tr><tr><td><b>Total</b></td><td></td><td><b>20,773,066.17</b></td></tr></table> <p>Non-insurance of the above properties poses risk to government assets and is contrary to the provisions under RA No. 656, AO No. 33 and COA Circular No. 92-390.</p> <p>Meanwhile the following RWOs had paid insurance premium totalling to P66,032.18 for CY 2020. Details as follows:</p> <table><tr><th rowspan="2">Office</th><th rowspan="2">Items</th><th>Amount Insured</th><th>GSIS Premium</th></tr><tr><th colspan="2">(in Php)</th></tr><tr><td>CAR</td><td>Motor Vehicles and Various Properties</td><td>5,057,441.61</td><td>35,029.27</td></tr><tr><td>RWO I</td><td>Various Properties</td><td>N/A</td><td>7,527.23</td></tr><tr><td>RWO IV-B</td><td>Various Properties</td><td>1,775,000.00</td><td>N/A</td></tr><tr><td>RWO XI</td><td>Motor Vehicles and Various Properties</td><td>3,046,200.00</td><td>23,475.68</td></tr><tr><td><b>Total</b></td><td></td><td><b>9,878,641.61</b></td><td><b>66,032.18</b></td></tr></table>	Office	Items	Amount (in Php)	Central Office	Motor Vehicles	14,100,752.00	RWO NCR	Various Properties	4,032,226.78	RWO I	Motor Vehicles	427,800.39	RWO IV-B	Various Properties	2,212,287.00	<b>Total</b>		<b>20,773,066.17</b>	Office	Items	Amount Insured	GSIS Premium	(in Php)		CAR	Motor Vehicles and Various Properties	5,057,441.61	35,029.27	RWO I	Various Properties	N/A	7,527.23	RWO IV-B	Various Properties	1,775,000.00	N/A	RWO XI	Motor Vehicles and Various Properties	3,046,200.00	23,475.68	<b>Total</b>		<b>9,878,641.61</b>	<b>66,032.18</b>						
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	<p><b>b. Unsubmitted Property Insurance Form (PIF) of Central Office</b></p> <p>The PPMD has not submitted the Property Inventory Form which is contrary to Property Insurance Law and COA Circular No, 2018-002 dated May 31, 2018 hence, there is difficulty in identifying insurable properties.</p> <p>Moreover, the AD has submitted Schedule of Prepaid Insurance and Insurance Expenses that contains the list of PPEs with insurance paid by the OWWA to the GSIS. Examination of the same reveals that most of the insured properties are Motor Vehicles as well as the two OWWA buildings located in Pasay and Intramuros, Manila.</p> <p><b>Insured Motor Vehicles with insurance premium paid by the Central Office totalling P40,342.98 are not included in the submitted RPCPPE.</b></p> <p>It was also noted that certain details on the descriptions from the respective records of PPMD and AD do not match. Thus, there is difficulty in identifying the said insured motor vehicles with insurance premiums aggregating P40,342.98 if the vehicles recorded in the respective data are the same.</p>								
	Compliance with National Disaster Risk Reduction Management (NDRRMF)								

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62	<p><b>The Agency did not formulate plans relative to the mainstreaming of Disaster Risk Reduction and Management (DRRM) in its programs and projects contrary to Section 36 of the General Provisions of the GAA for FY 2020.</b></p> <p>Section 36 of the General Provisions of the GAA for FY 2020 states that: <i>“All Agencies of the government shall plan and implement programs and projects, taking into consideration measures to climate change adaptation and mitigation, and <u>disaster risk reduction based on climate and disaster risk assessment...</u>”</i> (Underscoring supplied)</p> <p>The purpose of mainstreaming DRRM into the programs and projects of the agency is to enable the Agency to undertake effective measures to reduce disaster risks within the existing framework by formulating and implementing applicable plans, programs and strategies to reduce disaster risks and eventually lessen the damage caused by manmade or natural calamities such as typhoons, earthquakes, floods droughts, volcanic eruption and civil war / political conflict through prevention. It will also aid the Agency Management to identify and plan local capabilities to cope with these calamities.</p> <p>On January 21, 2021, the Audit Team requested Management for a copy of the OWWA DRRM Fund for CY 2020 and the reports on its allocation, distribution, and utilization. However, as of today, no such report was received from the Management, hence, signifying that the OWWA did not formulate</p>	<p>Recommendation that the Management formulate plans relative to the mainstreaming of DRRM in the OWWA programs and projects pursuant to relevant provision of the General Provisions of the GAA for the succeeding years was reiterated.</p> <p>It was also recommended that Management submit the latest status of their plans and actions pertaining to the mainstreaming of DRRM in the OWWA programs and projects.</p>		GAS / EGSD			On-going		<p>1. Attended the Virtual Training on Public Service Continuity Planning (PSCP) by the Office of Civil Defense on August 23-28, 2021 with Special Order No. 232 Series of 2021 dated 19 August 2021.</p> <p>2. The initial draft of the National Disaster Risk Reduction Management Plan dated 16 September 2021 is scheduled for discussion with the OWWA Committee on this concern.</p> <p>3. The HR is awaiting confirmation from MMDA relative to our request for orientation / training on Risk Management and Contingency Plan dated on 09 August 2021. Additional inputs from this orientation will be consolidated to our initial draft.</p>



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	<p>plans relative to the mainstreaming of DRR in the OWWA programs and projects.</p> <p>Moreover, per submitted Agency Action Plan and Status of Implementation (AAPSI) as of December 31, 2020 on DRRM observation noted in CY 2019, action to be taken by the Management includes coordination with the Climate Change Commission (CCC) so they may be briefed on the National Climate Change Action Plan (NCCAP) for the long-term program and strategies for climate change and adaption. However, no update on that action was provided to COA.</p> <p>On the positive note, all personnel of RWO X attended an orientation on Disaster Risk Reduction and participated in the fire and earthquake drill in the building premises.</p>								
63	<p><i>Hiring of Job Orders</i></p> <p><b>In eight RWOs, the number of Job Order (JO) workers is considerably higher than the number of regular employees, whereby in four RWOs, the cashiering, accounting and disbursing functions were performed by the JOs due to the shortage of manpower, in violation to Section 7.2 of CSC-COA-DBM Joint Circular No. 1, s. 2017, Section 101 of PD No. 1445 and COA Circular No. 97-002.</b></p> <p>Section 7.2 the CSC-COA-DBM Joint Circular No. 1, s. 2017 dated June 15, 2017, provides that “7.2 <i>Contract of service and job order workers should not, in any case, be made to perform functions which are part of the job description of the agency’s</i></p>	<p>It was recommended that Management:</p> <p>a. Discontinue the practice pf allowing JO workers perform functions which are part of the job description of the agency’s existing regular employees such as cashiering, accounting and disbursing functions;</p> <p>b. Consider the use of the services of a remittance</p>		Central Office (HRMDD)			On-going   <		

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	<p><i>existing regular employees.”</i></p> <p>Section 101 of PD No. 1445 provides that, “<i>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.</i></p> <p>COA Circular No. 97-002 dated February 10, 1997 provides pertinent provisions on the granting, utilization and liquidation of cash advances, as follows:</p> <p><i>“Item 4.1.1. Only permanently appointed officials shall be designated as disbursing officers;</i></p> <p><i>4.1.5 Only duly appointed or designated disbursing office may perform disbursing functions. Officers and employees who are given cash advances for official travel need not be designated as disbursing officers;</i></p> <p><i>4.1.6 Transfer of cash advances from one Accountable Officers to another shall not be allowed.”</i></p> <p>Details of the personnel complement for each RWOs show that in most RWOs, the number of hired JOs to perform regular agency functions was more than the regular employees:</p> <table><tr><th>RWOs</th><th>No. of JOs</th><th>Total No. of</th><th>Percentage of</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>	RWOs	No. of JOs	Total No. of	Percentage of					<p>provider in paying the WAP cash assistance to mitigate the risks involved in the payment of cash assistance through cash advances in large amounts; and</p> <p>c. Settle the issue with regard to the lack of regular personnel in the RWOs by making representation with the Department of Budget and Management (DBM) for additional plantilla positions.</p> <p>The Audit Team of the RWO V stands to the recommendation that JOs should not be allowed to perform disbursing functions and the Management could recommend to OWWA CO for creation of regular positions to augment the present set of permanent positions.</p> <table><tr><th>Office</th><th>Management Comments</th></tr><tr><td>RWO V</td><td>Management explained that they resorted to that option by transferring the disbursing function to JOs during the WAP assistance payout because the regular employees are all pre-occupied and loaded with the various programs that need to be attended and are not available to be deployed to the payout and other SDOs are attending to other financial related chores.</td></tr><tr><td></td><td>With regard to engaging the services of remittance centers, Management explained that there are problems met, such as, low internet connectivity, un-</td></tr></table>	Office	Management Comments	RWO V	Management explained that they resorted to that option by transferring the disbursing function to JOs during the WAP assistance payout because the regular employees are all pre-occupied and loaded with the various programs that need to be attended and are not available to be deployed to the payout and other SDOs are attending to other financial related chores.		With regard to engaging the services of remittance centers, Management explained that there are problems met, such as, low internet connectivity, un-		RWO NCR			On-going	We do not receive any AOM about this.	2021: <ul style="list-style-type: none"><li>- Two (2) Accountant III</li><li>- Fifteen (15) Administrative Officer V</li><li>- Eighty (80) OWWO II and</li><li>- One hundred twenty (120) Overseas Workers Welfare Officers</li></ul>
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	With regard to engaging the services of remittance centers, Management explained that there are problems met, such as, low internet connectivity, un-																						
			RWO II			On-going	Management will coordinate the same to Central Office.																
			RWO IV-B			On-going	To date, disbursing is performed by our Disbursing Officers (regular employee).																
			RWO V			Fully Implemented	RWO IV-B awaits instruction from HO to hire a regional accountant and budget officers.																
			RWO XI			On-going	OWWA RWO V has refrain JO to perform disbursing functions. We are working on alternative ways not to interrupt the transactions in the region if permanent employees were obliged to make disbursement in remote areas. But the best answer is to make permanent positions for all JOs who are loyally working for OWWA for a very long ti																

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							Action Plan	Person/Dept Responsible	Target Implementation Date				
									From	To			
			Employees	JOs									
	NCR	53	150	35.33									
	II	41	49	83.67									
	III	104	113	92.03									
	IV-B	21	30	70									
	V	40	51	78.43									
	VI	40	51	78.43									
	VII	44	66	66.67									
	VIII	26	37	70.27									
	XI	29	N/A	N/A									
	XIII	22	28	78.57									
	RWOs I, IV-A, IX, X and XII did not provide any information regarding the personnel complement of the Agency.												
	While CSC-COA-DBM Joint Circular No. 1, s. 2018 dated November 9, 2018 stated that agencies are allowed to renew existing individual contract until December 31, 2020 so as not to impair the delivery of the public services, however, the RWOs have to consider and observe the provisions of Section 7.2 of CSC-COA-DBM Joint Circular No. 1, s. 2017, Section 101 of PD No. 1445 and COA Circular No. 97-002.												
	In RWO XIII, the cashiering function was performed by a JO worker and not by the personnel designated as Cashier, Nonetheless, reports such as Report of Check Issued (RCI) Report of Collection and Deposit (RCD) and Report of Accountability for Accountable Forms (RAAF) was signed by the latter.												
	In RWOs X and XI, the functions of the Accountant such as preparation of the BRS, JEVs, SLs and GLs were performed by a JO worker although all reports were signed by the designated Accountant, under concurrent capacity.												


Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
	<p>Likewise, in RWO V, JO employees were allowed to perform disbursing functions, instead of the designated SDOs who are permanent employees and duly bonded.</p> <p>For CY 2020, a total of P40,210,000.00 WAP assistance in RWO V, as discussed earlier was paid through the cash advances of the SDO and was transferred to the JO employees who made the payments to beneficiaries of WAP during the scheduled pay out held in a venue usually in the covered court at the premises of the LGU.</p> <p>The practice of allowing JOs to perform disbursement functions is contrary to the above-cited regulations and exposes government funds to risk of loss, misuse, or misappropriation. Likewise, the payment of the WAP assistance through cash expenses government funds to various risk of carrying large amount of money.</p> <p>It is emphasized that cashiering, accounting, and disbursing functions play a vital role in the operations of the agency. Therefore, it is imperative that it shall be performed by a regular employee where accountability can be established.</p>								
64	<p><i>Enforcement of COA Audit Suspensions, Disallowances and Charges and Settlement of Accounts</i></p> <p><b>A total of P6,763,380.28 and P27,065,713.81 in audit suspensions and disallowances, respectively, remained unsettled as of December 31, 2020, contrary to COA Circular</b></p>	<p>It was recommended that Management strictly enforce the settlement of the audit suspensions and disallowances in compliance with the provisions of</p>		<p>Central Office</p> <p>RWO CAR</p>			<p>On-going</p> <p>Fully</p>		<p>Settlements are being done through Salary Deduction with disallowances with NFD.</p> <p>Notice of disallowances of RWO-</p>

[illegible]

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
	December 31, 2020.			RWO V			Fully Implemented		The 2020 issuance was already settled.
							Fully Implemented		All Notice of Suspensions are fully complied.
							On-going		For Notice of Disallowances, not yet complied.
				RWO IX			On-going		Out of P408,764.78, only P96,131.30 has been recorded in the book. The remaining P312,633.48 is nowhere to be found in the book. That is why, the Accountant cannot trace the details because it was executed long time ago. The accountant is still reconciling the P96,131.30 disallowance.
				RWO XI			On-going		The disallowance of 2013 Rice Allowance was fully settled by all RWO XI personnel on May 2021 except for Rosemarie G. Luntao who transferred to DOLE. She insisted that it was fully deducted from her Overseas Allowance Differentials despite the certification issued by the OWWA Chief Accountant. She will wait for the return of SAO Dioanne Arlan after end of tour of duty since Ms. Arlan was the one who computed her differential.

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial Delay/Non-Implementation, if applicable	Action Taken / Action to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
				RWO XIII			On-going		Regional Office is waiting a copy of Notice of Finality Decision from COA.