

SUMMARY OF ACTION TAKEN ON 2011 COA AUDIT FINDINGS AND RECOMMENDATIONS

As of December 31, 2012

Office/Region: Region 10

AUDITOR'S OPINION: _____

SUMMARY OF COA FINDINGS	COA RECOMMENDATIONS	AGENCY ACTION/COMMENTS
<p>Current FY 2011</p>	<p>Prompt submission of Report on Fund Utilization as well as collection on loans from LGU/NGO/Pos were not enforced by management resulting in the accumulation of loans receivable totaling P18,476,609.71 which to date remained unsettled in violation of Section 3.10 of COA Circular No.96-003.</p> <p>We recommend that management –</p> <ul style="list-style-type: none"> a. Send Collection/confirmation request to all defaulting beneficiaries/organizations to determine whether collection of the outstanding loans- receivable balances is attainable. b. Request for write-off of these receivables to proper authorities if after diligent efforts to collect them would be in vain. c. File a case against those defaulting organizations/beneficiaries, if necessary. 	<p>Partially Implemented</p> <ul style="list-style-type: none"> ➤ Collection and demand letters were already sent to defaulting ACPs/Beneficiaries/Organizations. Some registry return receipts are already with PFOs. ➤ Likewise, several request for write off these receivables were already at the PFOs ➤ So far, no case has been filed yet because the defaulting ACPs/Beneficiaries/Organizations showed willingness to pay and/or will undergo writing off processes. Opening avenues for dialogue so that compliance can be maximized

	<p><i>SRO-CARP program</i> Funds allocated for SRO-CARP handled by DOLE 10 could have saved P33,589.40 in taxes had NAMMUKAU and NAMABA Cooperatives Submitted documents necessary to acquire certificate of tax exemption from the Bureau of Internal revenue as required under Revenue Memorandum order No. 76-2010 dated September 28, 2010. Hence, said amount could have been used to other purpose.</p> <p>We recommend that –</p> <ol style="list-style-type: none"> 1. Management requires the SRO-CARP in-charge to assist the NAMMUKAU and NAMABA cooperatives to apply for a certificate of tax exemption. Considering that these people lack enough knowledge to go about the documentation, SRO-CARP in-charge shall personally assist them in the step by step procedures in compliance with the requirements of RMO No. 76-2010 so that these two cooperatives will be exempted from paying taxes to the BIR in whatever form and kind in the future. 	<p>Partially Implemented</p> <ul style="list-style-type: none"> ➤ Formal request have already been given to NAMMUKAU advising them to acquire certificate of exemption from the BIR-10. ➤ Scheduled meeting with SRO-CARP beneficiaries and SRO-CARP focal person are already scheduled.
	<p><i>Cash, Disbursing Officer</i> Management had not strictly enforced the liquidation of cash advances for CY 2011 and prior years, thus, resulting in the unliquidated advances to officers and employees of P350, 234.79 which remained dormant contrary to section 89 of PD 1445 and section 5.1.2 of COA Circular 97-002.</p> <p>We recommend that management-</p> <ol style="list-style-type: none"> a. Require the Chief Accountant to effect salary deductions of officials and employees who are still in the active service as refund of their outstanding obligations. b. Request for write-off of receivables of that employee who have absconded if, after diligent efforts to collect them would be in vain. 	<p>Partially Implemented</p>

	<p><i>Delayed/Non-submission of Mandatory Reports</i></p> <p>Financial and mandatory reports were not submitted to the Office of the Auditor within the prescribed period as required under section 100 of PD 1445 and section 7.2.1 of the rules and regulations on settlement of Accounts (RRSA). Also, Inspection and Acceptance Report of consumable and perishable items were not submitted contrary to COA Circular No. 2009-001 and COA Circular 95-006, thereby preventing the Auditor from validating the existence of deliveries and the extent of repairs undertaken.</p> <p>We recommend that management require All concerned officials to comply with the above-cited regulations to facilitate timely review and evaluation of the transactions for the early detection of errors or deficiencies.</p>	<p>Fully Implemented</p>
	<p><i>Property, Plant and Equipment</i></p> <p>Unserviceable, obsolete and beyond economic repair properties of undetermined value were not dropped from the books, transferred to other Assets Account and disposed of, in violation of section 143 of the Manual on NGAS, Volume III and Section 79 of P.D. 1445. Thus, balances of PPE account totaling P4, 358.669.03 is unreliable.</p> <p>We recommend that management</p> <ol style="list-style-type: none"> a. Instruct the Property Section to establish the book value of some items appearing in the IIRUP with no amount indicated to serve as basis in the appraisal. b. Create immediately a disposal and appraisal committee to take care of the unserviceable obsolete and beyond economic repair items and dispose said items in due time before it deteriorates and loss its salvage value. 	<p>Fully Implemented</p>

	<p>Other Areas- Gender and Development (GAD)</p> <p><i>Five percentile (5%) of the total appropriation authorized for gender and development GAD related activities.</i></p> <p>Funds allocated by management for the 2011 Gender and Development (GAD) program totaled P1,531,370.00 which is not the standard allocation of P3,973,598.00 or 5% Of the agency's total budget appropriations of P79,471,975.19 as authorized under the General Appropriations Act, thus, GAD activities were not provided with the appropriate allocation.</p> <p>We recommend that the agency should prepare GAD plans and programs directed solely for women projects and activities to be able to account fully the 5% MOOE allocation as GAD accomplishment and as required by law. Management should always be in the forefront of advocating for women, promoting legal and policy reforms and gender-sensitive data collection, and supporting projects that improve women's health and expand their choices in life.</p>	<p>Fully Implemented</p> <p>For CY 2012, a total amount of P4,277,912.55 has been utilized for GAD, a dramatic increased from P1,531,370.00 in CY 2011. Though the amount disbursed for GAD for 2012 represent 11% of the total MOOE of P38,214,000.00 or 6.4% for agency's total appropriation of P66,837,000.00, the accomplishments were very significant, as the same impacted to the mainstreaming of GAD. Likewise,, we already prepared GAD plans for CY 2013 and CY 2014 appropriating 5% of the total MOOE fund not just for women, but for other gender like men, PWDs and children as emphasized on the GAD objectives.</p>
	<p>Authenticity and reliability of reported Skyland DOLE-Goat Raising Accomplishment report can not be gauged due to the absence of actual inspection and evaluation by top management of the project outcome.</p> <p>We recommend that management should give excessive significance to cooperation and coordination and establish line of authority with its extension offices for the proper monitoring, inspection and evaluation of its projects to achieve its goals and objectives of its livelihood projects.</p>	<p>Fully Implemented</p>

	<p>Receivables/Disallowances/ Charges P415,182.97</p> <p>The account Receivables/Disallowances and charges totaling P415,182.97 remained unsettled as of December 31, 2010 in violation of section 9.1 of the Manual on Certificate of Settlement and Balances (CSB) as prescribed under COA Circular No. 2009-06 dated September 15, 2009.</p> <p>We recommend management to exert extra efforts to notify and communicate persons liable, review and look for supporting documents in order to settle these accounts.</p>	<p>No settlement.</p> <p>This represents non-submission of SPES vouchers from the provincial offices to COA resulting, to suspension then to disallowances.</p>
	<p>Cash in Bank account balance of P2, 209,001.57 in the Unclaimed Bonus Fund (UCBF) as of December 31, 2005 were not remitted to the National Treasury in violation of Executive Order No. 338 dated May 17,1996.</p> <p>We recommend that accountable officer be required to remit all unused collections including non-income collections to the National Treasury in compliance with regulations. Otherwise submit the exemption/authority from the Office of the President to retain the Cash in Bank Balance of UCBF.</p>	<p>Fully Implemented</p> <p>Remitted to BWSC</p>
	<p>The grant of Department-wide incentive in the amount of P10,000.00 for each officials and employees of DOLE, Regional Office No. 10, Cagayan de Oro City or in the total amount of P760.000.00 for 26 Officials and employees was not in accordance with the DOLE Program on Awards and Incentives for Service Excellence (DOLE PRAISE)</p> <p>We recommend that DOLE, Region 10 management should make representation for the DOLE Central Office to justify the granting of Department-wide incentive to all its officials and employees and we advise management to abide on whatever appropriate action that will be granted by Higher Management.</p>	<p>Partially Implemented for refund</p> <ul style="list-style-type: none"> ➤ On going deduction. ➤ Letter sent to DOLE-CO.

	<p>Realization of Receivables in the total amount of P12,648,911.63 as of December 31, 2006 could not be ascertained due to the failure of the agency to implement sanctions on the compliance of the obligations of the parties in the Memorandum of Agreement or Contract covering the release of fund assistance of its program or projects to its respective partners.</p> <p>We recommend that the DOLE Central Office should evaluate and Monitor the projects implemented by the Regional Office and impose sanctions on the failure of the respective officers and employees to ensure that all program or projects guidelines and objectives are complied with.</p>	<p>Partially Implemented</p> <ul style="list-style-type: none"> ➤ The agency exerted effort to collect the amount of P12,648,911.63. However, those accounts which can no longer be collected were subjected to writing off, and that necessary actions (like sending demand letters and writing off process) were already undertaken by the agency. ➤ Likewise in compliance with the COA recommendation, a 3-man Team from Central Office (composed of FMS Director, her staff and staff from the Office of Usec. Danilo Cruz) came to the region last August 2012 and conducted evaluation and monitoring of the livelihood projects implemented by DOLE -10. So far, based on their findings, the subject projects, were undertaken above board. But some did no longer exist due to lack of markets, bankruptcy, etc. However, the Team recommended that the defaulting ACPs/Beneficiaries/ Organization should be subjected to massive collection campaign, and if not, subjected to writing off.
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