

**PA RT III - STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT
RECOMMENDATIONS**

Out of the 31 audit recommendations contained in the 2014 Annual Audit Report (AAR), eight or 25.81 percent were implemented, 12 or 38.71 percent were only partially implemented, seven or 22.58 percent were not implemented at all and the remaining four or 12.90 percent are for validation. For the Calendar Year (CY) 2011 AAR, one audit recommendation had only been partially implemented and another one was not implemented at all.

Observations/ Recommendations	Ref.	Management's Action/Reply	Status (Full, Partial, NI)	Reason for Partial or Non- Implementation
<p>1. In the implementation of the Department of Labor and Employment (DOLE) Department Order No. 107 governing the 30-day mandatory conciliation-mediation period over labor disputes, the agency reported a settlement rate of 57 percent or 4,034 of the 7,077 requests for assistance received during the year. However, settlement of 814 cases was beyond the 30-day mandatory period. On the other hand, out of the 1,942 cases referred to the National Conciliation Mediation Board (NCMB), 619 or 32 percent are still pending at the end of the year with the delay ranging from eight to 359 days from date of filing due to inadequate monitoring of cases. These indicated a need to further ensure that the purpose of the Single Entry Approach (SEnA), for the judicious and speedy settlement of labor issues or conflicts, is fully attained.</p>	<p>CY-2014 AAR Pages 32-36 Para. 1- 22</p>	<p>The 814 cases settled were conciliated successfully and settled.</p> <p>Management tapped the help of the NCMB in conciliating Overseas Filipino Workers (OFWs) cases. Thus, 1,942 cases were forwarded to NCMB for conciliation.</p>	<p>Partially Implemented</p>	<p>No status report of cases referred to the NCMB submitted to the Commission on Audit (COA).</p> <p>Average duration to settle in the ensuing year ranged from 12 to 43 days.</p>

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<p>We recommended that the Management:</p> <ul style="list-style-type: none"> • direct the Single Entry Assistance Desk Officers (SEADO), who provide assessment, evaluation, counseling and conciliation-mediation services to both parties, to strictly monitor the status of each case handled and exert effort to address constraints toward the early settlement of labor disputes; and • regularly monitor status of cases referred to the NCMB. 				
<p>2. Payment in the amount of ₱26,224,976.05, made by the agency to the LBP Service Corporation for the hiring of 164 personnel, exceeded its contract cost of ₱21,633,984.34 by ₱4,590,991.71 due to billing adjustments, payment of overtime pay and hiring of additional service contractual, that were not provided for in the contract. Moreover, most of the service contractors performed functions that are clerical or administrative in nature and/or work also performed by the regular personnel of the agency.</p>	<p>CY-2014 AAR Pages 36-38 Para. 23- 31</p>	<p>The excess payment of ₱4,590,991.71 was utilized for the payment of overtime pay of service contractors for CY 2014 and in compliance with the issuance of Wage Order No. National Capital Region (NCR) - 18 dated September 6, 2013 providing for a wage increase in the NCR. The</p>	<p>Not Implemented</p>	<p>The Agency continued hiring service contractors performing clerical and administrative work.</p> <p>No refunds made even on the CY 2013 audit disallowance.</p>

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<p>We recommended that Management:</p> <ul style="list-style-type: none"> • require the refund of payment in excess of the contract cost in the amount of ₱4,590,991.71 by the contractor and/or by the agency officials responsible for the transaction; and • discontinue the hiring of service contractors where the functions to be performed are clerical or administrative in nature or work are also performed by the regular personnel of the agency. 		<p>overtime pay was paid to drivers of the members of the directorate and to those who were assigned at the Labor Assistance Centers (LAC) of the airports.</p>		
<p>3. The agency could have saved ₱539,875.56 in expenses out of the trust receipts generated from the conduct of Continuing Agency Education Program (CAEP) for the managers and staff of licensed placement agencies had it exercised restraint in the payment of honoraria, meals and snacks and rental of vehicle in the conduct of training.</p> <p>We recommended that the Head of the Agency direct a review of the approved project document for CAEP and for expenses to approximate reasonable rates.</p>	<p>CY-2014 AAR Pages 38-44 Para. 32- 53</p>	<p>A special committee was constituted that will undertake a review of the entire program. Prior to that, the Licensing and Regulation Office (LRO) and the Employment Regulation Branch (ERB) met twice to review the objectives and content of the program design. The review has been aimed at making CAEP</p>	<p>Partially Implemented</p>	<p>Similar expenses incurred until the third quarter of CY 2015.</p>

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<p>We also recommended that the officials in charge of CAEP seminars justify the expenses incurred.</p>		<p>more responsive.</p>		
<p>4. Payments made to the POEA Employees Multi-Purpose Cooperative (PEMPCO) for the cost of food purchased from various food chains and restaurants served during meetings and similar activities that amounted to ₱915,603.98 on the basis of issued Food Credit Invoice is contrary to COA Circular No. 2012-001 dated June 14, 2012 requiring sufficient and relevant documents to establish validity of claim. Moreover, payments made by the agency exceeded the actual value of meals purchased on account of added profit by reason of its participation.</p> <p>We recommended that this mode of procurement through the agency's cooperative be discontinued and the agency's responsible officials be made to explain for this mode of purchase.</p> <p>We also recommended that all receipts and/or invoices issued by the restaurants and food chains listed in the schedule be submitted to support the paid</p>	<p>CY-2014 AAR Pages 45-46 Para. 54- 61</p>	<p>Food served during meetings are directly ordered from PEMPCO. The practice of ordering food from other food chains and having it passed through PEMPCO was already stopped in October 2015.</p>	<p>Partially Implemented</p>	<p>Receipts and invoices issued by the food chains, where actual purchases were made, have not been submitted.</p> <p>The practice of ordering food through PEMPCO was stopped only during the fourth quarter of 2015.</p>

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disbursement vouchers.				
<p>5. Implementation of the contract for the Building Structural Retrofitting of the Blas F. Ople (BFO) building amounting to ₱20,537,600.57 had been delayed by almost seven months at the end of the year resulting in liquidated damages of ₱2,831,317.08 that have yet to be collected, and compromising the safety of employees and tenants in the event that an earthquake or tremor occurs.</p> <p>We recommended that proper sanctions be imposed to the contractor of the Project following the pertinent provisions of Republic Act (RA) No. 9184.</p> <p>Rescind the contract in the event that the accumulated liquidated damages reach ten percent of the contract amount, without prejudice to other courses of action and remedies open to the agency, pursuant to Section 68 of RA No. 9184.</p>	CY-2014 AAR Pages 46-47 Para. 62- 73	Management had already issued a Notice of Work stoppage to the contractor. As to its Liquidated Damages, a total of (₱1,351,057.68) was already deducted from their billings starting June 17, 2014. No payment was then granted to the Contractor despite of the 40.87 percent accomplish as of January 7, 2015. Furthermore, a resolution for the blacklisting of the concerned contractor was already issued.	Implemented	
6. The Agency could have earned additional income had disposal of the total amount of ₱9,000,791.06, in unserviceable properties per inventory report, been made thru sale as prescribed under Section 79 of Presidential Decree (PD) No. 1445.	CY-2014 AAR Pages 47-49 Para. 74- 79	A Disposal and Appraisal Committee was already reconstituted and they are already working on the disposal of the	Partially Implemented	Unserviceable properties not yet disposed at the end of the year. The POEA Disposal and

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<p>Moreover, the sizeable space occupied in the stockrooms/basement area could have been cleared and put to use for other purposes.</p> <p>We recommended that the Head of the Agency direct the creation of a Disposal Committee to perform the following:</p> <ul style="list-style-type: none"> • devise a program for disposal with time schedules; • inspect the unserviceable equipment to verify its status in order to justify its disposal; • set the final appraised value of the property considering obsolescence, market demand, physical condition and result of previous bidding for similar property; • recommend to the head of the agency for approval the manner of disposal; and • dispose promptly items that do not have economic value which are recommended for immediate condemnation or destruction. 		<p>unserviceable properties. Inventory of the said properties was already done and identification of the cost of these items based on the books of accounts is also being done in preparation for the indorsement to COA.</p>		<p>Appraisal Committee (PDAC) started conducting Inventory and Inspection Report of Unserviceable Properties Inventory and Inspection Report of Unserviceable Property only on November 4, 2015.</p>
<p>7. Non-enforcement of laws and regulations covering the settlement/</p>	<p>CY-2014 AAR Pages</p>	<p>Relative to the above balance of unliquidated</p>	<p>Not Implemented</p>	<p>Prior Years' outstanding balance</p>

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<p>liquidation of long outstanding cash advances from prior years in the total amount of ₱1,267,071.21 and now aged nine to 18 years resulted in the overstatement both of assets and of government equity accounts year after year.</p> <p>We recommended that the Agency Head:</p> <ul style="list-style-type: none"> • strictly enforce liquidation of all cash advances immediately after the purposes for which they were granted have been served; • refrain from granting additional cash advances to Accountable Officers (AOs) with unsettled cash advances; • institute appropriate sanctions against AOs who fail to liquidate cash advances within the period prescribed by law and regulations; • send demand letters to AOs who have retired or who are no longer connected with POEA but who are still with unliquidated cash advances; and • request for write off of long overdue accounts if 	49-51 Para. 81- 87	cash advances, these were granted in the previous years and the AO's are no longer connected with POEA. Demand letters will again be sent to them.		remained unliquidated at the end of the year.

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warranted, and following the guidelines prescribed under existing regulations.				
<p>8. The non-issuance of receipt and non-deposit of collections by the agency's Docket and Enforcement Division for collections received from recruitment agencies covering appeals bond in cash and in foreign currency amounting to US\$8,320.00 or ₱352,578.57 were contrary to the pertinent provisions of PD No. 1445, and the practice had unduly exposed government funds to the risk of loss and/or misappropriation.</p> <p>We recommended that the Head of the Agency:</p> <ul style="list-style-type: none"> • direct the immediate issuance of official receipt/s to the six recruitment agencies, which paid the appeal's bond in cash, and deposit the total collections amounting to US\$8,320 or ₱352,578.57 to the agency's appropriate bank account; and • institute appropriate sanction/s against agency officials responsible for these deficiencies. 	CY-2014 AAR Pages 52-55 Para. 89-104	Official Receipts (ORs) were already issued to the concerned recruitment agencies and the collection was already deposited with the Bureau of the Treasury (BTr).	Partially Implemented	No sanction imposed against the responsible officials.
9. The amount of ₱5,440,735.05 representing unused/excess seminar fees	CY-2014 AAR Pages	The total amount of ₱5,440,735.05	Partially Implemented	Excess seminar fees remitted to the National

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<p>that formed part of the year-end cash balance maintained in a trust fund had not been remitted to the National Treasury contrary to Section 12 of the General Provisions of RA No. 10633 or the General Appropriations Act (GAA) for Fiscal Year (FY) 2014, depriving the government use of dormant cash balances. Moreover, the reporting requirement on collections and expenses over said activities had not been complied with. Likewise, fees collected at the Regional Office in Luzon in the amount of ₱52,285.36 as of December 31, 2014 were not also remitted to the National Treasury.</p> <p>We recommended that the Head of the Agency:</p> <ul style="list-style-type: none"> • direct the immediate remittance of cash balances from seminar and training fees to the National Treasury, unless otherwise authorized, in compliance with the above-cited provisions of law; • direct the submission of, either in printed or electronic form, a report to the Department of Budget and Management (DBM) on the fees collected and expenses incurred on the 	55-56 Para.105 -112	was already remitted to the BTr in 2015.		Treasury on September 4, 2015, with check numbers 507665 and 507666, amounting to ₱2,027,775.23 and ₱3,412,959.82, respectively, but which still has no report submitted to the DBM.

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<p>conduct of seminars, conferences and training programs of Central Office; and</p> <ul style="list-style-type: none"> • remit the accumulated amount of collection fees to the National Treasury in compliance with the above-cited provisions of law in Regional Office in Luzon. 				
<p>10. The Collecting Officer's office area in Visayas is not amply protected against intrusion by unauthorized persons contrary to sound system of internal control.</p> <p>We recommended that Management provide the Collecting Officer an enclosure resembling a cage in structure to protect her against intrusion by unauthorized persons. Likewise, a safe/vault where cash is not vulnerable to risk of loss.</p>	<p>CY-2014 AAR Pages 56-57 Para. 113-118</p>	<p>Funds for the purchase of vaults and the construction of an enclosure for the collecting officers in the regional offices were already included in the 2016 budget. The regional head in Regional Extension Unit (REU) Bacolod is already conducting canvass of the needed labor and materials for this project.</p>	<p>Not Implemented</p>	<p>Funding included in CY 2016 only.</p>

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<p>11. Cash Disbursement Record (CDR) for Petty Cash Expenses of Regional Office in Mindanao was not maintained by the Petty Cash Custodian as required by Section 40 of the Manual on New Government Accounting System (MNGAS) Vol. I and II. As a result, the balance of petty cash accountability is not readily available and cannot be immediately established.</p> <p>We recommended and the Management of Regional Office in Mindanao agreed to ensure that the required CDR/cashbook is maintained by the petty cash custodian to make available cash accountability and facilitate immediate review and verification of the disbursements out of the petty cash fund.</p>	<p>CY-2014 AAR Pages 57-58 Para. 119-123</p>	<p>Maintenance of CDR for Petty Cash Expenses is already being implemented.</p>	<p>Implemented</p>	
<p>12. Fund transfer, amounting to ₱1,566,211.74 as of December 31, 2014, intended for the payment of salaries and other personnel benefits as well other maintenance operating expenses for POEA Regional Units (La Union, Davao and Cebu) was taken up under the account Due from Regional Office and recorded as expense even before receipt of covering Reports of Disbursements,</p>	<p>CY-2014 AAR Pages 59-59 Para. 124-128</p>	<p>Implemented in January, 2016.</p>	<p>Implemented</p>	

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<p>which rendered doubtful the reliability of the account balances.</p> <p>We recommended that the Accountant revisit the procedures in transferring funds to the Regional Units (La Union, Davao and Cebu) as well as the appropriate recording of expense.</p>				
<p>13. Uncollected rental fees from five concessionaires at the end of the year amounted to ₱223,217.00, which is contrary to Section 120 of the Government Accounting and Auditing Manual (GAAM), Volume I, denying the government use of added funds to finance priority programs/projects.</p> <p>We recommended that the Head of the Agency :</p> <ul style="list-style-type: none"> • instruct the Accountant to follow-up demand letters to the delinquent tenant/s to settle their accounts with the agency; and • strictly monitor billings issued and demand letters sent and if possible, institute appropriate sanctions against delinquent tenants such as non-renewal of lease contract. 	<p>CY-2014 AAR Pages 60-61 Para. 130-136</p>	<p>Of the five concessionaires with outstanding balance as of December 31, 2014, three have already settled their accounts in 2015 (Globe Telecoms, Inc., Regent Travel Center, and Western Union). Since the demand letters for Elite Travel Center are already being returned to us, this was already included in the request for write off of accounts receivable. We will again send demand letter to Wall City Media, Inc.</p>	<p>Partially Implemented</p>	<p>Two Concessionaires did not settle their accounts. No copy of demand letter submitted to COA.</p>

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<p>14. Collections and deposits of the Satellite Office at the ARMM in the amount of ₱214,600.00 have not been recorded in the books due to late submission of Reports of Collections and Deposits (RCD). Similarly, collections in 16 Philippine Overseas Labor Offices (POLOs) in the total amount of ₱3,331,766.07 were also not recognized in the books due to the absence of collection reports and remittance advice, which resulted in the understatement of income by the same amount, as of December 31, 2014.</p> <p>We recommended that the Agency Head:</p> <ul style="list-style-type: none"> • require the Accountant and other officials performing accounting and/or bookkeeping functions to ensure that the financial reports required to be submitted by the accountable officers are submitted/forwarded to the Accounting Unit on due date and the same are recorded in the books promptly; and • direct the Chief of the Regional and Overseas Coordinating Office (ROCO) to closely monitor submission of monthly 	<p>CY-2014 AAR Pages 61-62 Para. 137-143</p>	<p>The staff from the ARMM office have also undergone immersion on the processing of Overseas Employment Certificate (OEC) and handling of collections and deposits in the Davao Regional Office in June, 2015. ARMM office is already submitting their reports regularly. As for the 16 POLOs, the total amount of ₱3,331,766.07 was already remitted in 2015.</p>	<p>Partially Implemented</p>	<p>Submission of reports from a number of POLOs still late.</p>

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<p>RCR from the Satellite/Extension Units and coordinate immediately with the concerned Accountable Officers of the sixteen identified POLOs to submit their collection reports together with the supporting documents right after the deposit of collections to avoid delay in the submission of such to the Accounting Office.</p>				
<p>15. The balance of Due from NGAs account, amounting to ₱5,311,209.79, does not reconcile with the balance of DBM-Procurement Service (DBM-PS) records of ₱3,416,669.05 or a difference of ₱1,894,540.74. Moreover, the balance of the account posted at the General Ledger does not also reconcile with the balance in the Subsidiary Ledger that showed a net difference of ₱1,781,968.04.</p> <p>We recommended that Management require:</p> <ul style="list-style-type: none"> the Accountant to exert effort in reconciling the Due from NGAs account by coordinating with the Office of the PS-DBM regarding the discrepancy; and 	<p>CY-2014 AAR Pages 62-64 Para. 144- 153</p>	<p>Included in this is the balance from the E-link fund project which was already completed. Thus, the ICT Branch and the Accounting Division are scheduling a meeting with the Procurement Service to reconcile our account with them and identify the unutilized balance from the said project to be reverted to the BTr.</p>	<p>Not Implemented</p>	<p>Balances in both records still not reconciled.</p>

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<ul style="list-style-type: none"> the Accounting Division to analyze thoroughly the inter-agency transactions and effect the necessary adjustments in order to come up with the correct balances. 				
<p>16. Collections from POLOs for the account of the POEA were not deposited intact to the depository bank due to outright utilization thereof for freight and bank charges in the total amount of ₱178,062.17 contrary to DOLE Administrative Order No. 190 Series of 2012 and Section 69 of PD No. 1445, resulting to the understatement of income by the same amount in the books of accounts.</p> <p>We recommended that the Agency Head direct:</p> <ul style="list-style-type: none"> All designated/deputized POLO collecting officers to discontinue the utilization of collections to defray expenses incidental to the remittance of collections to POEA bank accounts and for other purposes; that the POLOs be provided with funds to address the expenses incurred in remittances; and 	<p>CY-2014 AAR Pages 64-66 Para. 154- 161</p>	<p>POEA already provided the POLOs with a courier service provider through 2Go with its foreign counterpart the UPS.</p> <p>The freight and bank charges which were deducted from the remittances of POLOs were already reimbursed and deposited to the Bureau of the Treasury</p>	<p>Partially Implemented</p>	<p>Collections are still utilized for freight expenses in a number of POLOs.</p>

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<ul style="list-style-type: none"> the Chief Accountant to prepare necessary adjusting entries to correct the charging of bank and freight charges to collections. 				
<p>17. No additional fidelity bond was applied for in Regional Office in Luzon despite the increase in the cash accountability of the Collecting Officer-Designate contrary to COA Circular No. 97-002. Thus, the current bond is insufficient to cover any relieved losses in the accounts of the said AO.</p> <p>We recommended that Management advise the Accountant to apply for an additional bond to cover the increase in the AO's accountability from ₱100,000.00 to an average of ₱429,336.58 in accordance with Item 7.3 of COA Circular No. 97-002. Otherwise, consider assigning the AO's excess cash accountability to another AO who would be similarly bonded with the Fidelity Bond of the BTr pursuant to TC No. 02-2009.</p> <p>We also recommended that Accountant shall monitor the accountability of the AO and ensure that an additional bond is applied</p>	<p>CY-2014 AAR Pages 66-67 Para. 162- 169</p>		<p>Implemented</p>	

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<p>for when the accountability increased pursuant to said COA Circular to protect the interest of the agency in the event of unrelieved losses in the accounts of the said AO.</p>				
<p>18. The accuracy of the year-end balance of inventories amounting to ₱3,989,471.53 is doubtful due to the discrepancy of ₱1,515,024.34 between the accounting and property records contrary to the provisions of the MNGAS, Volume I and of the GAAM, Volume II.</p> <p>We recommended that the Head of the Agency direct the Accountant and the Property Officer to monitor and reconcile the discrepancies in the inventory accounts per stock card against inventory ledger card of Accounting; and direct the Accountant to record monthly issuances of inventory items as reported by the Supplies Unit.</p>	<p>CY-2014 AAR Pages 68-69 Para. 170- 178</p>	<p>The Accounting Division is coordinating with the General Services and Property Division (GSPD) for the monthly submission of the supplies issuance report to update the balance of inventories in the books.</p>	<p>Not Implemented</p>	<p>Balances in both records remained unreconciled as at year-end.</p>
<p>19. The existence and accuracy of the Property, Plant and Equipment (PPE) account balances in the aggregate amount of ₱365,502,642.57 could not be reliably established due to the absence of inventory report on two property accounts valued at</p>	<p>CY-2014 AAR Pages 69-72 Para. 179- 191</p>	<p>Reconciliation of the Property Account, which is a joint project of the Accounting Division and the GSPD in coordination with the</p>	<p>Partially Implemented</p>	<p>Balances in both records still unreconciled. Lapses over property management noted.</p>

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<p>₱13,041,635.25, a net discrepancy of ₱147,565,518.66 between the book balance and physical count of PPE accounts with inventory reports, as well as other lapses noted over property management. Moreover, the Regional Offices in Luzon and Visayas have not prepared and submitted their inventory reports.</p> <p>We recommended that the Head of the Agency direct:</p> <ul style="list-style-type: none"> • the Inventory Committee to complete the physical stock-taking and inventory reporting on all PPEs of the Agency; • the Accountant and the Property Officer: (i) to exert efforts for the immediate reconciliation of their respective records to determine the causes of the noted discrepancies in the balances of the PPE accounts so that the necessary adjustments could be effected; and (ii) henceforth, to conduct periodic reconciliation of their records to detect any errors and/or discrepancies in the PPE account balances and the causes thereof for correction; and 		Disposal and Appraisal Committee, is ongoing.		

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<ul style="list-style-type: none"> • both the Accountant and the Property Officer to update all records of all properties under the revised account titles and ensure correct balances thereof. 				
<p>20. Unserviceable properties valued at ₱8,771,531.04 were not reclassified to Other Assets account as required under Section 143 of the MNGAS, Volume III thus, overstating the PPE accounts and understating the Other Assets account.</p> <p>We recommended that the Head of the Agency direct the Accountant to reclassify the value of the unserviceable equipment from PPE to Other Assets account based on the IIRUP.</p>	CY-2014 AAR Pages 72-73 Para. 192- 198	Reconciliation of the Property Account, which is a joint project of the Accounting Division and the GSPD in coordination with the Disposal and Appraisal Committee, is ongoing.	Partially Implemented	Reconciliation on-going. No reclassification effected yet.

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<p>21. The POEA Regional Offices in Luzon and Visayas failed to obtain insurance coverage for properties contrary to Sec. 489 of GAAM, Vol. I and Sec. I of the Administrative Order No. 141 dated August 12, 1994, COA Circular No. 92-390 dated November 17, 1992 and COA Memorandum No. 88-558 dated February 23, 1988. Thus, the government is at risk of not being indemnified, in case of damage or loss of property.</p> <p>We recommended that Management require the concerned personnel to prepare a list of all insurable properties of the agency, furnish their Head Office with the said list, and coordinate with them for the insurable of the properties reported to ensure compliance with existing rules and regulations.</p> <p>We further recommended that Management allocate funds for insurance with the GSIS General Insurance Fund of all insurable assets of the agency pursuant to Section 489 of GAAM, Volume I, so that the government would be indemnified in case of theft, fire or any fortuitous event.</p>	CY-2014 AAR Pages 73-74 Para. 199- 205	The concerned regional centers are already taking the inventory of their respective offices, which will be the basis for the insurance coverage.		For validation

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<p>22. Properties transferred without cost from the North Luzon Growth Quadrangle, City of San Fernando, La Union to the Philippine Overseas and Employment Administration-Center for Luzon have not been posted in the records of the agency as of December 31, 2014 rendering understatement of corresponding PPE accounts.</p> <p>We recommended Management to properly itemize the transferred properties in the Invoice and Receipt of Property be duly signed and acknowledged by representatives of both agencies, in order to record these properties in the books to present fairly the accounts in the financial statements and to pinpoint accountability and responsibility to the properties.</p>	CY-2014 AAR Pages 74-75 Para. 206- 216	This will be taken up in the books in 2016 upon receipt of the inventory of the properties donated.	Not Implemented	No recording in the CO books was effected for the properties.
<p>23. Due to GSIS account posted a negative credit balance of ₱1,040,552.78 for the current and the past years due to errors in recording that rendered the account balance doubtful and unreliable.</p> <p>We recommended that the Chief Accountant locate the documents to validate the transactions relative to</p>	CY-2014 AAR Pages 86-86 Para. 271- 272	Analysis of this account is already being done by tracing back transactions and reconciling items based on available documents. Reconciliation for CY 2008-2013 have already been	Partially Implemented	Balance of Due to GSIS still posted a negative credit balance.

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<p>the abnormal balance of Due to GSIS account of ₱1,040,552.78 and prepare adjusting entries to reflect the correct amount in the Financial Position.</p>		<p>completed and adjusted.</p>		
<p>24. Copies of perfected Contracts and Purchase Orders in Regional Office in Luzon were not forwarded to the Office of the Auditor within five working days upon approval, together with the supporting documents. Hence, the audit team was deprived from undertaking timely review and audit of the same.</p> <p>We recommended Management to adhere strictly on the prescribed period in the submission of contracts and supporting documents to the Office of the Auditor to avoid the penalties provided under Sec. 4.1 of COA Circular No. 2009-001, and the transactions covered by the unsubmitted documents be suspended in audit.</p>	<p>CY-2014 AAR Pages 76-76 Para. 217- 220</p>	<p>The required documents have already been submitted</p>	<p>Fully Implemented</p>	

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<p>25. Delay in the preparation and submission of financial reports, contrary to existing rules and regulations, prevented the Audit Team from conducting a timely auditorial review and evaluation of the recorded transactions.</p> <p>We recommended that the Management require the Chief Accountant and other officials responsible to promptly submit all documents and reports necessary in the exercise of the functions of the COA, and enable the Audit Team to render a timely and more effective review of the Agency's financial transactions and evaluation of operations.</p>	<p>CY-2014 AAR Pages 76-78 Para. 222- 227</p>		<p>Not Implemented</p>	<p>There is still delay in submission of financial reports.</p>
<p>26. The requirement under DOLE Administrative Order No. 168 series of 2013 for the opening of Local Currency Savings Account for collection of the POEA OEC fee in the name of the Labor Attaché (LabAtt) was not observed. OEC collections were merely kept at the safety deposit box until remitted to the POEA Manila account.</p> <p>The Team recommended that the POLO open/maintain at the post a Local Currency Savings</p>	<p>CY-2014 AAR Pages 78-79 Para. 228- 231</p>			<p>For validation</p>

Observations/ Recommendations	Ref.	Management's Action/Reply	Status (Full, Partial, NI)	Reason for Partial or Non- Implementation
<p>Account for collection of the POEA OEC fee in the name of the Labatt in Milan Italy and at the Kuala Lumpur, Malaysia.</p>				
<p>27. The Office of the Labatt in POLO Riyadh, Kingdom of Saudi Arabia still prepares the Monthly Report of Collections and the Report of Collections and Accountability instead of the Cash Receipts Record as required under COA Circular No. 2003-006, dated December 2, 2003</p> <p>We recommended and reiterate that the Labatt should prepare and maintain CRR, as prescribed in COA Circular No. 2003-006, to record and monitor VF and OEC fees, collections and deposits.</p> <p>We also recommended that collections be deposited intact with the AGDB daily or not later than the next banking day in accordance with Section 21, Volume I of the New Government Accounting System Manual.</p> <p>Likewise, we recommended that the AO trace the excess of deposits over collections and, if the circumstances warranted, issue an official receipt to</p>	<p>CY-2014 AAR Pages 79-80 Para. 232- 241</p>			<p>For validation</p>

Observations/ Recommendations	Ref.	Management's Action/Reply	Status (Full, Partial, NI)	Reason for Partial or Non- Implementation
<p>acknowledge for the difference and trace also the whereabouts of the unissued ORs.</p>				
<p>28. There were no complete records on file of the CRR and Monthly Report of Accountability for Accountable Forms (RAAF) for the OEC funds, thus, determination of accountability for the actual cash and accountable forms cannot readily be determined.</p> <p>We recommended that the deputized Collecting Officer properly submit and maintain the CRRs for POEA OEC fee and ensure that they have copies of their accountable forms/ financial reports as required under Section 64 and 65 on Procedures in Collection at Post and Use of Accountable forms of the Manual on Operations, Policies and Guidelines for the POLO.</p> <p>We also recommended that the Collecting Officer observe the provisions of Section 39 of the GAAM.</p>	<p>CY-2014 AAR Pages 80-81 Para. 242- 248</p>	<p>Malaysia commented that they will reconcile its records with the POEA.</p> <p>POLO-KL's deputized collecting officer shall properly submit and maintain the CRRs for POEA OEC fee.</p>		<p>For validation</p>

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<p>29. Cash shortages were found on the cash collections for, among others, POEA – OEC in the amount of RM184.00 of the Collecting Officer during the examination conducted on September 18, 2014 due to inadequate cash management mechanisms and controls and non-compliance with applicable laws, rules and regulations.</p> <p>We enjoined Management to observe the afore-cited rules and regulations.</p>	<p>CY-2014 AAR Pages 81-82 Para. 249- 255</p>	<p>The Collecting Officer immediately restituted the amount of cash shortage, which was deposited on September 24, 2014.</p> <p>The system for recording of cash and deposit has been put in place.</p>	<p>Fully Implemented</p>	
<p>30. Out of the ₱334,555,000.00 budget of the POEA for CY 2014, the amount of ₱18,196,000.00 was allotted for the implementation of the GAD Plan. Out of this budget, ₱17,045,995.00 or 5.10 percent was actually utilized for GAD activities.</p> <p>We recommended that the Agency Head direct the GAD Focal Person to continue allocating at least five percent of the total agency appropriations for GAD Programs, Projects and Activities.</p>	<p>CY-2014 AAR Pages 82-83 Para. 256- 260</p>	<p>For 2015, the POEA budget is ₱366.592 million. Of this amount, 6.95 percent or ₱25,490,000.00 is allocated for 2015 GAD programs and activities. The 2015 GAD Plan and Budget is PCW-endorsed and contained PCW stamp already. POEA is committed to deliver the programs and activities stated therein within the budget allocation.</p>	<p>Fully Implemented</p>	
<p>31. The Agency had not implemented programs and projects related to Senior Citizens and Differently-abled Persons contrary to Section 34 of the General</p>	<p>CY-2014 AAR Pages 83-85 Para. 261- 267</p>	<p>Management commented that the required facilities and structures for Differently-</p>	<p>Implemented</p>	

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<p>Provisions of the GAA for FY 2014.</p> <p>We recommended that Management prepare program/projects or activities intended for senior citizens and differently-abled persons to address the concern and enhance the mobility, safety and welfare of senior citizens and differently-abled persons as required under the General Provisions of the GAA.</p>		<p>Abled Persons and Senior Citizens have been implemented in compliance with the standards and requirement of Batas Pambansa Blg. 344 as mentioned in our letter of July 22, 2014, and these structures are still in-place and being used by Differently-Abled Persons and Senior Citizens.</p>		
CALENDAR YEAR 2011	Ref	Particulars		
<p>Eleven accountable officers failed to deposit/remit income collected totaling ₱1,903,902.72 as of December 31, 2011 to the National Treasury within the prescribed period while collections amounting to ₱67,963.22 were not recorded in the books of accounts, thus exposing the funds to possible misuse for personal purposes.</p> <p>We recommended that Management direct:</p> <ul style="list-style-type: none"> • all accountable officers to deposit immediately to the nearest depository 	AAR 2011 Para. 19-30, Pages 29- 32	<p>Mr. Carlos Cañaberal of the Labor Assistance Center, whose collections amounting to ₱990,600.00 was found to be undeposited, was immediately relieved from accountability and a new collecting officer was designated and deputized. The case is now being investigated by the Administrative and Complaints Committee.</p> <p>On the other hand, Mr. Cañaberal, without assuming responsibility, deposited ₱20,000.00 to POEA account on July 2, 2012 and offered the amount of ₱1,000.00 to be deducted from his monthly salary for the recovery of the collections, which started in July, 2012.</p> <p>As to the accountability of Ms. Nelia Barbadillo for the undeposited collection of REU-Legaspi City totaling to ₱845,339.50, this was already reduced to ₱730,339.50 due to the refund of ₱115,000.00, which was acknowledged by Mr.</p>		

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<p>bank the remaining funds in their safekeeping through a memorandum or demand letter. Appropriate administrative disciplinary action should be instituted against them for unjustified failure to do so and to comply with Section 69 of PD 1445.</p>		<p>Bernie Bermillo. Said amount was received last Nov 9, 2011 per OR no. 301944 and deposited to the Bureau of Treasury the following day. Ms. Barbadillo was immediately recalled to the main office and her case is now with the DOLE Legal Service.</p>		