

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the 81 prior years' audit recommendations, 24 were fully implemented, 14 were partially implemented and 43 were not implemented, as shown below:

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CY 2016 AAR			
<p>1. The significant increase by 62.73 percent or 3,531 in CY 2016 of the Requests for Repatriation defeated the Government's policy of upholding the dignity and fundamental rights of Filipino migrant workers and that the freedoms of the Filipino citizens shall not, at any time be compromised or violated.</p> <p>We recommended that the Management:</p> <p>a. conduct an in-depth/thorough study on why abuses against Filipino workers that need repatriation are increasing yearly despite the Pre-Employment Orientation Seminar (PEOS) and Pre-Departure Orientation Seminar (PDOS) given to the Filipino workers before deployment; and</p> <p>b. immediately address the results of the study.</p>	<p>2016 AAR pars. 1-1.15</p>	<p>The POEA had intensified its program on the conduct of PEOS as this is the first stage of overseas employment of an applicant. This will guide the applicants whether to proceed with their application given the factors presented to them. PEOS was made available online and mandatory to all newly hired landbased workers by virtue of POEA Memorandum Circular (MC) No. 2, series of 2016.</p> <p>It had also signed a MOU with the different Local Government Units (LGUs) as partner in reaching more people who are contemplating for overseas employment.</p> <p>The President or the Secretary at times issues deployment ban in countries where the safety of the workers is in danger.</p>	<p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 1)</p> <p>An in-depth/thorough study on why abuses against Filipino workers that need repatriation was not conducted. Instead independent studies on PEOS have been conducted but none has correlated its effectiveness with the increase in the number of repatriated OFWs.</p> <p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 1)</p>
<p>2. Low satisfaction rate of 18.3 percent or 73 out of 399 cases on money claims by migrant workers defeated the purpose of the escrow to answer for all</p>	<p>2016 AAR pars. 2-2.12</p>		

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<p>valid and legal claims arising from contracts of employment and violations of the conditions for the grant and use of the license, including fines imposed by the Administration.</p> <p>We recommended that the concerned POEA officials revisit the guidelines on escrow deposits to ensure that the aggrieved workers are sufficiently awarded of their valid and legal claims arising from contracts of employment and violations of the conditions for the grant and use of the license, including fines imposed by the Administration. This will also prevent the aggrieved workers from resorting to another costly and lengthy legal battle of going after the personal and real properties of the losing recruitment agencies, majority of which have already cancelled licenses.</p>		<p>With the approval of the Revised 2016 POEA Rules and Regulations, the escrow deposit was increased to a maximum of ₱2.0 million based on the number of pending cases filed against an agency. The POEA is also exerting efforts to fast track the resolution of the cases filed with the Adjudication Office. The Speed Project was established for the immediate resolution of cases, so that the OFWs may be paid their claims.</p>	<p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 3)</p> <p>The Management will endorse a recommendation on the conduct of a further study on the possibility of increasing the escrow deposit during the pendency of the case as opposed to increasing the same upon the renewal of the licenses of recruitment agencies to the Licensing and Regulation Office (LRO), being the office in-charge with the regulation of the Escrow Deposit of Private Recruitment Agencies (PRAs) and in the issuance and renewal of license.</p>
<p>3. Escrow fund deposited in the recruitment agency banks authorized by the Bangko Sentral ng Pilipinas to handle trust accounts limits the efficient and convenient monitoring of the sufficiency and availability of the escrow deposits at all times.</p> <p>We recommended that the Management revise/amend the Rules requiring the deposit of the escrow funds by the</p>	<p>2016 AAR pars. 3-3.4</p>	<p>The parties to the escrow agreement are composed of the POEA, the Licensed Recruitment Agencies (LRAs) and the Bank. Thus, the escrow deposit of the recruitment agencies, though deposited in their bank accounts, could not be easily withdrawn without the approval of POEA.</p> <p>Any garnishment of the escrow deposit is reported by the bank to the POEA</p>	<p>Fully Implemented</p> <p>The Audit Team was satisfied with the explanation that although the escrow funds</p>

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<p>recruitment agencies to the account of the POEA to facilitate the efficient and effective monitoring of the same.</p>		<p>through the Licensing Division so that the LRAs are required to replenish said escrow deposit to avoid the penalty of suspension of license.</p>	<p>were deposited in the name of the recruitment agencies, the same could not be easily withdrawn without the approval of the POEA.</p>
<p>4. Non-disclosure of actual collections by Human Resource Development Services (HRD)-Korea under the Service Commitment Agreement (SCA) on EPS-TOPIK and Skills Test entered into by the POEA with HRD-Korea, pursuant to the MOU by and between the Ministry of Employment and Labor of Republic of Korea (MOEL-ROK) and the DOLE of Republic of the Philippines renders it difficult to determine the rightful share of the agency while the fair sharing by both parties of the eligible expenses that could be charged out of the collections was not clearly defined; thus, the propriety of charged expenses could not be established.</p> <p>We recommended that the Management:</p> <p>a. demand from HRD-Korea the submission of reports showing full accounting of all collections made for each batch of EPS-TOPIK;</p>	<p>2016 AAR pars. 4-4.6</p>	<p>A letter dated July 10, 2017 was submitted to the MOEL-ROK requesting for the submission of the collection report but no reply was received from their end.</p> <p>For CY 2017, Work and Financial Plan was already prepared and approved, which identified all the expenses that were charged to the said collection.</p>	<p>Partially Implemented</p> <p>It was still reiterated in 2017 AAR (Observation No. 6) as no report collection was submitted yet by MOEL-ROK</p> <p>The Management requested an extension for the submission of the collection report. In case HRD-Korea fails to submit, the Audit Team will rely on the POEA's records of</p>

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<p>b. revisit the MOU and the SCA of EPS-TOPIK before it is renewed, and consider to amend the provisions which disclose the actual collections to POEA, such as the fair sharing of expenses; and</p> <p>c. ensure that all terms and conditions as well as the responsibilities and obligations of both parties, most specifically on the sharing of eligible expenses, are defined clearly in the MOU and in the SCA.</p>			<p>collections which will be used in determining the rightful share of the POEA for each batch of EPS-TOPIK.</p> <p>Not Implemented</p> <p>The SCA is still for finalization by/for signature of the POEA and HRD - Korea Representatives.</p> <p>Not Implemented</p> <p>Pending the approval of the renewed SCA/MOU. It could not be determined yet if the sharing of eligible expenses is clearly defined.</p>
<p>5. Part of the unutilized ₱1,173,704.49 test fee shares from the 9th batch EPS-TOPIK, deposited in the LBP-Local Currency, Current Account (LCCA) was used to defray the excess expenditures incurred for the 10th, 11th, and 12th batches of EPS-TOPIK and 2016 1st-4th batches of Special TOPIK (S-TOPIK), instead of remitting the same to the National Treasury (NTr), in disregard of Sections 4 and 65 of PD No. 1445 resulting in unauthorized disbursements totaling ₱671,654.90.</p>	<p>2016 AAR pars. 5-5.8</p>	<p>The unutilized fund incurred during the conduct of the 9th EPS-TOPIK was not remitted to the BTr for the very reason that the actual job and works did not stop after the examination had concluded. The work being done for the EPS-TOPIK is continuing in nature. After the examination, evaluation and encoding of EPS-TOPIK passers thru Sending Public Agency System (SPAS) commenced which was done by service contractual. They were hired specifically for the job considering the</p>	

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<p>We recommended that the Management:</p> <p>a. adhere strictly to Sections 4 & 65 of PD No. 1445; thus, refrain from using unutilized test fee shares intended for another specific batch of skills test;</p> <p>b. ensure that expenses for each batch of skills test do not exceed the amount collected for the specific batch of skills test; and</p> <p>c. remit to the NTr unutilized funds which are intended for each batch of skills test.</p>		<p>shortage of personnel assigned at the Employment Branch. The payment for the services of the service contractuels is charged to this fund.</p>	<p>Fully Implemented</p> <p>Since the amount have already been utilized, the Management committed to refrain from using the test fee shares for another specific batch of skills test.</p> <p>Fully Implemented</p> <p>Since the expenses for the previous batch of skills test already exceeded the amount collected, the Management committed that in the future, expenditures for each skills test will be within the collected amount.</p> <p>Not Implemented</p> <p>The Management has yet to remit the unutilized funds after the full reconciliation of the balance.</p>
<p>6. Rental fees amounting to ₱1,575,750.00 covering the period from May 1, 2014 to December 31, 2016 remained unpaid by HRD-Korea due to POEA's failure to strictly enforce compliance with the terms and conditions of the Memorandum of Agreement (MOA) entered into with HRD-Korea.</p> <p>We recommended that the Management enforce strictly the provision in the agreement for the payment of rental fee by HRD-Korea.</p>	<p>2016 AAR pars. 6-6.8</p>	<p>Based on the provision in the Service Contract Agreement (SCA) in Article 16 (1) dated April 10, 2014, POEA will support and cooperate in the implementation of the Computer Based Test (CBT) by providing the space and venue, thus the receivable for rental was already reversed.</p>	<p>Fully Implemented</p> <p>With the effectivity of SCA dated April 10, 2014, the agreement regarding payment of rental fees by HRD-Korea</p>

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<p>7. Non-adherence to the guidelines stipulated under Memorandum Circular (MC) No. 08, series of 2001 on the fee structure for clients of the Government Placement Branch (GPB) and the terms of payment thereon resulted in inconsistent processing fee rates and such fees were paid by the workers/foreign principals/employers of Republic of Korea (ROK), Taiwan, and Kingdom of Saudi Arabia (KSA).</p> <p>We recommended that the Management adhere strictly with the provisions of MC No. 08.</p>	<p>2016 AAR pars. 7-7.14</p>	<p>The variation in the rate of processing fees is brought about by the negotiations of parties in the technical level, wherein each country has its own unique requirement.</p>	<p>became invalid.</p> <p>Fully Implemented</p> <p>The Audit Team took note of the Management's comment that the rate of processing fees and provisions of each arrangement for G2G account are brought about by the negotiation of parties in the technical level before the conclusion of the bilateral agreement and that each country has its own unique requirement which was thoroughly presented, discussed, debated and agreed upon. Thus, all provisions under the signed bilateral agreement is valid and binding between the parties unless expressly revoked or removed.</p>
<p>8. The absence of a duly approved Recruitment Agreement between the POEA and the Ministry of Health-Kingdom of Saudi Arabia (MOH-KSA) in the recruitment of workers thru GPB under the Government to Government (G2G)</p>	<p>2016 AAR pars. 8-8.9</p>		

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<p>arrangement not only affects its enforceability but also deemed as not binding; thus there is no assurance that the rights of the workers to fair and equitable employment practices are protected. Moreover, the provision on the contribution to the Foreign Employers Guarantee Trust Fund (FEGTF) is at stake as the agreement between the parties was not properly and legally executed, affecting the collection of US\$253,650.00 for CY 2015 to 2016.</p> <p>We recommended that the Management:</p> <p>a. ensure that the Recruitment Agreement be immediately signed by the representative of MOH-KSA to make the terms of agreement enforceable and binding; and</p> <p>b. require the concerned officials to explain in writing the reasons of non-billing or collecting of the contributions for the FEGTF from the employers of MOH-KSA.</p>		<p>Upon inquiry with the Saudi Recruitment Office (SRO) on the status of the draft Recruitment Agreement which was submitted on August 27, 2013 for endorsement to the MOH of Saudi Arabia, it was found out that the said document was missing. So, POEA drafted a new recruitment agreement, which is now for review/comment with Marketing Branch and Legal Research before submission to the SRO.</p>	<p>Not Implemented</p> <p>An AOM was issued on the matter.</p> <p>Fully Implemented</p> <p>The Management explained that in the absence of a duly signed Recruitment Agreement, POEA has no basis to demand payment of FEGH from MOH-KSA.</p>
<p>9. The establishment of a Foreign Employer Guarantee Fund (FEGF) for workers deployed to ROK and Taiwan was not included in the contract agreements entered into by POEA, in violation of</p>	<p>2016 AAR pars. 9-9.8</p>	<p>Paragraph 14, Item 7 of the MOU between the DOLE of the Republic of the Philippines and the MoEL of ROK under the EPS provides: "In observing reciprocity, the Parties recognize that the</p>	

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<p>Section 3, Part IV, Rule 1 of the POEA Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Workers of 2002.</p> <p>We recommended that the Management:</p> <p>a. explain in writing why the provision for the contribution of employers for the establishment of FEGTF was not included in the contract agreements with ROK and Taiwan despite several renewals of the same; and</p> <p>b. prepare specific guidelines on the utilization of the FEGTF in accordance with existing government accounting and auditing rules and regulations.</p>		<p>FEGF of the Philippines is equivalent to the Guarantee Insurance of Korea taken out by the employer and agree that only the case for unpaid wages will be governed by the latter insurance.” The MOEL ensures that all claims of the worker pursuant to the preceding paragraph will be continuously pursued and settled in Korea despite the departure of the Filipino worker, after being cleared of his/her obligation. The final MOU for EPS with ROK is already endorsed to the MOEL in Korea for signature.</p> <p>Item 3 of the Highlights of the FOLE-TWG Meeting on the Final draft of MOU EPS dated October 31, 2013 provides: “Secretary Baldoz suggested that the TWG should formulate another option that will be substantial equivalent of the FEGF and acceptable to MOEL” and the Memorandum for the DOLE Secretary through Undersecretary dated November 12, 2013 regarding the reformulated EPS MOU Provision on the FEGTF.</p> <p>During the 6th Joint Labor Conference between the Philippines and Taiwan held on August 3, 2016, both sides agreed to continue to study the feasibility of the FEGTF</p>	<p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 4)</p> <p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 4)</p>

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		<p>for direct employers:</p> <p>a. Taiwan agreed to provide the Philippines the relevant laws and regulations on labor disputes and settlement mechanism within 30 days after the conference;</p> <p>b. The Philippines agreed to provide Taiwan the relevant laws and provisions on the FEGTF, its purpose, payment methods, agreements with other operational procedure or mechanism in cases of labor complaints, etc. and</p> <p>c. After both sides have provided the abovementioned information, both sides review the issued information relating to the FEGTF.</p>	
<p>10. There are no guidelines issued by the POEA for the administration of the FEGTF with reported cash balance of ₱7,352,324.28 as of December 31, 2016; thus exposing the funds to misuse.</p> <p>We recommended that the Management prepare guidelines, in accordance with government accounting and auditing rules and regulations, on:</p> <p>a. the amount to be levied on foreign employers/</p>	<p>2016 AAR pars. 10- 10.7</p>	<p>We have already initiated appropriate actions to address the issue on the guidelines for the administration of the FEGTF. As early as 2011, however, POEA formed a TWG that drafted the implementing guidelines of the FEGTF. The draft is on its 6th revision. The draft implementing guidelines includes, among others, amount of contribution of foreign employer to the fund, claims procedures, conduct of conciliation at</p>	<p>Not Implemented</p>

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<p>principals as contribution to the FEGTF for uniformity; and</p> <p>b. administration of the FEGTF indicating the eligible expenses that could be charged therein.</p>		<p>work site, report of collections, deposits and checks issued, amount of monetary award and limit of liability under the fund, and administration of the fund. The remaining issues for discussion pertain to insurance premium and the process flow for the claims.</p> <p>Also in view of the change of POEA officials, a new special order has been drafted reconstituting the TWG to review and finalize the FEGTF implementing guidelines for submission to POEA Administrator and approval of the POEA Governing Board.</p> <p>We had initiated efforts to communicate with our foreign counterparts on all items raised in AOM No. 2017-011 (2016) and will continue to exhaust all efforts through diplomatic channels to improve all processes for all clients under G2G arrangement while maintaining cooperation, partnership and goodwill with our counterparts to sustain the G2G arrangement which gives our workers an alternative in working overseas through a secured environment.</p>	<p>Reiterated in 2017 AAR (Observation No. 4)</p> <p>Not Implemented</p> <p>Guidelines on the administration of FEGTF are still not yet available.</p>
<p>11. The 2016 Accomplishment Report showing the Performance Indicators, Targets and Accomplishments under MFO 2: Overseas Employment</p>	<p>2016 AAR pars. 11-11.9</p>		

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<p>Regulation Services lacked information on the action to be performed by the management to achieve the targets.</p> <p>We recommended that the Management indicate in the Performance Indicators the action it will undertake or perform, not just the percentage or number, for a better evaluation and interpretation of the accomplishments. Mere reporting that there are certain percent or number of registered, licensed and accredited recruitment agencies with recorded complaints and breaches without indicating the action taken or performed by Management is not adequate to support that it has achieved its target.</p>		<p>The Performance Indicators used in the Accomplishment Report were provided by the DBM and cannot be changed or modified.</p>	<p>Fully Implemented</p> <p>Management could suggest to DBM some improvements in the presentation of Performance Indicators. But in the submitted Accomplishment Report, the Audit Team was satisfied with the presentation of the Accomplishment Report.</p>
<p>12. Collection of the POLOs in Singapore and Rome for Overseas Employment Certificates (OECs) amounting to SG\$263,566.22 or ₱9,054,501.21 and €1,654.01 or ₱85,744.54, respectively, were not deposited with the POEA's authorized government depository bank accounts contrary to Section 69 of PD No. 1445 and the Revised Cash Examination Manual (RCEM); thus exposing government funds to risks of losses and unauthorized use.</p>	<p>2016 AAR pars. 12- 12.12</p>		

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<p>We recommended that the Management:</p> <p>a. ensure that remittances of POLO collections for OEC fees be deposited to the authorized account number of the POEA; and</p> <p>b. require the Accountant to effect necessary corrections on the Cash account and related accounts of the POEA.</p>		<p>The total collections from Singapore and Rome subject of the COA audit have already been deposited to the Bureau of the Treasury. A Notice of Settlement was already issued by the COA.</p>	<p>Fully Implemented</p> <p>Notices of Charge were issued and settled.</p> <p>Fully Implemented</p> <p>Notices of Charge were issued and settled.</p>
<p>13. Collections of various currencies by various POLOs were not deposited intact and regularly to the POEA's authorized banks, contrary to the provisions of Section 69(1), PD No. 1445, Section 4, Chapter 5, Book 6 of Executive Order (EO) No. 292, series of 1987 and Fiscal Year (FY) 2016 General Appropriations Act (GAA) General Provisions, hence, exposing the collections to risks of misuse or losses and resulting in understatement of the income amounting to ₱3,829,651.89.</p> <p>We recommended that the Management, through representation with the DOLE Secretary, require the POLOs:</p> <p>a. with undeposited collections, to remit the same immediately to POEA's authorized banks; and</p> <p>b. to deposit regularly collections in full, as</p>	<p>2016 AAR pars. 13- 13.8</p>	<p>Management submitted the status of remittances of the listed POLOs. It was explained that most of the POLOs could not make timely and regular remittances due to small amounts of collections</p>	<p>Partially Implemented</p> <p>Notices of Charge will be issued to POLOs which have not yet fully remitted collections.</p> <p>Fully Implemented</p>

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<p>prescribed by Section 69, PD No. 1445, Section 44, EO No. 292 s. 1987 and General Provisions, FY 2016 GAA.</p>		<p>entailing costly remittance charges which are usually much higher than the monthly collections.</p>	<p>The Audit Team is satisfied with the justification that timely and regular remittance could not be done in most of the POLOs due to small amounts of collections as they would incur expenses such as bank charges imposed by foreign banks where POLO collections are maintained, on every deposit made and cost of transportation to and from the depository bank, that exceeds the amounts to be remitted.</p>
<p>14. Bank/freight charges, commissions and taxes which were automatically deducted by foreign servicing banks of the POLOs on remittances of OEC processing fees collections by the POLOs were not reimbursed/charged against POEA regular funds for Maintenance and Other Operating Expenses (MOOE); thus understating the income remitted to the National Treasury (NTr).</p> <p>We recommended that the Management:</p> <p>a. ensure reimbursement of all expenses charged to POLO collections and remit the same to the NTr; and</p> <p>b. request the LBP for the regular submission of Debit Memos (DMs) and Credit Memos (CMs) to support the Bank Statement (BSs), for efficient monitoring of all remittances and</p>	<p>2016 AAR pars. 14- 14.8</p>	<p>For CY 2016, bank/freight charges were already remitted to BTr in the amount of ₱125,192.82 on December 9, 2016 and ₱159,038.00 on June 5, 2017 with Check No. 1571208 and Check No. 1577412, respectively.</p> <p>For CY 2017, the total of ₱150,740.33 was remitted on Nov. 23, 2017 with Check No. 1577496.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>

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<p>bank charges and likewise for use in the preparation of the Bank Reconciliation Statements (BRS).</p>		<p>Bank/freight charges are remitted upon receipt of the collection reports and copy of remittance receipt from the POLOs.</p>	
<p>15. The correctness and completeness of OEC remittances in various foreign currencies equivalent to ₱4,571,158.91, of collections made by the POLOs, could not be fully recognized in the books due to delayed submission and/or non-submission of CMs by the LBP, thus casts doubts on the reliability of the recorded amounts in the Cash accounts and renders it difficult to establish whether all remittances by the POLOs are reflected in the bank records.</p> <p>We recommended that the Management:</p> <p>a. demand from LBP timely and complete submission of CMs; and</p> <p>b. in case the LBP could not comply with the timely and complete submission of CMs due to voluminous collections it handled for the agency, both domestic and foreign, consider the services of the DBP facility, which</p>	<p>2016 AAR pars. 15.9</p>	<p>Although the remittances from POLOs credited to the LBP account of the POEA are not immediately verified as to the origin due to non-submission of the credit advices by LBP, these were remitted monthly to the NTr and recorded monthly in the books of accounts based on the Bank Statement provided by the LBP. Copies of the Credit Advices are regularly being requested with the LBP but they could not immediately provide the said documents. A schedule of incoming remittance transactions for the period January to September 2017 was already submitted by the LBP.</p> <p>We have already informed the POLOs that the DBP facility may be considered depending on the availability of the bank service in their locations.</p> <p>The amount of ₱4,571,158.91 was already reconciled and posted to its correct POLO SL.</p>	<p>Fully Implemented</p> <p>Management regularly demands timely and complete submission of CMs from LBP. However, due to voluminous transactions, delays were sometimes inevitable.</p> <p>Partially Implemented</p> <p>Some POLOs considered LBP facility as more convenient.</p>

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<p>at the moment only handles the remittances of OEC collections by 10 out of 36 POLOs.</p>			
<p>16. Reported remittances of OEC collections from the six POLOs, in various currencies with an equivalent of ₱899,508.28 were not accounted in the POEA's authorized government depository bank (AGDB); thus casts doubts on the reliability of the remittances made and understates the income that will accrue to the unappropriated surplus of the General Fund (GF) of the Government.</p> <p>We recommended that the Management:</p> <p>a. look into the cause/s of the reported remittances of the six POLOs which were not credited in the LBP's BSs and determine the persons accountable and responsible thereof; and</p> <p>b. require the Accountant to conduct a reconciliation of the POEA's books with the LBP's BSs.</p>	<p>2016 AAR pars. 16- 16.6</p>	<p>Remittances of six POLOs were already credited to POEA LBP savings account and posted to SL.</p>	<p>Fully Implemented</p> <p>Based on the reports submitted, the remittances were credited to LBP BSs.</p> <p>Fully Implemented</p> <p>There was a reconciliation of POEA's books with the LBP's BSs but for further verification due to discrepancies noted.</p>
<p>17. The subsidiary ledger (SL) balances of various Cash accounts were not reconciled with the adjusted and objective of Bank Reconciliation and casts doubts on the reliability of the Cash account.</p>	<p>2016 AAR pars. 17- 17.5</p>	<p>As of December 31, 2017, BRSs for all POEA bank accounts were already prepared and submitted to COA. Likewise, all reconciling items per BRSs were already adjusted.</p>	

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<p>We recommended that the Management direct the Chief Accountant to prepare the BRSs, account all unreconciled balances and adjust the books accordingly.</p>			<p>Fully Implemented</p> <p>Monthly BRSs for all accounts were submitted only on February 23, 2018 and are still for verification.</p>
<p>18. The absence of SL prescribed in Volume II of the GAM for each fund included in the Cash in Bank-LCCA totaling ₱26,466,128.35 maintained by the Accounting Unit renders it difficult to fully account and monitor all receipts and disbursements made out of each fund, as well as, to ascertain the accuracy of their respective balances.</p> <p>We recommended that the Management direct the Chief Accountant to strictly maintain the prescribed SL and account all the balances for each type of trust fund.</p>	<p>2016 AAR pars. 18- 18.4</p>	<p>Since the implementation of the eNGAS, the SLs have already been established except for the beginning balance which was forwarded from the manual accounting system. The beginning balance will still have to be analyzed and adjusted.</p>	<p>Not Implemented</p> <p>As the SLs did not reflect in detail prior years' transactions, the accuracy of the respective balances are still doubtful</p>
<p>19. Cash Advances (CAs) granted to 12 accountable officers became dormant for 11 to over 20 years due to the: (a) failure of Management to require the accountable officers to settle their accounts within the periods prescribed by COA Circular No. 97-002 or before their separation from the service; and (b) delayed action to consistently send them demand letters, which resulted in a very minimal settlement, slim changes of recovery/collection of unutilized funds, if any, and non-recording in the agency</p>	<p>2016 AAR pars. 19- 19.5</p>		

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<p>books of the expenses out of the CAs during the period they were incurred.</p> <p>We recommended that the Management:</p> <p>a. send demand letters to all the 11 accountable officers including continuous follow-ups to enforce collection; and</p> <p>b. request for the write-off of the accountability of the deceased accountable officers. In case no settlements are made by the other accountable officers despite exhausting all remedies to enforce the same, consider also requesting for write-off of their accounts in accordance with the guidelines of the abovementioned COA Circular.</p>		<p>Demand letters are continuously being sent to the concerned accountable officers.</p>	<p>Partially Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 9)</p> <p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 9)</p>
<p>20. Unreconciled balances of account Due from National Government Agencies (NGAs), Department of Budget and Management-Procurement Service (DBM-PS) per POEA records and per DBM-PS books amounting to ₱22,795,950.57 due to unrecorded advance payments and deliveries; and inaction by the concerned POEA officials to reconcile prior years' (PYs') discrepancy, cast doubts on the reported year-end book balance of ₱24,155,275.10.</p>	<p>2016 AAR pars. 20-20.8</p>		

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<p>We recommended that the Management:</p> <p>a. require the Chief Accountant and Property Officer to reconcile their respective records/reports to establish the correct balance of the reported deliveries made by DBM-PS and adjust them accordingly; and</p> <p>b. require the Chief Accountant to continuously reconcile the agency books with DBM-PS books to establish the correct amounts of undelivered items and ensure that the CY 2015 Schedule supporting the GL accounts of Due from NGAs, DBM-PS are reconciled.</p> <p>We also recommended that the Management:</p> <p>a. communicate with the DBM-PS regarding the CY 2016 unrecorded payments;</p> <p>b. demand delivery of the items still due for delivery; and/or</p> <p>c. refund the advance payments not settled over a long period, if any.</p>		<p>Copy of the SL as of December 31, 2017 of POEA with the Procurement Service was already provided us and reconciliation is being done. Initial adjustments were already made.</p>	<p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 10)</p> <p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 10)</p> <p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 10)</p> <p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 10)</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>21. Deficiencies in recording of transactions in the books, contrary to the provisions of Section 4.6 and 7, Chapter 19, Volume I and Section 8(f), Chapter 10, Volume III both of the GAM; and Section 112 of PD No. 1445, resulted to over and understatement of various accounts amounting to ₱7,984,562.58 and ₱29,866,710.70, respectively, and casts doubts on the validity of the account.</p> <p>We recommended that the Management require the Accountant to:</p> <p>a. analyze the errors and deficiencies noted; and</p> <p>b. effect the necessary adjustments to correct the over and under statements.</p>	<p>2016 AAR pars. 21- 21.13</p>	<p>The double listed ORs were actually issued twice to two different OFWs during the implementation of BM Online together with the appointment system or over the counter transactions. Although there were double issuances of ORs, these were properly reported in the Report of Collections and the corresponding collections were accounted for and remitted to the POEA account.</p>	<p>Partially Implemented</p> <ul style="list-style-type: none"> ▪ POEA Kawani Provident Fund- already recorded in the books ▪ DBP account – still recorded as LCCA instead of LCSA ▪ CAs of former officials and employees – still recognized in the books as Advances to Officers and Employees instead of Other Receivables ▪ Abnormal Accounts – Reiterated in 2017 AAR (Observation No. 17) <p>Partially Implemented</p> <p>Same as above</p>
<p>22. Deficiencies were likewise noted in the audit of Property, Plants and Equipment (PPE) which casts doubts on the validity of the account:</p>	<p>2016 AAR pars. 21.5- 21.13</p>		

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>1. Land including the Office Building located in Mandaluyong City acquired by the Agency at a lump sum price of ₱77,500,000.00 was recognized solely in the Buildings account and the total amount was subjected to depreciation, thus overstating the Land account by the cost of the land to be apportioned.</p> <p>2. A building located in the land owned by the POEA is not recorded in the respective books and records of the Accounting and Property Units.</p> <p>We recommended that the Management:</p> <p>a. direct the Property Officer and Chief Accountant to obtain the value of the Building and record the same in their respective books and records; and</p> <p>b. submit the necessary Journal Entry Voucher (JEV) to the Audit Team.</p>		<p>Management sought the assistance of the LGU-Mandaluyong in determining the value of the land and building so that the properties will be adjusted to their proper accounts.</p>	<p>Not Implemented</p> <p>Management sought assistance from the LGU Mandaluyong but no reply has been received yet.</p> <p>Not Implemented</p> <p>Adjustments were not yet made.</p>
<p>23. Incomplete inventory-taking, improper recording of transactions in the books and non-maintenance of the required property card, contrary to the provisions of Sections 38 and 42 of Chapter 10, Volume I of the GAM and Section 441, Volume II of the Government Accounting and Auditing Manual</p>	<p>2016 AAR pars. 22- 22.11</p>		

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>(GAAM), resulted to an unreconciled balance of ₱279,676,411.21 between the Accounting and Property records, which cast doubts on the accuracy, completeness, and existence of PPE accounts totaling ₱511,965,366.36.</p> <p>We recommended that the Management require the:</p> <p>a. Chief Accountant and Property Officer to:</p> <ul style="list-style-type: none"> • conduct periodic reconciliation of their respective reports and records; • prepare and maintain properly Property Cards (PCs) to account for the receipt and disposition of PPE; and • maintain PPE Ledger Card (PPELC) to present the details of the PPE per category instead of in lump sum basis to arrive at more accurate and reconciled balances of respective accounting and property books and records; <p>b. Chief Accountant to analyze the PPE accounts and prepare adjusting entries to reflect the PPE worth ₱4,691,665.00 which were counted but not recorded in the books of accounts; and</p>			<p>Not implemented</p> <p>Reiterated in 2017 AAR (Observation No. 12)</p> <p>Not implemented</p> <p>Reiterated in 2017 AAR (Observation No. 12)</p> <p>Partially Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 12)</p> <p>Not implemented</p> <p>Reiterated in 2017 AAR (Observation No. 12)</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>c. Property Officer to:</p> <ul style="list-style-type: none"> • conduct 100 percent inventory taking of all PPEs and submit to the Audit Team pending inventory reports; and • look into missing PPE amounting to ₱9,114,521.72 which were recorded in the books but not counted. 			<p>Not implemented</p> <p>Reiterated in 2017 AAR (Observation No. 12)</p> <p>Not implemented</p> <p>Reiterated in 2017 AAR (Observation No. 12)</p>
<p>24. Non-recording of issued inventories in the books of accounts amounting to ₱3,476,012.69, incomplete physical count of inventories and non-maintenance by the Accounting and Property Unit of forms, records and reports prescribed under Chapter 8, Volume I of the GAM, cast doubts on the accuracy, completeness, and existence of the recorded ₱10,034,516.69 inventory accounts as at year-end.</p> <p>We recommended that the Chief Accountant and Property Officer conduct periodic reconciliation of their respective reports and records and make necessary adjustments on the deficiencies noted to reflect the correct balances of the inventory accounts.</p> <p>We also recommended that the Property Officer:</p> <p>a. maintain reports, forms and records</p>	<p>2016 AAR pars. 23- 23.13</p>		<p>Not implemented</p> <p>Reiterated in 2017 AAR (Observation No. 13)</p> <p>Fully Implemented</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>prescribed in Chapter 8, Section 17, Volume I of the GAM; and</p> <p>b. conduct 100 percent inventory-taking of all inventory accounts and prepare the Report of Physical Count for Inventories (RPCI).</p> <p>Further, we recommended that the Accountant record all deliveries of inventories and issuances thereof in the books.</p>			<p>Reports, Forms and records were properly maintained upon the full implementation of E-NGAS.</p> <p>Not implemented</p> <p>Reiterated in 2017 AAR (Observation No. 13)</p> <p>Not Implemented</p> <p>Some of the deliveries and issuances were not recorded.</p>
<p>25. The submission of Financial Statements/Financial Reports, records and supporting schedules relative to the financial operation is not compliant with the standards and requirements set forth under Section 122 of PD No. 1445 and pertinent provisions of the Rules and Regulations on the Settlement of Accounts (RRSA) resulting in delayed and incomplete evaluation of the related financial transactions.</p> <p>We recommended that the Management:</p> <p>a. require the official responsible to promptly submit all the Financial Statements/Financial Reports, records/supporting schedules and to strictly comply with the provisions under Section 122 of PD No. 1445 and Section 7.1.1. and 7.2.1.</p>	<p>2016 AAR pars. 24- 24.11</p>	<p>The delays in the submission of the financial reports/statements were primarily due to the lack of manpower complement. Another reason is the conversion from the manual to the computerized accounting system which entailed much encoding.</p>	<p>Not Implemented</p> <p>An AOM was issued on the matter.</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>of the RRSA;</p> <p>b. institute appropriate action against the officials and employees responsible for such deficiencies pursuant to the provisions of Section 122 of PD No. 1445; and</p> <p>c. require the Regional and Overseas Coordinating Office (ROCO) to monitor closely the Philippine Overseas Labor Offices (POLOs) submission of monthly RCS and supporting records to avoid delayed recording of transactions and submit immediately the Report of Collections and Deposits (RCDs) to the Audit Team for verification.</p>		<p>A Memorandum was issued by the Secretary of Labor and Employment on June 19, 2017 on the matter.</p>	<p>Not Implemented</p> <p>Management could not impose appropriate action due to lack of manpower.</p> <p>Not Implemented</p> <p>Despite the Memorandum issued by the Secretary, the concerned POLO still failed to submit the reports on time.</p>
<p>26. The Rules and Guidelines pertaining to safekeeping, custody, reporting and recording of accountable forms were not strictly complied; thus, renders it difficult to monitor the accountabilities of POLOs' Collecting Officers.</p> <p><i>Unauthorized transfer of accountable forms from one accountable officer to another and errors in reporting accountable form issuances contrary to Section 91, Volume I of the GAAM and Section 17 (k), Chapter 8, Volume I of the GAM.</i></p>	<p>2016 AAR pars. 25- 25.18</p>		

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>We recommended that the Management:</p> <p>a. advise the accountable officers in the POLOs to refrain from transferring accountable forms to accountable officer of another POLO for proper monitoring of accountabilities;</p> <p>b. ensure that accountable forms are issued to correct accountable officers and rightfully reported as their accountabilities to readily monitor and pinpoint accountabilities; and</p> <p>c. see to it that any transfer of accountable forms from one POLO to another is duly authorized.</p> <p><i>Missing/Cancelled ORs/OECs issued to POLOs remained unaccounted while various accountable forms were not sequentially issued and were erroneously recorded/not reported in the RAAF, contrary to paragraph 24 of the Revised Cash Examination Manual (RCEM).</i></p> <p>We also recommended that the Management:</p> <p>a. conduct an inquiry and/or look into the causes that led to the missing accountable</p>		<p>This concern was also included in the Memo by the DOLE Secretary dated June 17, 2017 and emailed to all POLOs on June 30, 2017.</p> <p>The transfer of accountable forms was only done in the exigency of the service when the supply has gone low while waiting for the arrival of the supplies, but this was properly documented.</p> <p>With regard to the originals of cancelled ORs/OECs, the status of compliance of the concerned POLOs was already submitted to COA.</p>	<p>Fully Implemented</p> <p>A Memorandum was signed and sent to concerned POLOs in coordination with the DOLE Secretary.</p> <p>Not Implemented</p> <p>There were transfers of accountable forms without proper transfer of accountability.</p> <p>Not Implemented</p> <p>Management admitted that there were transfers in the event of exigency of the service of supply and still a practice in some Posts.</p> <p>Not Implemented</p> <p>Management is still waiting for the reply of concerned POLOs.</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>forms and to determine the accountability/liability, if any; and</p> <p>b. require accountable officers to adhere strictly with issuances of the accountable forms in numerical sequence.</p> <p><i>Original copies of cancelled ORs/OECs were not attached to the submitted RCDs, and some remittance requests supporting the RCDs were not validated by the depository bank or were not attached to the RCDs, contrary to COA Circular No. 95-006 and the RCEM.</i></p> <p>We recommended that the Management require the concerned Collecting Officers to prepare and submit originals of cancelled accountable forms and validated remittance request to support the RCD.</p>			<p>Not Implemented</p> <p>Posts are still not issuing accountable forms in numeral sequence.</p> <p>Not Implemented</p> <p>No report of original cancelled accountable forms was submitted to COA but a Memorandum was signed and emailed to concerned POLOs regarding the issue.</p>
<p>27. The provisions of Republic Act (RA) No. 9184, known as the Government Procurement Reform Act were not adhered strictly in the procurement of test venues for the 12th and 13th EPS-TOPIK and Skills test amounting to ₱358,331.04 and ₱496,985.08, respectively, which defeated the purpose of transparency in the procurement process and of obtaining the most advantageous terms for the government.</p>	<p>2016 AAR pars. 26- 26.6</p>	<p>Management is strictly complying with the provision of Section 10 of RA No. 9184 and its IRR.</p>	

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<p>We recommended and Management agreed to strictly comply with the provision of Section 10 of RA No. 9184 and its Implementing Rules and Regulations (IRRs).</p>			<p>Fully Implemented</p> <p>Management agreed to comply with the provisions of Section 10 of RA No. 9184 and its IRR.</p>
<p>28. TEL-AVIV, ISRAEL/CANBERRA AUSTRALIA</p> <p>Collections of OEC amounting to NIS28,550.00 for Tel-Aviv, Israel and AUD2,947.00 for Canberra, Australia were not deposited daily or on the next banking day contrary to Section 69 (1), PD No. 1445, Section 44, Chapter 5 Book VI of EO 292 s. 1987 and FY 2016 GAA General Provisions, hence, exposing the collections to risks of misuse or losses and resulting in understatement of income.</p> <p>The COA Audit Team recommended that the Posts comply with the provision of the abovementioned laws, rules and regulations.</p>	<p>2016 AAR pars. 27- 27-7</p>	<p>POLO Tel-Aviv, Israel commented that the deposit of collections on a monthly basis on the issuance of OEC was being practiced by the former Labor Attaché (LabAtt) as requested from DOLE-Manila. Moreover, bank policy on deposit/remittance is not based on the amount but on every transaction, hence, the practice must be viewed not solely for non-conformity with Section 22, Volume I of the Manual on New Government Accounting System (MNGAS) but more in terms of economic benefit to the government.</p> <p>The LabAtt in POLO, Canberra, Australia said he is aware of the Post's obligation to remit the fees collected but the amount collected are small amounts as compared to the remittance charges that will be incurred if deposit will be done on a daily basis. Besides, more OFWs will be deprived of the on-site services if Post would spend more time in the deposit of collections.</p>	<p>Fully Implemented</p> <p>The Audit Team was satisfied with the explanation that daily or next day remittances of minimal amount of collections are not economical to the government.</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>29. Abu Dhabi, United Arab Emirates/Hongkong Special Administrative Region</p> <p>The absence of a report on the proper turn-over of cash accountabilities from the previous to the incumbent Accountable Officers, POLO Abu Dhabi, UAE and HK SAR as required under Section 77 of PD No. 1445, resulted to the difficulty of ascertaining accountabilities of both outgoing and incumbent accountable officers.</p> <p>It was recommended that the Office of the LabAtt require the former Accountable Officers to submit a proper report on the turn-over of cash accountabilities.</p> <p>Henceforth, require outgoing Accountable Officers to properly and officially turn-over accountabilities, duly acknowledged and attested by incoming accountable officers to establish respective accountabilities.</p>	<p>2016 AAR pars. 28-28.8</p>	<p>The Office of the LabAtt in Abu Dhabi, UAE commented that it requested DOLE Head Office to require the former accountable officer to submit a written turn-over report of her accountabilities.</p> <p>Prospectively, the LabAtt will require all outgoing accountable officer to properly and officially turn-over their accountabilities.</p>	<p>Partially Implemented</p> <p>The turn-over report has yet to be submitted to the POEA.</p>
<p>30. Hongkong Special Administrative Region</p> <p>Three Administrative Staff, acting as Collecting Officers are not properly bonded since the expiration of their fidelity bonds on June 19, 2016 contrary to Section 101 of PD No. 1445 and Item 41, Treasury Circular No. 02-2009.</p>	<p>2016 AAR pars. 29-29.5</p>		

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>The COA Audit Team recommended that Management renew the fidelity bonds regularly as required by the abovementioned provisions of law and regulation.</p>		<p>DOLE-International Labor Affairs Bureau has already applied for the renewal of the bonds with the Bureau of the Treasury.</p>	<p>Partially Implemented</p> <p>As the Management mentioned that the DOLE-ILAB is in the process of application for renewal of the bonds with the BTr, the approval of the same is still subject for validation.</p>
<p>31. Report of Collections and Deposits for OEC was either not prepared or submitted late, contrary to DOLE Administrative Order No. 190 series of 2012, making it difficult to establish accountabilities of the Accountable Officer at any given time.</p> <p>The COA Audit Team recommended and Management agreed to strictly adhere to the timely submission of Report of Collections and Deposits.</p>	<p>2016 AAR pars. 30- 30.4</p>		<p>Partially Implemented</p> <p>Based on records at the Central Office, RCDs for OECs were prepared although there were delays in the submission.</p>
<p>32. Report on Accountability for Accountable Forms were not regularly prepared and submitted by the Accountable Officer, contrary to Section 7 (k), Chapter 8, Volume I of the GAM.</p> <p>The COA Audit Team recommended that DOLE Management require the Accountable Officer to regularly prepare and submit monthly Report of Accountability for Accountable Forms (RAAF) which is duly reconciled with the daily report of issued and unused OR.</p>	<p>2016 AAR pars. 31- 31.4</p>	<p>The monthly RAAF were already established except for the prior year's where the records were not readily available due to transfer of office last year.</p>	<p>Partially Implemented</p> <p>The management has already partially submitted the monthly RAAFs.</p>

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<p>33. Doha, State of Qatar</p> <p>The Cash Receipts Register (CRReg) were not updated and CRReg and RCD not prepared in accordance with the format provided under Section 39, Chapter 5, Volume I of the GAM, and the postings to the CRR were not updated, thus precluding real time information on the cash accountability of the accountable officer at any given time.</p> <p>The COA Audit Team recommended to strictly comply with the provisions of Section 39, Volume I of the GAM.</p>	<p>2016 AAR pars. 32- 32.5</p>	<p>The concerned Accountable Officer committed to strictly comply with the provisions of Section 39, Volume I of the GAM.</p>	<p>Not Implemented</p> <p>The concerned Accountable Officer committed to strictly comply with the provisions but still for validation of the Audit Team in the next embassy audit report.</p>
<p>34. GENDER AND DEVELOPMENT (GAD)</p> <p>Non-submission of the Philippine Commission on Women (PCW)-endorsed/ approved 2016 GAD Plan and Budget and late submission of the corresponding Accomplishment Report were contrary to the provisions of COA Circular No. 2014-001 dated March 18, 2014. Moreover, there were targeted activities, with an allotted budget of ₱820,000.00 in the GAD plan which were not satisfactorily achieved.</p> <p>COA recommended that the Management:</p> <p>a. Continue allocating at least five percent of the</p>	<p>2016 AAR pars. 34- 34.6</p>	<p>The following corrective actions were made by the Management:</p> <p>a. Coordinated with the</p>	<p>Fully Implemented</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
<p>total agency appropriations for GAD programs, projects and activities;</p> <p>b. Require the GAD Focal Point Person to submit the endorsed/approved copy of the GAD Plan and Budget and the Report of Accomplishments to the Audit Team within the prescribed period as mentioned in COA Circular No. 2014-001 dated March 18, 2014;</p> <p>c. Ensure commitment to accomplish GAD activities/project in a feasible manner; and</p> <p>d. Relocate the room for the lactating/nursing mother in a private area and furnish the room with the facilities needed by the clients.</p> <p>e.</p>		<p>designated focal person to enable a counterpart Planning Branch staff to access the Gender Mainstreaming Monitoring System (GMMS) to ensure prompt monitoring and transmittal of GAD Plan and Budget/ Accomplishment Report as well as receive PCW communications/ comments on said submission; and</p> <p>b. Requested Administrative Branch to relocate the designated room for lactating/nursing mothers or renovate the existing area to ensure privacy of clients.</p>	<p>Allocated at least five percent of the total agency appropriations.</p> <p>Not Implemented</p> <p>Reiterated in 2017 AAR (Observation No. 18)</p> <p>Fully Implemented</p> <p>The GAD focal person coordinated with the Planning Branch to ensure accomplishment of the activities/project in a feasible manner.</p> <p>Not Implemented</p> <p>The room for lactating/nursing mothers is still not relocated to a private area.</p>
<p>35. Compliance to Tax Laws</p> <p>Non-remittance of taxes withheld by the Regional Centers (RCs) in prior years (PYs) amounting to ₱4,364,826.77 and significant amount of ₱2,281,255.36 representing unrecorded and erroneous recording of taxes withheld and remitted renders the year-end balance of the account Due to BIR totaling ₱9,555,648.15 of doubtful validity.</p>	<p>2016 AAR pars. 36-36.6</p>		

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<p>We recommended that the Management direct the Chief Accountant to:</p> <p>a. prepare the necessary BIR Tax forms (i.e. 1600, 1601-C and remit the taxes withheld in the Trust Fund for the month of February in the amount of ₱5,782.25;</p> <p>b. review, analyze and reconcile the beginning balance of Due to BIR account; and</p> <p>c. reconcile and prepare necessary adjusting entry to reflect the discrepancies noted amounting to ₱2,281,255.36 for the year 2016.</p>		<p>The taxes withheld in the Trust Fund for the month of February in the amount of ₱5,782.25 were already remitted.</p> <p>The recommended adjustment will also be taken up in the books in 2017.</p> <p>Efforts were exerted to reconcile the prior years' account by tracing back transactions to bring its balance to the correct amount. Reconciliation of accounts for the year 2015-2016 was already done.</p>	<p>Fully Implemented</p> <p>Remitted in April 2017.</p> <p>Not Implemented</p> <p>Not yet reconciled as of date.</p> <p>Partially Implemented</p> <p>There are discrepancies not yet reconciled as of date.</p>
CY 2014 AAR			
<p>36. In the implementation of the 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 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</p>	<p>2014 AAR pars. 1-22</p>	<p>Given the number of regular conciliators vis-à-vis the average requests received by the Conciliation Unit per month, acting on all the requests will be difficult to achieve. Other than manpower request, the Management have tapped and trained several employees from different departments to act as conciliator-mediators.</p> <p>Conciliation Unit made constant follow-ups on its status through telephone calls, being the most efficient and fastest means of communication. However, albeit constant requests, the NCMB failed</p>	

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<p>the purpose of the Single-Entry Approach (SEnA), for the judicious and speedy settlement of labor issues or conflicts is fully attained.</p> <p>We recommended that the Management:</p> <p>a. 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</p> <p>b. regularly monitor status of cases referred to the NCMB.</p>		<p>to update this Administration of the current status and return of said RFOs since the said office only has one personnel who encodes and records the requests forwarded to the said office.</p>	<p>Partially Implemented</p> <p>An AOM was issued on this matter.</p> <p>Fully Implemented</p> <p>Management made constant follow-ups.</p>
<p>37. Properties transferred without cost from the North Luzon Growth Quadrangle City of San Fernando, La Union to the POEA – Center Luzon have not been recorded in the books of the Agency as of December 31, 2014, understating the corresponding Property, Plant and Equipment (PPE) accounts.</p> <p>We recommended that Management properly itemize the transferred properties in the Invoice and Receipt of Property (IRP) duly signed and acknowledged by representatives of both</p>	<p>2014 AAR pars. 206- 209</p>	<p>As per POEA La Union, most of the properties donated by the North Luzon Growth Quadrangle City of San Fernando, La Union were unserviceable and are for disposal. Properties which are</p>	<p>Not Implemented</p> <p>No itemized report has been submitted.</p>

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation and Audit Team's Validation
agencies, in order to record these properties in the books to present fairly the accounts in the financial statements.		identified as serviceable will be recorded in the books.	
CY 2013 AAR			
<p>38. The accountability over the implementation of the Employment Permit System (EPS) – Test of Proficiency in Korea (EPS-TOPIK) which is a special government to government hiring program covering the period calendar years (CYs) 2005 to 2011 had not been transparent due to non-recording of financial transactions, including collections estimated at US\$515,436.00, as well as disbursements made out of the funds.</p> <p>We recommended that the POEA officials responsible in implementing the EPS-TOPIK from 2005 to 2011 account for the funds received. That complete recording/accounting of the funds be submitted as well as all the documentary requirements covering the expenses incurred to implement the program.</p> <p>We also recommended submission of all Memorandum of Understanding (MOU) covering the 1st up to the 7th EPS-TOPIK and the Service Commitment Agreements (SCAs) executed pursuant to the MOU.</p>	2013 AAR pars. 61-72	<p>Efforts were exerted to retrieve all the documents pertaining to the conduct of the EPS-TOPIK, but these were already submitted to MOEL-Korea as liquidation to the funds given to POEA. Also, the persons handling the project have already retired and no copies of the report were turned over to the next project manager.</p>	<p>Not Implemented</p> <p>Full accounting could no longer be made as the officials responsible were no longer connected with POEA.</p> <p>Not Implemented</p> <p>The officials concerned for the submission of MOU were no longer connected to POEA and there were no records of MOUs on file.</p>

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<p>Henceforth, all funds received by the POEA to implement the EPS-TOPIK and similar programs be treated as government funds and utilization thereof be subjected to all pertinent laws, and accounting and auditing rules and regulations.</p>			<p>Partially Implemented</p> <p>The correctness of amount subsequently received by the POEA as share from the collection of the EPS TOPIK could not be fully established due to lacking records/reports on the actual amount collected.</p>