

NATIONAL WAGES AND PRODUCTIVITY COMMISSION
2nd Flr. DY International Bldg., San Marcelino corner Malvar St., Malate, Manila

Agency Action Plan and
Status of Implementation
Audit Observations and Recommendations
For the Calendar Year 2016 (Current Year)
As of June 30, 2017



Reference No. (M/CAAR)	Category	Audit Subject	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay /Non-Implementation, if applicable	Action Taken/Action to be taken
					Action Plan	Person/Dept. Responsible	Target Implementation				
							From	To			
CAAR 2016 p.24	Value for Money Audit	Accomplishment of Targeted Programs and Projects	The NWPC exceeded by 10 percent the agency's CY 2016 targets of providing 277,000 Micro, Small and Medium-sized Enterprises (MSMEs) with productivity improvement programs (PIPs) or a total of 305,386 MSMEs beneficiaries. Moreover, RTWPS-NCR equaled its 2016 target of monitoring and documenting the action plan implementation of 10 MSMEs that were provided with PIPs.	We commended the Management for exceeding its CY 2016 target and utilizing its available resources. We also recommended that: a) Regional Board-NCR continue to maintain its remarkable accomplishments. b) The Management of NWPC closely supervise and continuously monitor the implementation of targeted programs and activities in order that all Regions meet or surpass their targets.	Continue good performance in accomplishing expected outputs	Merlita R. Cas	2017	onwards	POSITIVE AOM	N/A	Management submitted a letter dated March 31, 2017 acknowledging receipt of Audit Observation Memorandum (AOM) No. 2017-05 (2016) dated March 31, 2017 recognizing RTWPS-NCR's implementation training program and technical assistance provided to Metro, Small and Medium Enterprises (MSMEs). We are extending our sincere gratitude for the positive findings and observations. Rest assured that we will continuously observe the prescribed rules and regulations in our succeeding transactions related thereto.
CAAR 2016 p.32		Development Training and e-Learning Modules	NWPC-Main Office was able to upgrade/revise its existing training modules on industrious, Systematic, Time-conscious, Innovative (ISTI) for succeeding in business and strong Value-Bayanihan; and finalize the e-learning modules on the 5S of Good Housekeeping and Productivity during the year; thus, the objective of meeting the agency's target or expected output was fully realized.	We recommended that the Management continue its good performance in accomplishing its expected outputs.		NWPC-Main	2017	onwards	POSITIVE AOM	N/A	The Management in its letter dated April 17, 2017, expressed its sincere appreciation of the favorable findings, assured to continuously adhere to the development of training modules and committed to exceed the expected output.
CAAR 2016 p.35	Financial and Compliance Audit	Deficiencies in handling Cash Accountabilities	RTWPS-NCR The designated Petty Cash Fund Custodian (PCFC) of RTWPS-NCR with multiple PCF accountabilities did not: (a) submit duly accomplished Petty Cash Vouchers (PCV) and reports of paid PCVs and (b) maintain PCF records, as required under the Government Accounting Manual (GAM); thus, resulting in the difficulty of monitoring PCF utilization, replenishment and balances. Likewise, the PCFC was performing incompatible functions such as cashiering, disbursing, procurement and property custodianship contrary to good internal control.	RTWPS-NCR a. To assign another personnel as PCF custodian and SOQ for special activities/projects to avoid incompatible functions; b. To require the PCF Custodian to prepare duly accomplished PCVs for each payment; RRPCV for every replenishment of PCF; and PCFRec in order to immediately account for the daily utilization and replenishments of the PCF. c. To instruct the accounting unit to assist the PCF Custodian on how to accomplish the required and reports in accordance with the GAM.	a. Assign other personnel to handle cash advances for special activities/projects. b. Instruct PCF Custodian to prepare accomplished PCVs for each payment, RRPCV for every replenishment of PCF, and PCFRec order that will account for the daily utilization and replenishments of the PCF. c. Instruct the accounting unit to assist the PCF Custodian as to the usage of the required forms and reports in accordance with GAM.	Luchie C. Asienza	2017	onwards	Fully Implemented	N/A	The Board has taken the following actions to comply with prescribe requirements: a. The Board has assigned other personnel (the Board Secretary) to handle cash advances for special activities/projects. b. Instructed PCF Custodian to prepare accomplished PCVs for each payment, RRPCV for every replenishment of PCF, and PCFRec order that will account for the daily utilization and replenishments of the PCF. We also designated Ms. Kerlita R. Cas, Supervising Labor and Employment Officer as Petty Cash Fund Custodian starting April 2017. c. Strictly instructed the accounting unit to assist the PCF Custodian as to the usage of the required forms and reports in accordance with GAM.

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			RTWPB-IV-A Region IV-A, PCF of the previous PCFC were transferred to the incumbent instead of liquidating the full amount while replenishments of PCF were not done as disbursements reached 75% level as required in the general guidelines on the grant and liquidation of cash advances under COA Circular No. 2012-001 dated June 14, 2012.	RTWPB-IV-A a. To require the PCF Custodian to liquidate/replenish her PCF as soon as the disbursements reach 75 percent so as not to hamper petty operations of the agency; and b. To require full liquidation of cash advances of retiring agency officials and refrain from transferring cash advances from one accountable officer to another.	The 75% level for replenishment of PCF is being observed as of March 2017. In case there would be any retiring agency official with CA, he/she will be required to fully liquidate his/her CA.	PCF custodian, BS	March	Dec	Fully Implemented	N/A	RTWPB-IV-A The 75% level for replenishment of PCF is being observed as of March 2017.
CAAR 2016 p.38	Financial and Compliance Audit	Granting additional Cash Advances to SDO Despite Non-liquidation of previous Ones	RTWPB-IV-A Additional cash advances were granted to the SDO-Designate of RB IV-A despite the non-liquidation of previous cash advances contrary to Item 4.1.2 of COA Circular No. 97-002, dated 10 February 1997. Moreover, The SDO/Cashier-Designate failed to use the prescribed Reports and Records required under Sections 10 and 17, Chapter 6, Volume I of the GAM.	a. To stop granting additional cash advance without full liquidation of previous cash advances; and b. To require the SDO to maintain the required records and reports as prescribed in the GAM and attend seminar on the implementation of the GAM.	Reason for the overlapping of CAs was the rescheduling of activities thus expenses intended for the original schedule is carried to the new schedule. The new format of reports as prescribed in the GAM are already being used.	BS, SDO, Accountant	Jan	Dec	Fully implemented	Training on GAM rescheduled August 2017	Reason for the overlapping of CAs was the rescheduling of activities thus expenses intended for the original schedule is carried to the new schedule. The new format of reports as prescribed in the GAM are already being used. Place already in the annual calendar of activities (SDO to attend GAM for NGA updated and JRR).
CAAR 2016 p.39	Financial and Compliance Audit	Inaccurate balances of Inventory Accounts	RTWPB V The accuracy of the reported balance of Office Supplies Inventory amounting P111,349.29 in RS V was not established due to the unreconciled P19,483.27 difference between accounting records and the Report on the Physical Count of Inventories (RPC).	RTWPB V To require the Supply Officer to coordinate with the Accountant for the immediate reconciliation of the RPC with the accounting records for the account Office Supplies Inventory;	To immediately reconcile the RPC with the accounting records for the Office Supplies Inventory and to make the necessary adjustments, if necessary.	Supply Officer Designate & Accountant Designate	2nd Quarter 2017	4th Quarter 2017	On going	N/A	RTWPB V The Management committed for the immediate reconciliation of the RPC with the accounting records for the Office Supplies Inventory and to make the necessary adjustments, if necessary. The Accountant-Designate immediately caused the reconciliation of the said accounts.
			RTWPB X and XII Inventory account balances totaling P196,790.42 in RBs X and XII were inaccurate due to recording of P14,483.42 purchases as outright expenses instead of to the specific inventory accounts and failure of the Supply Unit of RB X to submit monthly Reports of Supplies and Materials (RSM) as basis of the accountant to record issuances, as required under Sections 5 and 17(g), Chapter 8, Volume 1 of the GAM, respectively.	RTWPB X To require the Supply Officer-Designate to prepare and submit to the accountant monthly the RSMs as basis for the preparation of JEV to record issuances and require the Accountant-Designate to prepare the necessary adjusting entries if any, to ensure the reliability and accuracy of inventory account balances; and RTWPB XII To require the Accountant-designate to record all purchases as inventories and credit the same upon issuance to end-users, transfer, loss or other modes of disposal.	RTWPB X 1. The Supply Officer will trace the discrepancies and prepare report(RSM) for undocumented issuances and submit to Accountant Designate. 2. The Accountant Designate will prepare JEV and other necessary adjustments to correct the recorded inventories. 3. The Supply officer will ensure that issuances and purchases should be properly recorded in the stock card and submit to the accountant monthly	1. Supply Officer 2. Accountant Designate 3. Supply Officer	1. August, 2016	1. December 2016	1. Fully Implemented	N/A	RTWPB X The Supply Officer and the Accountant Designate already traced and reconciled the discrepancies and adjustments were already made and reflected on 2016 Year-End Reports. Starting January, 2017, proper recording and necessary reports (RSM) were prepared and reconciled.

Reference No. (RI/CAAR)	Category	Audit Subject	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay /Non-implementation, if applicable	Action Taken/Action to be taken
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					reports (RSM) to avoid unrecorded Supply & Accounting Records; 4. The Accountant Designate will record succeeding purchases and issuances and reconcile with the supply records. RB XII Already done since January of 2017	Accountant	4, January, 2017	4, Onwards	4, Implemented	N/A	RTWPB XII The accountant designate will comply with the recommendations.
CAAR 2016 p.41	Financial and Compliance Audit	Non disposal of Unserviceable Properties	NWPC Main, RTWPB I, III and IVB Unserviceable/obsolete properties of NWPC Main and three RBs totalling P2,430,123.59 included in the physical inventory report were not disposed of contrary to Section 29 of PD No. 1445, thereby exposing the assets to further deterioration and depriving the agency the opportunity to earn additional income. Moreover, the supply/property officers did not prepare and submit Inventory and Inspection Report of Unserviceable Property (IRIUP) in compliance with Sec. 40 (c), Chapter 10, Volume I of the GAM to facilitate their disposal.	a. Supply and/or Property Officers to prepare IRIUP to facilitate disposal of unserviceable properties; and b. Disposal Committee to undertake the necessary procedures for the disposal of unserviceable/obsolete PPE and semi-expendable assets, among others.	The Supply Officer will prepare the Inventory and Inspection Report of Unserviceable Property	Supply Officer	2017	onwards	Fully implemented	N/A	NWPC Main The supply officer and/or property officer has already prepared the inventory and inspection report of unserviceable property (IRIUP) to facilitate disposal of the unserviceable properties. Management submitted a copy of Office Order No. 03 series of 2017 dated January 2, 2017 as to the reconstitution of the Disposal Committee for 2017. The Management issued Office Order No. 11 dated April 12, 2017 on the guidelines for the disposal of unserviceable property. The Disposal Committee issued Resolution No. 001 dated May 4, 2017 recommending to the NWPC Head the disposal of 28 items consisting of 24 tires and 7 car batteries (Annex "A").
					RTWPB I To dispose the Tamaraw FX by way of donation. Others, by way of destruction. RTWPB III Members of Disposal committee convened for the second time last June 30, 2017 and agreed to donate all the unserviceable PPE to institution like TESDA. The supply Officer, Designate will be working on the necessary documents with regards to donation of PPE	RB I-Supply office RTWPB III Supply Officer, Designate and Accountant, Designate	Jan 2017	May 2017	RB I Fully implemented. May 19, 2017.		RTWPB I The management agreed to comply with the said recommendations. Proper disposal has been undertaken on the disposal of Tamaraw FX by way of donation to Bgy. Pao Norte, San Fernando, La Union. While the rest of the unserviceable properties are to be destructed as they are no longer be of use by any other way. RTWPB III The member of the Disposal Committee convened on March 7, 2017 to review the list of unserviceable properties and discussed the manner of disposal. The approved IRIUP was also submitted to COA and request for inspection of the COA Resident Auditor.
					RTWPB IVB To dispose the unserviceable PPE before the end of the year 2017	Supply Officer/Accountant Designate/Disposal Committee	May 2017	Dec 2017	Partially implemented	Delay of disposal due to unavailability of appraised value and due to other priority programs of the office.	RTWPB IVB The management had already created a committee to undertake the disposal process and the Supply Officer Designate had prepared the IRIUP waiting for the final appraised value to be decided by the disposal committee by seeking the assistance of reliable persons to determine its true value. The disposal committee devised disposal program to be implemented immediately.

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CAAR 2016 p.43	Financial and Compliance Audit	Non Compliance with R.A. No. 656 or the Property Insurance Law	RTWPS XII Property Plant and Equipment with the total acquisition cost of P2,968,222.72 were not insured with the General Insurance Fund of the Government Service Insurance System (GSIS); thus, exposing the properties to risk of being indemnified for any damage to or loss of properties due to fire, earthquake, storm or other unforeseen events contrary to RA No. 656, as amended.	Submit to the GSIS and inventory of all insurable properties within the prescribed timelines and thereafter secure insurance of the same with the GIF of the GSIS to ensure compensation in case of loss thereof.	Submit the list of insurable properties to GSIS	Property Officer Designate			Fully Implemented		Payment of the PPE's insurance was done. Copies of the payment were furnished to COA Office.
CAAR 2016 p.44	Financial and Compliance Audit	PPE and Intangible Assets erroneously classified as Other Assets account	NWPC Main The balance of Other Assets account of NWPC Main Office was overstated by P1,544,808.00 and the PPE and intangible accounts were both understated by P1,272,808.24 and P271,999.76, respectively, as the recorded items were not among those classified/recognized as Other Assets pursuant to the Revised Chart of Accounts prescribed under item 99 of Chapter 3, Volume 3 of the GAM.	We recommended that the Management require the accountant to carefully analyze the Other Assets account and reclassify items to the specific PPE or semi-expendable properties and intangible assets accounts; and derecognize the Intangible Assets in the books.	The Accountant will prepare the necessary adjusting entry for reclassification and derecognition of intangible Assets.	Accountant	2017	May 2017	Fully Implemented		The Management had already prepared the adjusting journal entries for the reclassification and derecognition of Intangible Assets. The reclassification entries for semi-expendable of prior years and appropriate PPE accounts had also been prepared and submitted to COA for review.
CAAR 2016 p.45	Financial and Compliance Audit	Negative Balances of account Due to BIR in the General/Subsidiary Ledgers	NWPC Main and RTWPS X The validity and accuracy of the reported balance of Due to BIR account amounting to P1,089,274.35 could not be established due to (i) negative balances in the subsidiary ledgers totaling P844,945.85, and (ii) unreconciled SL balance amounting to P130,771.94 while for RTWPS X, negative account balance amounting to P11,073.03 existed due to failure of the accountant to maintain SLs to monitor individual personnel deductions and remittances.	a. the Accountants of the NWPC Main and Regional Boards to exercise due care in recording transactions to avoid the incurrance of the noted errors; and b. NWPC Main – conduct a thorough review of the Subsidiary Ledger Balances and effect the necessary adjustments to reflect the true balances of the accounts.	NWPC Main The Accountant will conduct a thorough review of the balances of its subsidiary ledger and will prepare the necessary adjusting entries.	Accountant	2017	onwards	Ongoing	Regular workload	NWPC Main Verification of available accounting records thru the eNGAS (Electronic National Government Accounting System) showed that the negative balances in the SLs existed as early as CY 2007 while the unreconciled SL balance of P130,771.94 was initially established as beginning balance on March 31, 2005. The transactions having been posted more or less 10 years ago, Management needs an ample time to conduct a thorough review of the SL Balances to effect the necessary adjustments, if any. Once reconciled, a report will be submitted on the matter. Based on the Management Letters issued by previous auditors covering the periods CY 2011 to 2015, NWPC had been faithfully adhering with the tax laws and regulations in deducting/withholding appropriate taxes and immediate remittance thereof. Rept assured also that we will continuously comply with the requirements of the GAM on the fair and faithful presentation of the balances on the financial statements.
				c. RTWPS X - verify the abnormal balance and maintain SLs for each personnel to monitor individual deductions and remittances. Ensure recovery of the excess payment, if any, and if still within the two-year period. Additionally, prepare and submit the necessary Schedule of Other Payables	1. The previous and current designated accountant will coordinate and trace the abnormal balances of each abnormal accounts. 2. Make necessary adjustments if erroneous entries have made and excess payments	1. Previous and current Accountant designate 2. Current Accountant Designate	1. August, 2016	1. December, 2016	1. Fully Implemented	N/A	RTWPS X All the abnormal balances from previous years were already adjusted and reflected on 2016 Year-End Reports. The current Accountant Designate always reconcile the amounts withhold and the remittances before submission to concerned agencies.
							2. December, 2016	2. December, 2016	2. Implemented		

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					3. Prepare individual ledgers for all deduction/withholds with corresponding remittance to avoid occurrence of over/underremittance for such deductions.	3. Accountant Designate	3. January 2017	3. Onwards	3. Implemented		
					4. Reconcile first the total amount withheld from the payroll for the month against remittance list before remitting to the concerned agencies to prevent abnormal account balances.	4. Accountant designate	4. every Last Week of the month	4. Onwards	4. Done from the start of designation		
CAAR 2016 p.47	Financial and Compliance Audit	Overstated Due to Officers and Employees	NWPC Main The longevity pay Expenses of P219,000.00 was recognized twice in years 2015 and 2016 in the book of accounts that resulted in the overstated of the Accumulated Surplus/Deficit account by the same amount.	The accountant prepares necessary journal entries to adjust the payable and the expense accounts to Accumulated Surplus/Deficit.	The Accountant will prepare the necessary adjusting entry	Accountant	March 2017	March 2017	Fully Implemented	N/A	The Management had made the necessary adjusting journal entries as provided under a letter dated 29 March 2017 received by COA on 31 March 2017 with an attached copy of the JV made.
CAAR 2016 p.48	Financial and Compliance Audit	Delayed/Non-submission of Financial Reports, Contracts/Purchase Orders and Other Documents	RTWPS II, IVB, V, VIII, IX, XII and XIII The delayed or non-submission of contracts/purchase orders, financial reports/documents precluded the timely audit of the financial transactions and adversely affected the timely evaluation and determination of the regularity, validity, completeness and accuracy of recorded transactions contrary to existing laws and COA rules and regulations.	Require the Accountant, Designates and other responsible Officials of the RTWPSs to: a. Comply strictly with the prescribed submission of financial reports and documents to the Office of the Auditor to facilitate the complete review and audit of accounts and audit of accounts and to affirm the reliability of the Management's assertions on the existence/occurrence, validity, accuracy and completeness of the recorded transactions, otherwise, enforce the provisions of Section 122 of PD No. 1445 which states, among others, that failure on the part of the officials concerned to submit the documents and reports mentioned herein shall automatically cause the suspension of payment of their salaries until they shall have complied with the requirements of Commission; b. take appropriate action against officials and employees responsible for such deficiencies pursuant to the provisions of Section 122 of PD No. 1445; and c. furnish the Office the Audit Team copies of perfected contracts and/or Purchase Orders together with all its supporting documents, as well as notice of delivery for procured goods within the prescribed period as stated in the aforementioned COA Circulars.	RTWPS II To comply with the audit recommendations RTWPS IVB To submit the financial documents and reports RTWPS V Timely submission of the stated documents must be observed.	RB II - Yercita A. Lagrama (Cashier) RB IVB - Accountant designate RB V - Accounting Personnel	Jan January 2017 1st Quarter 2017	Dec February 2017 2nd Quarter 2017	Implemented Fully implemented Fully implemented	N/A	RTWPS-II Management commented that starting CY 2017 they will comply with the audit recommendation. RTWPS-IVB The management submitted the financial reports and its supporting documents. RTWPS-V Management committed to submit the BCs, DVs and supporting documents for the month of December 2016 Management commented that the delay in the submission of the bank reconciliation statements is mainly due to the late receipt of the bank statements from the Landbank of the Philippines (LBP)-Legazpi City.
					RTWPS VIII To prepare transmittal of all documents to be submitted. Every 20th of the month is set as cut-off date for processing of transactions	RB VIII - Accountant Designate All RTWPS personnel concerned; Supply Officer Designate; SDO Designate; Budget Officer/ Accountant Designate.	Mar. 2017	Continuing	All financial reports and its supporting documents for CY 2016 were submitted last January 31, 2017	Delayed submission of paid DVs from the SDO. PO's are not submitted regularly thus the delay in processing	RTWPS-VIII During the exit conference management agreed that submission of said documents will be covered by transmittal letter. They also agreed to implement a strategy by making cut-off dates on the processing of transactions to avoid incurring undaimed checks at month end which hindered the submission of accounts within the deadline. Also, the designated Supply Officer recognized the noted deficiency and gave assurance to furnish the Audit Team copies of POs and IARs. Likewise, the Accountant informed that POs not marked "Received" by COA shall not be processed for payment.

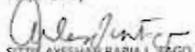
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					<p>RTWFB IX</p> <ul style="list-style-type: none"> To communicate with the Manager of the depository bank for the release of the monthly bank statement, if possible within 15 calendar days of the ensuing month to be able to prepare and submit the required BRS for the Team to validate the corrections/ accuracy of the account Cash-LCCA. to submit the disbursement vouchers, official receipts and other financial reports within the prescribed period, every 5th day of the ensuing month. to facilitate a timely and more effective audit of the Agency's financial transactions and evaluation of operations. 	Accountant Designate and Cashier Designate	2017	onwards	<p>Full implementation (by requesting the snapshot at end of month or 1st week of the of the month)</p> <p>On going</p>	N/A	<p>RTWFB-IX</p> <p>Management commented that due course will be given to the recommendations and the Chairman of the Board had already instructed the concerned officers to take such action as may be appropriate for the purpose.</p> <p>The Board Secretary and Accountant-Designate, commented that they will try to comply with the recommendation and assured the Team that these will be submitted as prescribed although the delays can be attributed also to the late releases of bank statements by the LBP which is also a perennial problem of other NGAs.</p>
					<p>RTWFB X0</p> <p>Make sure that all transactions with complete documents must be submitted to the auditor</p>	Accountant/ Special Disbursing Officer and Supply Officer	January 2017	to present	Fully implemented	N/A	<p>RTWFB-XII</p> <p>It should be noted that the inadvertent delay of submission of required supporting documents are due to the following reasons:</p> <ul style="list-style-type: none"> That it is during the covered period when the attendance of the concerned staff are required to either attend or conduct trainings being done locally or as called by the National Wages and Productivity Commission (NWPC); thus, their absence to prepare and submit the required documents on time. That the staff assigned to do process are newly hired; thus, still adjusting with the process and finding ways to adjust. <p>In conclusion, the Management assures of its compliance on the next business transactions with the directive per P.D. Number 1445.</p>
					<p>RTWFB-XIII</p> <p>Managements made a close coordination with LBP-Butuan Branch. In fact, copy of this ACM was given to LBP for their PROMPT attention.</p> <p>Unfortunately, delay on the retrieval even on snapshots of the MOS balance is still experienced.</p> <p>Nonetheless, management will STILL straighten coordination with LBP-Butuan to fully address and implement the concerned matter.</p>	Accountant Designate	2017	onwards	Fully implemented	N/A	<p>RTWFB-XIII</p> <p>Management replied that as far as the office is concerned request for BRS were done monthly but LBP Butuan contributed more to the delay. It is always a scene that either request forms were lost or LBP concerned personnel was re-assigned in other accounts. However, accepted the fact that is still the look out of the Accountant to submit the required document in a timely manner</p>

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			RTWPB-II Non-compliance with the provisions of COA Circular No. 2015-007 dated October 22, 2015 prescribing the use of the GAM for all NGAs specifically pertinent provisions of Volume I on the use of Accounting Books, Registries, records, Forms and Reports, thus affecting the reliability and accuracy of financial reports	RTWPB-II Require the Accountant to comply strictly with the provisions of COA Circular No. 2015-007 dated October 22, 2015 on the use of accounting books, registries, records, forms and reports in the formats as prescribed in the Government Accounting Manual as well as the use of the Unified Account Codes System (UACS).	To comply strictly with COA rules and regulations	RB II - Mary Rose R. Laya (Accountant Designate)	Jan-17	Dec-17	Fully implemented	N/A	RTWPB-II During the exit conference management committed to comply with the audit recommendations.
			RTWPB-VIII The Accounting Unit failed to use such prescribed forms as Index of Payments (IP) and Notice of Obligation Request and Status Adjustments (NORSA), and does not indicate the DV number on every sheet of the supporting documents required under the GAM; thus, the potential risks of double/overpayments due to repeated presentation of documents and non-adjustment of recorded transactions, among others.	RTWPB-VIII Require all concerned personnel regarding use of proper forms and complete adherence to prescribed procedures for disbursements as provided in the GAM for NGAs. This is to ensure proper processing of DVs and complete documentation of transactions which shall eventually facilitate the attainment of easier, complete and accurate reporting including the maintenance of adequate financial records.	To use the prescribed forms	Budget Officer/Accountant Designate	Mar-17	Continuing	Implemented		RTWPB-VIII
			RTWPB-X Failure of the agency to remit to the respective government agencies the mandatory deductions made from the salary of personnel for the prior years in violation to the provisions on the timely remittance under RA No. 8293, RA No. 7742 and RA No. 7875. Also, the Accountant-Designate failed to prepare the subsidiary ledgers or schedule of deductions for individual personnel, thus casting doubts on the reliability of the reported amounts.	RTWPB X Remit all the mandatory deductions within the prescribed period to avoid penalties and maintain SLs of payroll deductions for individual personnel.	<ol style="list-style-type: none"> The previous and current designated accountant will coordinate and trace the abnormal balances of each abnormal accounts. Make necessary adjustments if erroneous entries have made and excess payments Prepare individual ledgers for all deduction/withholds with the corresponding remittance to avoid occurrence of over/under remittance for such deductions. Reconcile first the local amount withheld from the payroll for the month against remittance list before remitting to the concerned agencies to prevent abnormal account balances. 	<ol style="list-style-type: none"> Previous and current Accountant designate Current Accountant Designate Accountant Designate Accountant designate 	1. August, 2016	1. December, 2016	1. Fully implemented		RTWPB X All the abnormal balances on previous years were already adjusted and reflected on 2016 Year-End Reports. The current Accountant Designate always reconcile all amount withheld with remittances before submission to concerned agencies.
							2. December, 2016	2. December, 2016	2. Implemented		
							3. January, 2017	3. Ongoing	3. Implemented		
							4. Every Last week of the month	4. Ongoing	4. Done from the start of the Designation		

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							From	To			
CAAR 2016 p.58	Financial and Compliance Audit	Gender and Development	<p>While cognizant of the accomplishment of the NWPC and its Regional Boards to implement its targeted GAD plans and activities for the CY 2016, it was not able to submit an adjusted GPB to the PCW to conform with the five percent allocation of its approved Fiscal Year 2016 Budget as required under Item 8.8 of the PCW-ND-DBM Joint Circular 2012-01. Moreover, NWPC-Main, NCR, IVA, VI and XIII did not follow the SMART criteria in preparing GAD objectives illustrated in the Joint Circular.</p>	<p>We commended the Management of abovementioned RTWPs for their compliance with the provisions of the Joint Circular No. 2012-01 of DBM, NEDA and NCRFW and the 2016 GAA requiring the formulation and implementation of their GPBs and also we recommended the following:</p>	The Management committed to adhere with the 5% fund utilization of GAD appropriations. Also it will communicate with PCW the adjusted GPB.	GAD Focal Persons	2017	onwards	Fully Implemented	N/A	<p>NWPC Main The available/endorsed GAD documents thru the PCW Gender Mainstreaming Monitoring System (GMMS) would show that while the NWPC was not able to submit its 2016 GPB due to some technicalities in using the GMMS, yet we submitted the hard copy of the 2016 GPB which was received by the PCW on November 5, 2016. They were advised to use the said GPB and make appropriate adjustments in the 2016 GAD Accomplishment Report. They are unable to re-submit the adjusted GPB since PCW has no database on the validation of the said report.</p> <p>Given the above circumstances, both agencies are still in the process of perfecting the implementation of the PCW GMMS. Rest assured that Management will regularly coordinate with PCW to comply with online submission of GPBs and GAD AIs while the system is fully operationalized.</p>
				<p>RTWPB NCR Continuously provide GAD funds to implement project and activities pursuant to GAA and align the GAD objectives with the SMART objectives criteria</p>		Dulsay P. Moog	2017	onwards	Fully Implemented	<p>RTWPB NCR Management appreciated the audit team's recommendations to continuously implement GAD projects and activities and will continuously provide for appropriate funds related thereto.</p> <p>With respect to the alignment of GAD objectives with the SMART model in order to be measurable and specific to ensure accurate evaluation of the agency's performance, management clarified that it follows strictly the suggested model to ensure programs measurability. For instance, in the advocacy activities and technical assistance provided to companies in the implementation of its Wage Advisory, first targeted 50 firms was exceeded as a total of 52 companies were provided with technical assistance. A total of 623 women workers benefited from the said orientation.</p> <p>Auditor's Rejoinder: The Audit Team would like to emphasize that the target percentage were clear 50% and 15% but as to the population in which the target was based it was not given. Example of which could be "50 percent of the 800 women workers" or "15 percent of the total 30 female/male workers" N/A On going (for clarification on the basis of 5%)</p>	
				<p>RTWPB IVA The agency has implemented their GPB with a budget of P133,000.00 or 1.72% only of the agency's total budget of P7,732,459.69; thus, the targeted GAD programs and activities were not fully accomplished.</p>	<p>RTWPB IV-A The OIC-Board Secretary VI require the Budget Officer to prepare GAD Plan and Budget in accordance with the DBM, NEDA and NCRFW Joint Circular No. 2012-01 and the GAA.</p>	<p>Waiting for a written clarification from NWPC on the basis of 5% budget for GAD whether it will be taken from the total budget (PS & MOOE) or from the MOOE budget only.</p>	ES, Budget Officer	Jan	Dec	On-going Implementation	N/A
				<p>RTWPB VI The failure of the agency to submit an appropriate annual GAD Accomplishment Report as provided in Section 38 of GAA 2016 hinders this office to evaluate the compliance of the agency with the requirement of GAD that at least 5% of their budget be allotted for GAD Related PAPs.</p>	<p>RTWPB VI To submit GAD Accomplishment Report and written explanation for not submitting the revised GAD Accomplishment Report despite the reminder.</p>	<p>GAD Accomplishment Report and written explanation were submitted to COA</p>	Accountant Designate	March 2017	April 2017	Fully Implemented	<p>RTWPB VI The Gender and Development (GAD) report was initially submitted, through email on March 1, 2017. The signed hard copy was accordingly submitted last March 3, 2017.</p>
		<p>RTWPB XIII The board failed to create its GAD Focal Point System (GFPS) as required under PCW Memorandum Circular No. 2011-01, thus, the role and functions of the GFPS as a mechanism for catalyzing and accelerating gender mainstreaming in the agency towards the promotion of</p>	<p>RTWPB XIII Establish a Regional GFPS based on the rules, regulations and guidelines as prescribed in the above stated PCW Memorandum Circular and ensure that members will undertake its duties and responsibilities in carrying out various GAD-related activities towards the promotion of Gender Equality and Women Empowerment of the Agency. A copy of the composition of the GFPS shall be furnished to the Audit Team.</p>	<p>Management coordinated with NWPC regarding the composition of Regional GAD Focal Point System (GFPS). Last June 25, 2017, the management created an Office Order (a/c) re:</p>	Accountant Designate, Budget Designate and Personnel Designate	2017	onwards	Fully implemented	<p>RTWPB XIII The Management will coordinate with NWPC regarding the composition of Regional GAD Focal Point System (GFPS). It will commit to create the required composition of the GFPS and will furnish a copy to the Audit Team within first semester of CY 2017. It will also ensure the staff will all undertake its duties and responsibilities in carrying out various GAD related activities.</p>		

Reference No. (ML/CAAR)	Category	Audit Subject	Audit Observations	Audit Recommendations	Action Plan	Agency Action Plan		Status of Implementation	Reason for Partial/Delay /Non-Implementation, if applicable	Action Taken/Action to be taken	
						Person/Dept. Responsible	Target Implementation				
							From				To
			Gender Equality and Women's Empowerment was not be enforced. Other regions have positive AOM		membership of RTWPS Caraga GAD Focal Point System and furnished the same to COA Auditor's Office last June 20, 2017. All officers and members shall serve its duties and responsibilities in carrying out various GAD Related activities.						
CAAR 2016 p.65	Financial and Compliance Audit	Senior Citizen and person with Stability	Six Regional Office implemented plans, programs and projects related to Senior Citizens and Persons with Disability pursuant to Section 36 of the General Provisions of the FY 2016 GAA. However, Region III did not have plans, programs, and projects for the elderly and differently-abled persons mandated under said GAA.	We commended the management of NWPC and other RTWPs for complying Section 36 of the General Provision of the FY 2016 GAA in implementing their programs and activities related to Senior Citizens and PWDs. RTWPS III We recommended that Management integrate in the agency regular activities, plans, programs and projects intended to address the concerns of elderly and differently-abled.		NWPC-Main Board Secretary and Personnel Officer, Designate	June 2017 October 2017	POSITIVE AOM Ongoing	N/A	NWPC Main Management submitted a letter dated April 17, 2017 extending sincere appreciation for the favorable findings and assured that it will continuously adhere to the provisions of R.A. No. 10717. RTWPS III Gift giving activities in the celebration of the Elderly month in October will be discussed in June staff meeting	
CAAR 2016 p.66		Compliance with Tax Laws	Except for the non-withholding of taxes from procurement payments amounting to P13,655.82 in Regional Board No. II and of value-added tax from payments of gasoline by CAR, the NWPC-Main and the other Regional Boards withheld the appropriate taxes from payments to suppliers or contractors and employees and remitted the same promptly to the BIR through Tax Remittance Advices in compliance with E.O. No. 651 and related rules and regulations.	Continue to ensure withholding of appropriate taxes and the prompt remittance of the same and Requires RBs-CAR and if deduct the appropriate withholding taxes from all payments that require the same.		NWPC-Main RB II - Mary Rose R. Lara	Jan Dec	POSITIVE AOM Implemented	N/A	Management extended earnest appreciation for the favorable findings and assured that it will continuously adhere to the prescribed rules and regulations affecting the tax laws and regulations.	
CAAR 2016 p.66	Financial and Compliance Audit	Compliance with GSIS Premium Deductions and Remittance	The NWPC-Main and its 16 RBs deducted properly from its employees their CY 2016 Government Service Insurance System (GSIS) contributions and remitted the same immediately to the GSIS together with the government share in accordance with RA No. 8291 or the GSIS Act of 1997.	We commended the Management NWPC-Main and its Regional Boards for complying strictly with the provisions of R.A. No. 8291.		NWPC-Main NCR-Daisy P. Moog	2017 onwards	POSITIVE AOM Implemented	N/A	Management submitted a letter dated March 24, 2017 extending its sincere appreciation for the above favorable findings with the assurance of continuous adherence to the provisions of R.A. No. 8291.	
CAAR 2016 p.69	Financial and Compliance Audit	Settlements of Suspensions, Disallowances and Charges	In RTWPS CAR, I, IV-B, V and XI there were no Notices of Suspensions, Disallowances and Charges issued in CY 2016.	a. Direct the Accountants to monitor settlement of audit suspensions and disallowances; b. Enforce settlement of suspensions and disallowances following the pertinent provisions of the RRSA.	To submit the supporting documents of all travel claims	Accountant Designate	February 2017 March 2017	Fully implemented	N/A		

Prepared by:


SITTIE AYESHA HABIA, CAGC
Accountant III 8/24/17

Certified Correct by:


EDITHA M. SAOS
Chief, Financial Management Division