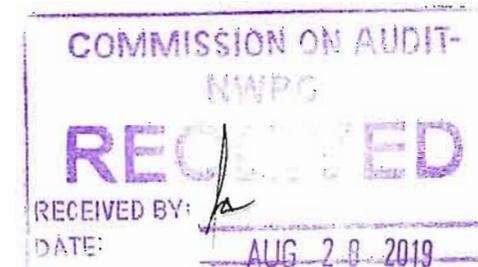


NATIONAL WAGES AND PRODUCTIVITY COMMISSION
2nd Flr. DY International Bldg., San Marcelino corner Malvar St., Malate, Manila

Agency Action Plan and
Status of Implementation
Audit Observations and Recommendations
For the Calendar Year 2018 (Current Year)
As of August 15, 2019



Reference No.	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 Date				
							From				To
CAAR pp. 26-28	Financial Audit	Accounting Errors/Omissions	Unadjusted Residual Value in the Property, Plant and Equipment (PPE) of P424,404.99 as at December 31, 2018 resulted in misstatement in the accuracy and valuation assertions of the PPE accounts in the Financial Statements (FSs) of the NWPC.	We recommended the Management to: a. direct the Accounting Unit to review the estimated useful life of the PPEs and recognize the correct depreciation thereon; and b. make the necessary adjustments to effect the revised residual value of five percent on the other PPE items to be accounted for in accordance with PPSAS 17 and as discussed in COA Circular No. 2017-004 dated December 13, 2017.	a. The Accounting Unit to review the estimated useful life of the PPEs and the correct depreciation; and	Accountant			Fully Implemented	The Accounting Unit has prepared Journal Entry Voucher Nos. 2019-01-000257 to 2019-01-000262 dated January 30, 2019 for the adjustment of the recorded Accumulated Depreciation to conform with the five percent residual value. RTWPB-XII Implemented the reclassification entries in adherence the Government Accounting Manual [GAM] and coordinated the same with NWPC-Central Office for uniformity and effected the monthly depreciation instead of accumulated amount.	
					b. adjust the recorded depreciation to effect the revised residual value of 5% on the other PPE items	Accountant			Fully Implemented		

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CAAR pp. 28-29	Financial Audit	Accounting and Property Controls Deficiencies	Variance between Agency books and the submitted Report of Physical Count of Property, Plant and Equipment (RPCPPE) of NWPC-Central Office (CO) amounted to P1,542,616.12. Moreover, failure of RTWPB VIII to conduct physical count of PPE resulted in non-preparation and non-submission of RPCPPE contrary to Section 38, Chapter	We recommended the Management require: a. the Property Unit to conduct periodic physical count of PPE and present property numbers or codes in a manner that would facilitate efficient record keeping;	a. Management direct the Property Unit to conduct periodic physical count of PPE and present property numbers or codes in a manner that would facilitate efficient record keeping;	Property/Supply Officer			Fully Implemented	Management directed the Property Unit to conduct periodic physical count of PPE and to make the necessary adjustments in the RPCPPE per reconciliation using the property numbers or codes that would facilitate efficient record keeping.	
			10 of the GAM for NGAs, Volume I.	b. the Accounting Unit and the Property Unit to reconcile the PPE account balances per books and in the RPCPPE to fairly present the PPEs; and	b. the Accounting Unit and the Property Unit to reconcile the PPE account balances per books and in the RPCPPE to fairly present the PPEs; and	Accountant and Property Officer			Fully Implemented	The Accounting Unit reconciled the PPE accounts between the balances per book and RPCPPE. Adjustments are taken up by the Supply Officer in the Physical Report. RTWPB-VIII Report on Physical Count of PPE as of December 31, 2018 was submitted on January 8, 2019.	
				c. to constitute an Inventory Committee to undertake physical count on all PPE and embody the results thereof under a duly prepared RPCPPE.					Partially Implemented	RTWPB-VIII The accountable officers, Property and Accountant Designates will conduct the physical count of inventory in the presence of COA personnel/auditor and will submit action plan with timelines not later than September 15, 2019.	

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CAAR pp.29-31			Property, Plant and Equipment accounting and control deficiencies noted in RTWPB Nos. I, II and VIII amounting to P308,688.84 includes: a) misclassification of PPE items to Other Assets account; b) identified unserviceable PPE items not reported in Inventory and Inspection Report of Unserviceable Property (IIRUP); and c) unrecorded transfer of PPE.	We recommended the Management to: a. ensure compliance with Section 40 (b), Chapter 40 of GAM for NGAs, Volume I and direct the Accountant to prepare adjusting entries to reclassify the properties to its appropriate PPE accounts; b. duly record the receipt/transfer of PPE items and coordinate with the Property Unit for the issuance of Property Acknowledgement Receipt (PAR); c. require the Accounting Unit and the Property Unit to reconcile and properly maintain their respective	RTWPB I Make necessary adjustments within the quarter	RTWPB I Accountant Designate	Jan	March	Fully Implemented		RTWPB I Necessary adjustments have already been made in the March Financial Reports.
									Fully Implemented		
									Fully Implemented		
				records such as Property, Plant and Equipment Ledger Card and RPCPPE; d. constitute an Inventory Committee to undertake physical count on all PPE and embody the results thereof							RTWPB-VIII The receipt /transfer was recorded in the accounting books and reflected also in the RPCPPE. The issuance was initially recorded using Acknowledgement Receipt of Property. The Supply Officer was instructed to use the revised form, Property Acknowledgement Receipt (PAR) effective CY 2019.
											RTWPB-VIII The Supply Officer was instructed to maintain its Property, Plant and Equipment Ledger Card The accountable officers, Property and Accountant Designates will conduct the physical count of inventory

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				under a duly prepared RPCPPE; and						in the presence of COA personnel/auditor and will submit action plan with timelines not later than September 15, 2019.	
			e. prepare the Inventory Report of Unserviceable Property (IIRUP) and conduct necessary disposal procedures in accordance with Section 79 of PD No. 1445.	RTWPB-II The Supply Officer Designate prepare the Report of Unserviceable Property and conduct the necessary disposal procedures in accordance with Section 74 of PD. 1445.	Supply Officer Designate	Feb-19	Dec-19	Fully Implemented		RTWPB II Management instructed the Supply Officer Designate to record all the unserviceable properties in the IIRUP in preparation for the disposal with the exemption of some PPEs identified like the EIKI Projector which is still functional.	
CAAR pp 31-32		Properties with total net amount of P22,136.89 in the custody of the Accountable Officers (AOs) of RTWPB No. IV-B at the time of lost was taken up as Due from Officers and Employees but the AOs failed to settle the amount as required under Section 73 of PD 1445 and Section 41, Chapter 10 of GAM for NGAs, Volume I.	We recommended the Management to: a. inform the concerned employees thru the Board Secretary to settle immediately their respective obligations in the amount of P22,136.89; and b. exercise the diligence as a good father of a family in supervising the accountable officers in safeguarding the government properties entrusted to them to avoid loss and misuse.	To replace lost equipment by same brand and model or to pay the amount of the lost equipment at the present assessed value or in the residual value	All concerned employees			Partially Implemented	The Management informed already the concerned employees regarding the AOM.	Letter was sent to the auditor requesting for extension of period to settle. The concerned employee was informed of the AOM. The Board Secretariat will purchase same model and brand to replace the lost unit	

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CAAR pp. 33-34		Unreconciled balance of account Due from National Government Agencies	The year-end balance of Due from National Government Agencies account does not present fairly due to advance payments not taken in the books and unrecorded deliveries amounting to P35,419.78 and P37,004.57, respectively and Agency's long-standing unreconciled beginning balance of P75,706.56 as a result of	We recommended the Management to direct the: a. Property Unit to: (i) submit/attach delivery receipts every time deliveries are received whether constructive or actual transfer; (ii) coordinate with the Accounting Unit to record P37,004.57 worth of deliveries; and	a. The Property Officer and Accountant to have a proper coordination every time deliveries are received	Property Officer and Accountant			Fully Implemented	The alleged unrecorded advance payments and unrecorded deliveries amounting to P35,419.78 and P37,004.57, respectively, were actually replenishments made and sales invoices issued for airline travel under the GFA fund. The replenishments were recorded directly as traveling expenses, hence,	
			inadequate (1) coordination between the accounting and procurement units and (ii) monitoring of payments to Department of Budget and Management (DBM) - Procurement Service							will not be reflected in the due from NGAs account. With regard to the sales invoices issued, the amounts P2,542.64 and P13,623.08 dated 30 October 2018 and 13 December 2018 respectively, are requested to be deleted due to incorrect charging.	
				b. Accounting Unit to: (i) record the P35,419.78 worth of advance payment and unrecorded deliveries; and (ii) exert more effort to coordinate with the DBM-PS regarding reconciled beginning balance.	b. The Accountant with the Property Officer to exert more effort in coordinating with the DBM-PS	Accountant and Property Officer			Partially Implemented	DBM-PS refunded NWPC the dormant balance from CY 2012 and below amounting to P36,696.74 per LBP Check No. 0601942 dated June 17, 2019. The NWPC books will be adjusted accordingly.	

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CAAR pp. 35-37		Delayed and/or Non-submission of Trial Balances (TBs), Financial Reports (FRs), Bank Reconciliation Statements (BRSs) and other related documentary requirements	The delayed/non-submission of the monthly Bank Reconciliation Statements (BRSs), Trial Balance (TB), Reports of Fuel Consumption, Budget and Financial Accountability Reports (BFARs), Purchase Orders (POs) and other supporting documents as required under Sections 7.1 and 7.2 of the Revised Rules and	We recommended the Management of: a. RTWPB Nos. III and V - instruct the assigned driver to fill-up completely the Trip Tickets and submit to the Accounting Division for attachment to fuel consumption claims;	RTWPB-III The Supply Officer and Personnel Officer, Designates are responsible for the submission of Purchase Orders /Contracts with their supporting documents to COA Audit Team upon approval.	Supply Officer, Designate/ Personnel Officer, Designate	March 2018	Onward	Fully Implemented		RTWPB-III Copy of Purchase Order submitted on March 8, 2018
			Regulations on the Settlement of Accounts (RRSA) and Section 74 of PD No. 1445, precluded the conduct of timely review and audit as well as the determination of the propriety of payments for financial transactions.	- prepare the Monthly Report of Gasoline Consumption and submit to the Accounting Division for review; b. direct the Supply and/or Property Custodian to comply with the provisions of law on the submission of Contracts, Purchase Orders, and their supporting documents within five days from perfection or approval thereof to the Office of the Auditor to facilitate timely review and evaluation of the said documents; and	RTWPB- V Prepare and submit Monthly Reports of Fuel Consumption and Official Travel. RTWPB-V To furnish COA Auditors a copy of perfected contracts/purchase orders (PO) together with the basic supporting documents	RTWPB Staff Supply/ Property Officer Designate	Jan 2019 Feb 2019	Onward Onward	Fully Implemented Ongoing Implementation		RTWPB V Monthly Reports on Fuel Consumption and Official Travels of the assigned service vehicle from January - December 2018 was submitted on March 21, 2019. Timely submission of the same for 2019 to be observed. RTWPB-V Furnished and submitted to COA Auditors a copy of perfected contract/purchase orders together with the supporting documents five days upon approval/issuance.

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				c. require the officers concerned to submit the above mentioned reports and should strictly adhere to the above mentioned rules and regulations.	RTWPB-IX The concerned officer/s have been instructed to submit in due time the required reports to existing DBM and COA rules and regulations.	Budget Officer Designate	1st Quarter of 2019		Fully implemented	RTWPB-XI The Management has issued a Memorandum dated January 21, 2019 directing the Supply Officer-Designate/ Property Custodian and Accountant-Designate to comply with the recommendations of the Audit Team. RTWPB-V Timely submission of the stated documents is being observed.	
CAAR pp 37-40		Payment despite absence/lack of adequate required supporting documents	Payments for various transactions totalling P6,062,782.49 were made by NWPC and four RTWPBs despite lacking required supporting documents in violation of Section 4 of PD No. 1445 and COA Circular No. 2012-001 dated June 14, 2012.	We recommended and the Management of concerned offices agreed to: a. cause the immediate submission of the supporting documents stated above to the Office of the Auditor to prevent further audit suspension; and	NWPC/NCR Submit immediately the required supporting documents	Human Resource Officer/ Accountant			Fully Implemented	NWPC/NCR Required supporting documents have been submitted.	
				b. strictly comply with the documentary requirements under COA Circular No. 2012-001 and other pertinent rules and regulations.	RTWPB IX The concerned officers/ have already been instructed to submit the lacking supporting documents soonest so as to avoid the suspension of those transactions.	Accountant Designate and Cashier Designate	Feb 2019		Fully Implemented	RTWPB IX The concerned officers have submitted the lacking supporting documents within February 2019.	

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					RTWPB-XI To immediately submit the lacking documents referred to above in order to support the validity of payroll claims and henceforth, attach these documents to similar claims on the employees' salaries and allowances.	Accountant Designate			Fully Implemented	RTWPB-XI The management instructed the members of the RTWPB-XI Secretariat through a Memorandum dated January 22, 2019 to submit the prescribed Daily Time Records to support their claims of salaries and allowances during the period specified and henceforth to submit the same as attachments to similar claims in the future. The	
										Accountant-Designate also instructed to refrain from processing payroll payments of regular employees' salaries and allowances that lack the supporting DTRs, to avoid suspension.	
CAAR pp 41-46	Compliance Audit	Non-compliance with government laws, rules and regulations	Unliquidated cash advance of RTWPB VIII amounted to P291,462.35.	We recommended that the Management of RTWPB No. VIII to coordinate with the officials and employees of DOLE Region No. VIII to liquidate their cash advances and prepare a request for write-off of long outstanding cash advances duly supported with available records required under COA Circular No. 97-002 dated February 10, 1997.					Partially Implemented	The request for write-off was already submitted to COA, together with all the original documents, thus, waiting for the action of COA. RTWPB-VIII All efforts had been exhausted. The Management is requesting COA's recommendation on the possible remedy, since all transaction documents were wiped out by Yolanda typhoon.	

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			Disbursements totalling P49,211.75 in 2 Regions did not comply with established rules, procedural guidelines, policies, principles or practices resulting in the incurrence of irregular and excessive expenditure.	We recommended that the RTWPBs: a. RTWPB No. VIII - a) cause the reduction or outright deletion of claimed TA if found contrary to relevant provisions of rules particularly considering the existence of circumstances					Fully Implemented	RTWPB-VIII The motor vehicle was issued to the Board Secretary for accountability purposes only. He is using his own private car, thus, claiming the proper Transportation Allowance (TA). This had been discussed with the auditor and will issue memo to transfer the accountability.	
				that require said courses of actions under DBM NBC No. 548 dated May 15, 2013; b) submit the required documentary requirements per COA Circular 2012-001; and c) strictly adhere to rules and regulations, failure of such may warrant for the issuance of Notice of Suspension and Disallowance.							
				b. RTWPB No. IX - require the concerned officer to refund the amount received and to strictly adhere to the above mentioned rules and regulations.	The concerned officer has been instructed to refund the amount received in full on or before May 2019, and to strictly adhere to existing rules and regulations.	Board Secretary and Accountant Designate	May-19		Fully Implemented		Refunded on Feb. 22, 2019 with OR No. 4799650

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CAAR pp 41-46	Other Compliance Issues	Gender and Development (GAD)	Programs, projects and activities identified in the GAD Plan and Budget (GPB) for CY 2018 were properly implemented that addressed gender issues with total actual expenditures of P10,549,000.00 or 5.05 percent of the Agency's total appropriation.	We recommended that the management: a. establish a GAD database and use Gender Mainstreaming Monitoring System (GMMS) to monitor and evaluate GAD activities; and b. continue to design programs and activities that would address gender issues that is within budgeted amounts.		Chief-PID Chief-FMD Chief-AD			Fully Implemented	Management of NWPC commented that submission of the copy of the PCW - endorsed GAD AR was inadvertently overlooked by the concerned staff knowing that it provided all the respective agencies/units with copies of the GAD AR. Rest assured that it will provide the Audit Team with a copy of the PCW - endorsed GAD AR and GAD Plan and Budget immediately and will	
										continously seek technical advice from PCW regarding programs and strategies that would address gender issues and concerns relative to the mandate of the Office.	
CAAR pp 46-47		Property Insurance Law (RA No. 656)	The NWPC and RTWPBs NCR and XI insured their Property Plant and Equipment with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS) in compliance of Republic Act 656 or Property Insurance Law.							POSITIVE AOM	

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CAAR pp 50-51		Compliance with Pag-IBIG Premium and Loans Amortization Deductions	The Pag-IBIG Fund Premium Contribution and Short-Term Loan Amortization of the NWPC CO and 10 RTWPBs have been deducted and remitted timely together with the corresponding government shares amounting to P3,462,754.11 in accordance with the provisions of RA No. 9679.	We commended the Management for strictly complying with the provisions of RA No. 9679 and we recommended that it continue to ensure the same.						POSITIVE AOM	
CAAR pp 51-52		Implementation of programs/projects/ activities for Senior Citizens and Differently-Abled Persons	NWPC CO and four RTWPBs implemented plans, programs and projects that addressed the concerns of Senior Citizens (SCs) and Persons with Disability (PWDs) pursuant to Section 31 of the General Provisions of the FY 2018 GAA.	We commended the Management of NWC CO and RTWPB Nos. III, V, IX and XII for complying with Section 31 of the General Provisions of the FY 2018 GAA in implementing their programs and activities related to Senior Citizens and PWDs; and we recommended that other RTWPBs integrate in their regular activities, plans, programs, and projects intended to address the concerns of elderly and differently-abled persons.						POSITIVE AOM	

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CAAR pp 52-53		Enforcement of Settlement of Suspension, Disallowances and Charges	Only P747,957.40, consisting of disallowance of P368,700.00 and suspensions totalling P379,257.40 or 47 percent of the current and prior years audit suspensions and disallowances of P1,596,509.43 was settled in CY 2018 due to the laxity of the Management to enforce the provisions of COA Circular No. 2009-006 dated September 15, 2009, prescribing the use of the "Rules and Regulations on Settlement of Accounts (RRSA)".	We recommended that the NWPC CO and concerned RTWPBs: a. direct the Accountants to monitor settlement of audit suspensions and disallowances; and b. strictly enforce settlement of the suspensions and disallowances following the pertinent provisions of RRSA.	Region I Compliance with the first quarter	Region I Accountant Designate	Jan	March	Partially Implemented	Region I Concerned employees have paid their disallowances except for the disallowance of Ms. Teresa Sarmiento who already passed away. The office sent a letter to her husband, being her legal heir to settle the same. Still awaiting reply from respondent. NWPC CO/RTWPBs Accountant/Designates will continuously monitor and enforce the settlement of audit suspensions and disallowances	

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