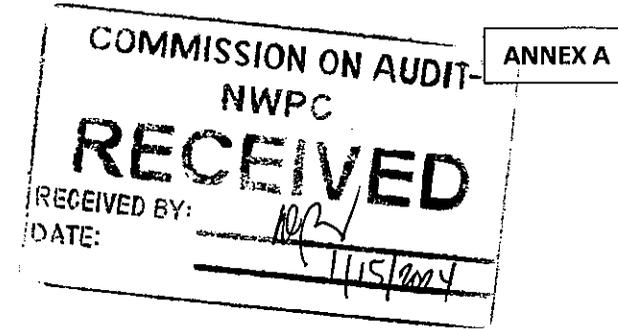


**NATIONAL WAGES AND PRODUCTIVITY COMMISSION**  
2<sup>ND</sup> Floor, DY International Building, San Marcelino cor. Malvar St., Malate, Manila



**AGENCY ACTION PLAN and STATUS of IMPLEMENTATION**  
Consolidated Annual Audit Report  
**Audit Observations and Recommendations**  
For the Calendar Year 2022  
As of December 31, 2023

Ref.	Audit Observations	Audit Recommendations	Agree with recommendations? (YES/NO)	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken
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						From	To			
1.CAAR page no. 60	The Commission's consolidated financial statements (FSs) were prepared in accordance with the applicable and appropriate financial reporting framework of the International Public Sector Accounting Standards (IPSAS), thus, became the basis in rendering an unmodified audit opinion on the financial position of the Commission as at December 31, 2022 and its financial performance, cash flows, changes in net assets/ equity, comparison of budget and actual amounts and notes to financial statements for the year then ended.	The Consolidated FSs of the Commission were free from any material misstatements and prepared in accordance with the IPSAS as at December 31, 2022 and for the year then ended.						POSITIVE AOM		The management expresses its appreciation for the unmodified audit opinion and will continue to perform its mandated functions and prepare all financial reports in conformity with the accepted accounting and auditing principles and standards.
2.CAAR pages no. 60-66	Accounting deficiencies were observed in the recording and reporting of financial transactions due to incomplete documentations of disbursements and lapses in the internal controls contrary to the provisions of Government Accounting Manual for National Government Agencies (GAM for NGAs), Volume I and various COA Circulars, thus, affecting the accuracy, reliability, completeness, validity, and propriety of the	We recommended and Management of the following RTWPBs agreed to:  <b>a. RTWPB II and V</b> enjoin the PCFC to stop using the Petty Cash Fund for recurring and regular expenses.		RTWPB V	PCF Custodian/ Cashier Designate			Fully Implemented		RTWPB II Petty Cash Fund were no longer used for recurring and regular expenses upon the receipt of such AOM.  Necessary attachments for all purchases using the PCF were also prepared beginning February 21, 2023. Lacking documents were submitted to COA dated 19 June 2023. RTWPB V

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ANNEX A

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	<p>reported account balances of the Petty Cash Fund, Due from NGAs, Advances to Officers and Employees and Expenses as of December 31, 2022</p> <p><b>a. RTWPB II and V</b> Regular and recurring operating expenses charged to PCF</p> <p><b>b. RTWPB VIII</b> Non-moving and dormant accounts outstanding for more than 10 years</p> <p><b>c. RTWPB V and XIII</b> Incomplete documentations for disbursements</p> <p><b>d. CO, RTWPBs NCR, IV-A and IV-B</b> Delayed submission of Budget and Financial Reports</p>	<p><b>b. RTWPB VIII</b> re-examine the strategy being employed to maximize effort on the possible recovery of the dormant accounts; but, if thereafter, the same will still prove futile, comply with the documentary requirements for writing off of dormant accounts pursuant to COA Circular No. 2016-005 dated December 19, 2016.</p> <p><b>c. RTWPB V and XIII</b> require the concerned personnel to submit the lacking supporting documents on disbursements made in compliance with the documentary requirements stated in COA Circular No. 2012-001 dated June 14, 2012, in order to fully establish the validity and proprietary of the claims.</p>		<p>Coordinate with LBP regarding threshold in the amount of check – the amount to be reduced from minimum of ₱500.00 to ₱0.00</p>				<p><b>Fully Implemented</b></p> <p>The check amount was reduced from minimum of ₱500.00 to ₱0.00. Supplied undergo proper procurement process to avoid charging to PCF. Water expenses and payment for telephone expenses are paid thru check.</p> <p><b>RTWPB VIII</b> Have collated the relevant documents in support for the write-off of dormant accounts and furnish the COA Audit Team Leader dated November 07, 2023.</p> <p><b>RTWPB V</b> Lacking documents was submitted along with reports dated December 9, 2022 under DV#22-11-314 and LDDAP-ADA No. 9920221101 (PCF Replenishment amounting to ₱14,269.65)</p> <p><b>RTWPB XIII</b> Lacking docs was submitted last July 17 and 19, 2023.</p>	

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ANNEX A

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		d. CO, RTWPB NCR, IV-A and IV-B submit all budget and financial reports including supporting schedules to the Office of the Auditor within the reglementary periods provided in Section 60, Chapter 19 and Sections 5 and 7, Chapter 21 of the GAM for NGAs, Volume 1 and COA-DBM Joint Circular No. 2019-1 dated January 1, 2019.						Fully Implemented	<p><b>NWPC-CO</b> Quarterly reports for CY 2022 were submitted last March 14, 2023.</p> <p><b>RTWPB IV-B</b> All unsubmitted reports and documents as of the issuance of the AOM were submitted on December 7, 2022.</p> <p>Monthly reports for the month of December 2022 were submitted on January 10, 2023 and quarterly reports for the 4<sup>th</sup> quarter of CY 2022 were submitted on January 24 &amp; 26, 2023.</p>	
3.CAAR pages no. 66-68	Out of the P287,331,758.73 allotments received in CY 2022, the Commission obligated P285,694,180.88 or 99.43 percent, leaving an unobligated balance of P1,637,577.85 or only 0.57 percent unutilized budget as at year-end and satisfactorily accomplished its plans and targets for the year achieving 100 or more of their commitment, thus improving the productivity of Micro, Small and Medium Enterprises (MSMEs) and poverty reduction amongst Minimum Wage Earners (MWEs) and domestic workers through fair and reasonable minimum wages.	We commended the Commission for its satisfactory performance and recommend continuing the same in the ensuing years.						POSITIVE AOM	The management express its sincere appreciation for favorable findings and will remain committed in performing its mandated functions while ensuring the achievement of its annual performance targets.	

**NATIONAL WAGES AND PRODUCTIVITY COMMISSION**  
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4. CAAR pages no. 68-70	<p>The annual physical count of Property, Plant and Equipment (PPE) in the Central Office, RTWPBs NCR and V were not properly carried out in accordance with COA Circular No. 2020-006 dated January 31, 2020 due to:</p> <p><b>a. CO, RTWPBs NCR and V</b> non-preparation of approved Physical Inventory Plan;</p> <p><b>b. RTWPBs NCR and V</b> non-creation of an Inventory Committee in RTWPBs NCR and V; and</p> <p><b>c. CO, RTWPBs NCR and V</b> non-observation of physical count of PPE by the Audit Teams in the Central Office, RTWPBs NCR and V, thus, depriving the government of reliable and useful information in decision-making and accountability for these assets.</p>	<p>We recommended and the Management agreed to instruct:</p> <p><b>a. Central Office, RTWPBs NCR and V</b> submit an approved PIP to the Audit Team, at least ten (10) days before the scheduled physical inventory taking; and</p> <p><b>b. RTWPBs NCR and V</b> create an Inventory Committee</p>						<p><b>Fully Implemented</b></p> <p><b>Central Office</b> Submitted the Physical Inventory Plan to COA with Office Order No. 17 last 03 August 2023 and said report was forwarded to regional offices for their reference in creating PIP.</p> <p><b>RTWPB NCR</b> Submitted the Physical Inventory Plan to COA with Office Order No. 008 last 19 September 2023.</p> <p><b>RTWPB V</b> Submitted the Physical Inventory Plan to COA with Office Order No. 009 last 14 September 2023.</p> <p><b>RTWPB-NCR</b> Issued Office Order No. 1 s. 2023 where included in the order was the committee for Inventory and Disposal.</p> <p><b>RTWPB V</b> An Office Order No. 01 s. 2023 regarding designations and membership of RTWPB personnel to different</p>	

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		<p><b>c. CO, RTWPBs NCR and V</b> ensure that the inventory-taking shall be witnessed by the Audit Team Leader and/or any of his/her Audit Team Members.</p>							committee was issued and was effective last March 1, 2023. Included in this order was the creation of Inventory and Disposal Committee headed by the Board Secretary with members from the HR, Planning and Finance.	
5. CAAR pages no. 70-71	Non-designation of an appropriate personnel to perform the mandated duties and responsibilities as Bids and Awards Committee (BAC) Chairperson in RTWPBs III and XIII resulted in conflict of interest and performance of incompatible functions contrary to Section 11 of RA No. 9184 and its 2016 Revised Implementing Rules and Regulations (RIRR).	<p>We recommended and the Management agreed to:</p> <p><b>a. RTWPBs III and XIII</b> designate new BAC Chairperson to avert conflict of interest and performance of incompatible functions in compliance with RA No. 9184 and its 2016 RIRR.</p>						<b>Fully Implemented</b>	<p><b>RTWPB III</b> Have appointed new Senior Labor and Employment Officer and Labor Employment Officer III and designated them as new composition of BAC per Office Memorandum dated February 16, 2023.</p> <p><b>RTWPB XIII</b> Office Order for the new member of BAC was submitted to COA for reference of the implementation last March 28, 2023.</p>	
6. CAAR pages no. 71-72	Except for incomplete GAD Agenda, the Commission was able to allocate at least five percent of the total approved appropriations for GAD-related programs and projects in its regular activities in compliance with Section 34 of the General Provisions of GAA for FY 2022.	<p>We recommended and the Management to:</p> <p><b>a. Central Office</b> complete the GAD Agenda in accordance with the PCW Memorandum Circular No. 2018-04 dated September 19, 2018.</p>						<b>Not Implemented</b>	<p><b>Central Office</b> Formulation of GAD Strategic Plan was drafted with the assistance of consultant from PCW. Initial draft was presented to the management. Review of the submitted draft was ongoing.</p>	

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									The management assure that we will submit the GAD Plan once available.
7. CAAR pages no. 72-73	Except for RTWPBs IV-A and VII, the Commission formulated plans, programs and activities related to Senior Citizens (SCs) and Persons with Disability (PWDs) and integrated the same in their regular activities in accordance with Section 35 of the General Provisions of RA No. 11639.	<p>We recommended and the Management of the concerned RTWPBs agreed to instruct the:</p> <p><b>a. RTWPB IV-A</b> allocate funds for SCs and PWDs in compliance with RA No. 11639; and</p> <p><b>b. RTWPB VII</b> formulate plans, programs, activities and projects and integrate the same in its regular activities, the plans, programs, and projects intended to address the concerns of SCs and PWDs.</p>					Fully Implemented		<p><b>RTWPB IV-A</b> Submitted to COA last June 14, 2023 on the programs and projects for SCs and PWDs and allocate funds, respectively.</p> <p><b>RTWPB VII</b> The board formulated a plans and programs related to SCs and PWDs duly approved by the Chairperson.</p>
8. CAAR pages no. 73-74	Except for RTWPBs IV-A and IV-B, the reported insurable assets of the Commission totaling P50,625,946.53 were covered with insurance amounting to P324,519.59, thereby, providing the properties with adequate insurance protection against any damage to, or loss of government properties due to fire, earthquake, storm or other fortuitous events, in compliance with RA No. 656 or Property Insurance Law.	<p>We recommended and the Management agreed to:</p> <p><b>a. RTWPBs IV-A and IV-B</b></p> <p>a.1 insure all insurable assets with the GIF of the GSIS pursuant to RA No. 656;</p> <p>a.2 instruct the Budget Officer to include in its annual appropriation the amount necessary to cover the premiums for the insurance of its properties; and</p> <p>a.3 instruct the Supply Officer to prepare and submit the Property</p>					Fully Implemented		<p><b>RTWPB IV-A</b> Applied property insurance with coverage period from March 7, 2023 to March 2024.</p> <p><b>RTWPB IV-B</b> The property insurance was applied on February 3, 2023 and the amount billed was paid to GSIS Batangas on February 16, 2023. The copy of Official Receipt and Insurance Policy were submitted to Audit Team on February 23, 2023.</p>

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ANNEX A

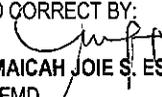
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		Insurance Form of all insurable physical assets to the GSIS for adequate insurance coverage with the GIF.							
9. CAAR page no. 74	The Commission deducted from the salaries of its personnel the required taxes and GSIS, PhilHealth, and Pag-IBIG premiums and remitted the same, as well as the government shares, within the prescribed periods to the concerned institutions or agencies.	We commended the Management for strictly complying with the rules and regulations on the withholding and remittance of taxes to the BIR and the premiums/contributions of their personnel to the GSIS, Pag-IBIG and PhilHealth.						<b>POSITIVE AOM</b>	The management extend its sincere appreciation for the favorable audit findings and will remain committed to continuously comply with the rules and regulations implemented by the concerned government agencies (BIR, GSIS, Pag-IBIG, and PhilHealth) and prompt remittance of monthly mandatory deductions of contributions.
10. CAAR page no. 75	Audit disallowances and suspensions amounting to ₱856,557.44 and ₱16,278.61 respectively, remained unsettled at year-end.	We recommended and Management agreed to strictly enforce settlement of the suspension and disallowances as required under Section 7.1 and 7.2 of COA Circular No.2009-006 dated September 15, 2009 and Section 28 of the RRSA						<b>Not Implemented</b>	<p><b>Central Office</b> Disallowance of ₱71,000.00 was settled in 2023. Remaining balance of ₱20,000.00.</p> <p><b>RTWPB IV-A</b> Disallowance is still on appeal for ₱141,000.00 since 2017 and another appeal for ₱128,886.61 last February 9, 2023.</p> <p><b>RTWPB V</b> Disallowance was settled amounting to ₱59,623.56 in 2023. Remaining balance of 80,586.49.</p> <p><b>RTWPB VI</b> Per issued SASDC dated July 3, 2023 with no. 2023-001,</p>

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								disallowance amounting to ₱2,500.00 was settled.  <b>RTWPB VIII</b> Per SASDC dated March 31, 2023 with no. 2022-01 to 021, disallowances amounting to ₱19,060.00 was settled. Balance of ₱17,578.13 is still on appeal.  <b>RTWPB XIII</b> Per SASDC dated December 31, 2023, ₱12,563 was settled for 2023. Remaining balance of ₱59,614.90.	

PREPARED BY:  
  
**ANGIELYN L. CARO**  
 Accountant (II)

CERTIFIED CORRECT BY:  
  
**APRIL JAMAICAH JOIE S. ESTOQUE**  
 OIC-Chief, FMD