

**OVERSEAS WORKERS WELFARE ADMINISTRATION
MANAGEMENT COMMENTS / ACTIONS TAKEN
CY 2013 ANNUAL AUDIT REPORT ISSUED BY COA
As of January 3, 2014**

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTIONS TAKEN	VALIDATION
A. Financial and Compliance			
<p>1. Repatriation Costs chargeable against the employers/principals and/or recruitment agencies (RAs) of the repatriated Overseas Filipino Workers (OFWs), with a balance of P203.341 million as of December 31, 2013, were recorded as expenses instead of receivables. This resulted in the overstatement of Repatriation Expense account during the year by P5.607 million and understatement of Accounts Receivable and Retained Earnings accounts by P203.341 million and P197.734 million, respectively. Said receivables remained uncollected for more than 6 months to more than 20 years, thereby depriving the Agency of resources to finance other important programs/projects.</p>	<p>1.11 We recommended that the balance of P203.341 million be booked as receivable from the debtors as of December 31, 2013 with the corresponding allowance for doubtful accounts and present the previous year's financial statement at restated amount. Henceforth, the Accounting Division should record all payments to the different airlines representing airfares of repatriated OFWs advanced by OWWA, as receivables from employers/principals and/or recruitment agencies.</p> <p>a. Instruct the Repatriation and Assistance Division (RAD) to immediately report or notify the POEA on the tickets they purchased for the OFWs to be repatriated and recommend the suspension of the licenses of the respective debtors in accordance with Section 55, Article XV of the Omnibus Rules and Regulations Implementing the Migrant Workers and Overseas Filipinos Act of 1995;</p> <p>b. Require the Accounting Division to:</p> <p>b.1 immediately demand reimbursements from the concerned</p>	<p>1. To book balance as receivables from debtors as of 31 December 2013, with corresponding allowance for doubtful accounts.</p> <p>2. To implement an improved internal system to include RAD in the preparation of Reimbursement Demand Letters/notice to the Philippine Recruitment Agency and FMS units to take charge of the following:</p> <p>a. Verification of Billing particulars c/o Accounting;</p> <p>b. Monitoring of payment by PRA c/o Cash and Accounting Divisions;</p> <p>c. Continue coordination with POEA in ensuring the collection from PRAs;</p> <p>3. Endorsement of long overdue accounts to Legal Staff.</p>	<p>Fully Implemented per JEV No. 1404063</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>

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	<p>debtors by sending demand letters together with the copy of the airline tickets and all other evidences of repatriation as soon as repatriation has been made and/or all supporting documents are complete;</p> <p>b.2 monitor payments, and if not paid on due date/s, send monthly statement of accounts, until full payments are made;</p> <p>b.3 send the details and all supporting documents to prove the claim to the seven debtors who claimed that they were not furnished with the copy of the same and to the one whose documents were damaged by flood to COA;</p> <p>b.4 coordinate with the three debtors who confirmed a different balance and reconcile with their records and demand collection of the amount still due, if any;</p> <p>b.5 send final demand letters to the rest of the debtors as shown in the schedule whose accounts are long overdue;</p> <p>b.6 immediately notify the POEA, in coordination with other concerned divisions, of the failure of the debtor/s to fully settle their accounts and recommend for the suspension of their licenses; and</p> <p>b.7 coordinate with the Legal Division in</p>		

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	order to take the necessary legal remedies to enforce collections on all long overdue accounts.		
<p>2. The book balance of P15,420.383 million of the Other Investment account was understated by P61.395 million due to erroneous and/or non-recording of various transactions.</p>	<p>2.7 We recommended that Management:</p> <ul style="list-style-type: none"> a. instruct the Accounting Division to effect the following adjustments in the books of accounts b. direct FIMO to update the reconciliation of records with DBP and LBP. Henceforth conduct a regular reconciliation; and c. instruct FIMO and Accounting Division to reconcile their records periodically to avoid accumulation of discrepancies between the book and bank balances and arrive at the correct balance of the Other investment account. 	<ul style="list-style-type: none"> 1. To adjust the entries in the Book of Accounts. 2. To reconcile records with LBP & DBP on a regular basis. 3. To regularly reconcile the Other Investment Accounts quarterly. 	<p>Fully implemented per JEV NO. 1404043 on April 2014</p> <p>Fully Implemented April 2014</p> <p>Fully Implemented April 2014</p>
<p>3. The balances of the Due from and Due to GOCC-National Livelihood Development Corporation (NLDC) accounts amounting to P111.260 million and P0.957 million did not agree with those appearing in the books of the NLDC of P60.825 million and P291,729 or discrepancies of P50.434 million and P0.666 million, respectively, due to non-recording and/or erroneous</p>	<p>3.7 We recommended that Management:</p> <ul style="list-style-type: none"> a. require the Accounting Division to reconcile the book balances of the two accounts with that of the NLDC's books. Then effect the resulting reconciling items and/or the adjusting entries in Annexes I and II to arrive at correct balances as of December 31, 2013; and b. direct the Accounting Division to henceforth, reconcile regularly their 	<ul style="list-style-type: none"> 1. To reconcile book balances. 2. To effect correcting entries as recommended. 	<p>Fully implemented per JEV No. 1404042</p>

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<p>recording of transactions. As a result, the balances of the said accounts as presented in the financial statements are incorrect.</p>	<p>balances with that of the NLDC's so that discrepancy/ies, if any, can be corrected immediately.</p>		
<p>4. The total unreleased checks reverted back to Cash in Bank account as of December 31, 2013 was deficient by P5.283 million due to incorrect report submitted by the Cash Division to the Accounting Division. As a result, the Cash in Bank and Accounts Payable account balances were both understated by the same amount as of year-end.</p>	<p>4.3 We recommended that the Cash Division prepare a corrected and/or revised schedule of unreleased checks as of December 31, 2013 and submit the same to the Accounting Division for the latter to effect the correcting entry in the books of accounts by debiting Cash in Bank account and crediting Accounts Payable account of P5,283,420.43.</p> <p>4.4 We also recommended that henceforth, the Cash Division exercise due diligence in the preparation of the said report in order to avoid errors and the resulting misstatement of affected accounts.</p>	<p>1. To submit a corrected and/or revised schedule of unreleased checks as of 31 December 2013.</p>	<p>Fully Implemented April 2014</p>
<p>5. Lapses in recording transactions and posting to the SL and general ledgers (GL) of the Due to Officers and Employees account resulted in the net discrepancy of P25,000.00 and erroneous balance of the account. Moreover, the correctness of the SL balances of Officers and Employees who are still in the service amounting to P0.608 million is doubtful since they cannot be substantiated and</p>	<p>5.6 We recommended that Management:</p> <ul style="list-style-type: none"> a. instruct the Accounting Division to effect in the books of accounts the adjusting entries shown in Appendix V; b. instruct the Accounting Division to deduct from the payroll the double payment. c. direct the Accounting Division to look into the long outstanding account in the amount of P608,262.12 	<ul style="list-style-type: none"> 1. To adjust entries in the Book of Accounts. 2. To deduct from payroll the double payment of concerned employees. 3. To analyze the long outstanding accounts as follows: <ul style="list-style-type: none"> a. P 608,262.12 b. P 57,788.87 4. To direct the Accounting Division to reconcile the SL Balance with GL on a 	<p>Fully implemented per JEV#1403323</p> <p>Ongoing</p> <p>Fully Implemented (April 2014)</p> <p>Fully Implemented (April 2014)</p>

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<p>have been outstanding from 2006 to 2012. Further, the balance of P57,788.87 which remained unidentified and unsubstantiated are also doubtful.</p>	<p>and the unsubstantiated amount of P57,788.87 and take the necessary action/s; and</p> <p>d. direct the Accounting Division to henceforth, reconcile the SL balance with that of the control figure in the GL regularly so that discrepancy, if any, can be corrected immediately.</p>	<p>quarterly basis.</p>	
<p>6. The validity of the agency's 11 Asset and 9 Liability sub-account balances amounting to P323.883 million and P583.052 million, respectively, is doubtful due to the absence of SLs and supporting schedules contrary to Section 111 of P.D. No. 1445 and Section V of the New Government Accounting System (NGAS) Manual.</p>	<p>6.4 We recommended that the Accounting Division prepare and maintain SLs and supporting schedules for the above accounts as required in PD No. 1445 and in the NGAS Manual. The same shall be reconciled regularly with the controlling account in the GL so that discrepancy/ies, if any, can be immediately verified and corrected.</p>	<p>1. To set-up the corresponding SLs for the sub-accounts in CY 2013 and previous years.</p> <p>a. 2013</p> <p>b. Previous Years</p>	<p>Fully Implemented (April 2014)</p> <p>Delayed Implementation</p> <p>(Due to the voluminous number of transactions and lack of manpower to concentrate on the retrieval of records, reconciliation and setting up of schedules had been delayed)</p>
<p>7. The non-booking and remittance of cost of audit services for the Years 2002 to 2013 in the total amount of P84.895 million not only resulted in the misstatement of expenses, liabilities and retained earnings accounts also deprived the national</p>	<p>7.13 We recommended that Management:</p> <p>a. request from the Board of Trustees a supplemental budget for the cost of audit from CY 2002 to 2013, and thereafter, include in the annual budget the provision for the audit cost until such time that a law will be enacted which will clearly</p>	<p>1. To take up the matter of cost of audit services with the OWWA Board of Trustees.</p>	<p>Ongoing</p>

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<p>government of resources to finance its programs/projects.</p>	<p>specify that OWWA is an NGA;</p> <p>b. require the Accounting Division to recognize the liabilities for unpaid cost of audit services in order that the balances/amounts of liabilities, expenses and other affected accounts of the agency will be correctly reported; and</p> <p>c. remit the same to the Bureau of the Treasury upon approval of the budget so that the amount can be utilized by the National Government in funding its other important programs/projects.</p>		
<p>8. The balances of the Due to GSIS and Accounts Payable accounts, and the PhilHealth Contributions and Life and Retirement Insurance Contributions accounts were misstated by P0.913 million and P108,630.85, respectively, due to negative balances in the accounts and incorrect recording of the transactions. Furthermore, the GSIS Life and Retirement Insurance premiums, employees' share, and loan payments amounting to P0.890 million remained unremitted as of December 31, 2013, contrary to Section 6 of Republic Act (R.A.) 8291.</p>	<p>8.6 We recommended that the necessary adjustments as stated above be effected in the books of accounts.</p> <p>8.7 We also recommended that Management expedite the reconciliation of the accounts and remit immediately to the GSIS the resulting unremitted amount and henceforth, strictly implement the provision of Section 6 of R.A. 8291.</p>	<p>1. To remit employees' share and loan payments to GSIS by year-end.</p> <p>2. To reconcile entries to reflect accurate transactions.</p> <p>a. Php 0.913 Mil</p> <p>b. Php 108, 630.85</p> <p>c. Php 0.890 Mil</p>	<p>Fully Implemented (April 2014)</p> <p>Fully implemented January 2014</p> <p>Ongoing</p> <p>Ongoing</p>

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<p>9. The incorrect computation of bad debt expense for CY 2013 in RWO No. XI resulted in the overstatement of both the Bad Debts Expense and Allowance for Doubtful Accounts (ADA) by P1.092 million.</p>	<p>9.3 We recommended that the Regional Accountant effect a correcting entry by debiting ADA and crediting Bad Debts Expense account by P1,091,836.44 for CY 2013. Henceforth, compute properly the bad debts expense for a year to avoid error/s and to present the receivable accounts at year-end at net realizable value.</p>	<p>1. To review and correct Bad Debt Expense and ADA of RWO 11.</p>	<p>Fully Implemented per JEV No. 1401007A</p>
<p>10. The correctness of the year-end balance of Property, Plant and Equipment (PPE) in RWO No. IX amounting to P3.796 million remained doubtful due to the inability of the Supply and Accounting Sections to reconcile their records and submit updated Inventory Report as of December 31, 2013.</p>	<p>10.6 We recommended that Management submit the RPCPPE not later than January 31 of each year in accordance with the above-cited regulations. Likewise, we recommend that reconciliation of accounting and property records be made regularly to ensure accurate information and presentation of the accounts in the financial statements.</p>	<p>1. To require each RWO to undertake the following:</p> <ul style="list-style-type: none"> a. Conduct an inventory of properties and equipment as of 31 December of each year; <p>2. Conduct regularly the Reconciliation of Accounting and Property Records;</p> <ul style="list-style-type: none"> a. To prepare an Inventory Report not later than 31 December of the following year to the Central Office, and copy furnish the Accounting and PPMD; <p>3. To require the Inventory Team of the PPMD at the Central Office to undertake the following:</p> <ul style="list-style-type: none"> a. To consolidate the Inventory Reports submitted by RWOs; b. To submit to COA the updated Report of Physical Count of 	<p>Ongoing</p> <p>Issued memorandum instructing Regional Offices and Central Office to implement the Action Plan(Memo dated 29 September 2014)</p>

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		Property, Plant and Equipment as of 31 December not later than 31 March of each year;	
<p>11. Purchases of laptop and projector in RWO No. IX amounting to P 45,420.00 was recorded as Other Maintenance and Operating Expenses. As a result, the Expense and the Property, Plant and Equipment accounts were overstated and understated by P45,420.00, respectively. Issuances of these items were not covered by a duly signed Property Acknowledgment Receipt (PAR).</p>	<p>11.4 We recommended that the RWO Management:</p> <ul style="list-style-type: none"> a. request an approval / affirmation from OWWA-HO on the purchase of said equipment; b. ensure that all capital outlay expenses be properly budgeted and approved; c. instruct the Accountant to make the necessary adjusting entries to reclassify the items to PPE and set up an allowance for depreciations; and d. direct the Supply Officer and Accountant to ensure that all properties are properly accounted, reported, and duly supported by PAR. 	<p>1. Require RWO 9 to provide OWWA-HO with documentary evidences showing approval to purchase equipment. Then, make necessary adjustments in books.</p>	<p>Not Implemented</p> <p>Equipment purchased at the height of mass deportation in Sabah wherein the RWO9 Director was overall in-charge of special operations assisting Filipino deportees (per A.O. No. 100 s.2013 DOLE)</p>
<p>12. The grant of Collective Negotiation Agreement (CNA) Benefits to OWWA Officers and Employees in the form of Monthly Rice Allowance and Burial Assistance in the amount of P14.105 million and P285,000, respectively during CY 2013 was contrary to Item 5.4.1 of DBM Budget Circular No. 2006-1.</p>	<p>12.8 We recommended that Management cause the refund of rice allowance and burial assistance from OWWA employees concerned and henceforth, stop the payment of said benefits.</p>	<p>1. To elevate the appeal to the concerned Cluster at the Commission on Audit.</p>	<p>Ongoing</p>

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<p>13. Income tax on various benefits granted to Officers and Employees in OWWA- HO and RWO-National Capital Region (NCR) for CY 2013 in the amount of P5.434 million and P0.707 million, respectively, were not withheld contrary to Section 32 B (7) e of the Tax Code of 1997 and Section 1 of Revenue Regulations (RR) No. 5-2011.</p>	<p>13.7 We recommended that Management cause the deduction from the salaries and other benefits of employees in HO and RWO-NCR the amount corresponding to the taxes due but not withheld, together with the penalties and interest, which should be borne by the employees responsible for the withholding and remittance of the tax, and remit the same to the BIR.</p> <p>13.8 We also recommended that henceforth, strict adherence to the provision of Section 32 B (7) e of Tax Code of 1997 and Section 1 of Revenue Regulations (RR) No. 5-2011 be enjoined.</p>	<p>1. To withhold income tax from employees in HO and RWO-NCR and complete the remittance to the BIR.</p>	<p>Ongoing</p>
<p>14. Taxes withheld from OWWA employees and suppliers/creditors amounting to P1.045 million remained unremitted to the Bureau of Internal Revenue (BIR) contrary to Section 2.58 (A) 1 and 2 (a) and 2.81 of Revenue Regulation (RR) No. 2-98.</p>	<p>14.7 We recommended that Management expedite reconciliation of the account and remit immediately to the BIR the remaining balance. Henceforth, strictly implement the requirement of BIR in the withholding and remittances of taxes as provided for in RR 2-98.</p> <p>14.8 We also recommended that the necessary adjustments as stated above be effected in the books of accounts.</p>	<p>1. To reconcile CY 2013 and previous years taxes withheld from creditors and employees and complete the remittance to the BIR</p> <p>a. P25,991.64 – Remitted</p> <p>b. P1,008,733.25 – Adjusted</p> <p>2. To record the adjustment in the Book of Accounts</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented per JEV No. 1406160</p> <p>Fully Implemented per JEV No. 1406160</p>
<p>15. Cash Advances in OWWA-HO amounting to P27.471 million and US\$252,672.72 which have been outstanding from three to over twenty years still remained in the books as of December 31,</p>	<p>15.5 We recommended that Management:</p> <p>a. require the Accounting Division to conduct inventory on the unprocessed liquidation reports submitted by retired and/or</p>	<p>1. To ensure adherence to COA Circular No. 97-002.</p> <p>2. To continue the practice of not issuing cash advances to non-employees including Labor Attaches. Should the</p>	<p>Fully Implemented (Continuous Monitoring)</p>

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<p>2013 due to lapses in processing, monitoring and liquidation of the same. In addition, cash advances amounting to P0.625 million at RWO Nos. III,V,IX and CAR remained unliquidated as of December 31, 2013 despite the lapse of the prescribed period for their liquidation. Additional advances were likewise granted to Accountable Officers (AOs) with existing unliquidated advances.</p>	<p>resigned employees, immediately verify and record them in the books in order to update their accounts. For those misplaced, lost and/or damaged, identify the employees responsible for the same and impose the applicable sanctions. Henceforth, strict adherence to the provision of paragraph 5.3 of COA Circular No. 97-002 is enjoined;</p> <p>b. make representation with the officials concerned of the DOLE for the immediate liquidation of cash advances of their Labatts and the formulation of a policy governing the designation of Labatts as SDOs. This should include the issuance of Office Orders by the DOLE Secretary, containing among others, the liquidation of cash advances in accordance with existing rules and regulations and OWWA clearance as a requisite for the approval of their resignation/retirement</p> <p>c. instruct the Divisions/Offices concerned to stop granting cash advances to non-OWWA employees. In situations where granting them cash advances is necessary, designate one permanent employee of OWWA to act as SDO for the needed fund. He/she then, will be the one responsible for the liquidation of the whole amount advanced. In this connection, said</p>	<p>situation at the Post so require, issuance of appropriate office order by the DOLE Secretary is required.</p> <p>3. To implement the procedure of requiring the cross-posted personnel from DOLE/Attached Agencies to obtain Clearance from OWWA upon completion of their overseas posting and prior to return to their respective Mother agencies.</p> <p>4. To require all concerned RWOs to settle the unliquidated cash advances of their respective personnel and report on the status of compliance:</p> <p>a. RWO 3</p> <p>b. RWO 5</p>	<p>Fully Implemented</p> <p>Fully Implemented (Jocelyn Hapal P134,500.00) February 2014</p> <p>Delayed Implementation (Rosalyn Echano)</p> <p>Per RWO Director's explanation, there is need to assist them in meeting the requirements and obtaining the needed certification from the concerned units at the Head Office as required by the COA of Region 5</p>

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	<p>employee/s should be trained on the proper handling and liquidation of cash advances;</p> <p>d. require the officers and employees concerned to continuously monitor the granting and liquidation of cash advances to AOs and stop granting them new and/or additional cash advances unless their previous advances are liquidated;</p> <p>e. instruct the Accounting Division, in coordination with other Offices/Divisions concerned, to immediately demand for the immediate liquidation of overdue cash advances. Said action should be made regularly to all AOs affected to avoid accumulation of unliquidated cash advance. Moreover, require the Accounting Division to compute the amount due to these AOs, if any, and consider offsetting the same with their unliquidated cash advances;</p> <p>f. require the Accounting Unit and all other concerned Offices in RWO Nos. III, V, IX and CAR to ensure that all unsettled cash advances are immediately and promptly liquidated and that limitations on the grant and utilization of such should be strictly observed; and</p> <p>g. henceforth, impose stringent control</p>	<p>c. RWO 9</p> <p>d. RWO – CAR</p>	<p>Ongoing</p> <p>Fully Implemented (January 2014)</p>

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	and monitoring on the grant, utilization and liquidation of cash advances.		
<p>16. Remittance by RWO-CAR of collections to the HO through over-the-counter cash withdrawal from the RWO's account and deposited to the Head Office' account exposes the amount to possible theft and/or misappropriation. Moreover, reconciliation of the account with that of the HO was done only once a year, thus the correctness of the reported withdrawals and remittances is doubtful.</p>	<p>16.5 We recommended that the following courses of action be made:</p> <ul style="list-style-type: none"> a. adopt a remittance system where RWO-CAR Welfare Fund collections can be transferred to HO by electronic means such as automatic sweeping from the Regional Account to the HO account, and/or fund transfer from RWO's account to HO account based on a memo/letter request from RWO. b. direct the Accountant to reconcile monthly the Due to/ Due from Head Office account to ascertain that all reported withdrawals are properly remitted and recorded in the books. 	<p>1. To adopt debit credit remittance</p>	<p>Fully Implemented March 2014</p>
<p>17. The Cashier and/or AO did not maintain the required cashbooks to record all the daily transactions of OWWA Regional Welfare Office No. IV-A, in contravention of the pertinent provisions of the NGAS Manual, Volume II. Hence, the accuracy and reliability of financial records and her cash accountability as of a given time/date is doubtful.</p>	<p>17.8 We recommended that Management require the AO to:</p> <ul style="list-style-type: none"> a. record the day-to-day transactions of the office in the appropriate records such as Cash Receipt Record, Check Disbursements Record or Cash Disbursements Record. Consequently, her cash accountability at any given time/date and the accuracy and reliability of financial records can be easily determined, in conformity with the provisions of Sections 38, 39, 40 and 	<p>1. To comply with the established procedures in accordance with NGAS Manual and COA recommendations.</p>	<p>Fully Implemented</p>

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	<p>58 of the NGAS Manual, Volume II;</p> <p>b. prepare the Report of Checks Issued and submit the same to the Accounting Unit for recording; and</p> <p>c. turn over to the Accountant the Check Disbursement Journal, considering that it is the latter's responsibility to use and maintain the same.</p>		
<p>18. Properties of RWO Nos. V and IX costing P4.354 million were not insured with the General Insurance Fund of the government as required under Republic Act 656, Section 489 of Government Accounting and Auditing Manual (GAAM), Volume I and COA Circular No. 92-390, thereby, depriving the agency adequate protection for its assets.</p>	<p>18.6 We recommended that Management should require the concerned personnel to prepare a list of all insurable properties of the agency and furnish the GSIS with the said list for appraisal and determination of the amount of premium to be paid for the insurance of the reported property, in compliance with existing rules and regulations.</p> <p>18.7 We also recommended that henceforth, all properties or any insurable interest should be insured with the General Insurance Fund in order to be compensated in cases of property losses or damages.</p>	<p>1. To instruct the RWOs thru ROCS to prepare a list of insurable properties and pay the corresponding premiums to the GSIS.</p> <p>a. Region 9</p> <p>b. Region 5</p> <p>2. OWWA Head Office to issue instructions to all RWOs to ensure all properties or any insurable interests should be insured with the General Insurance Fund in order to be compensated in cases of property losses or damages.</p>	<p>Fully Implemented</p> <p>Ongoing (Firming up of list for submission to GSIS upon receipt of reconciled report of the Inventory Committee and validation with the COA at RWO 5.)</p> <p>Delayed Implementation</p>

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<p>19. Unserviceable properties at RWO Nos. III, IV-A and VI totaling P0.617 million remained undisposed as of December 31,2013 exposing them to further deterioration and additional expenses in terms of rental/warehousing cost contrary to Section 502 of the GAAM Volume I.</p>	<p>19.3 We recommend that the Regional Directors of RWO Nos. III, IV-A and VI direct the Supply Officers and other Officers concerned to undertake immediate steps to dispose all unserviceable properties either thru sale at public auction, negotiation, destruction or condemnation or transfer without cost to other government agencies. As such, further deterioration and incurrence of storage and custody expenses can be avoided and the space can be utilized to other productive programs and activities.</p>	<p>1. Concerned RWOs to undertake at their respective regions to dispose of the unserviceable properties at their respective regions.</p> <p>a. RWO 3</p> <p>b. RWO 4-A</p> <p>c. RWO 6</p>	<p>Fully Implemented</p> <p>Ongoing (Property disposal procedure on-going)</p> <p>Ongoing</p>
<p>20. RWO Nos. IV-A, V, VII and XI were not registered with the Philippine Government Electronic Procurement System (PhilGEPS) contrary to Sec. 8.3.1 (a) of the Implementing Rules and Regulation of Republic Act (RA) 9184. Consequently, the procurement activities were not posted in the PhilGEPS website as mandated under Section 8.2.1 (a) and (b) of the same IRR and Section 5 of AO No.17.</p>	<p>20.7 We recommended that the above RWOs strictly adhere to the provisions of IRR of R.A. 9184 and AO No. 17 by:</p> <p>a. registering with the PhilGEPS;</p> <p>b. requiring concerned agency personnel to attend seminars on PhilGEPS for guidance on its rules and regulations; and</p> <p>c. adopting the provisions of RA 9184 and its IRR in all their procurement activities in order to ensure transparency and accountability in its procurement transactions and enhance efficiency and effectiveness of the same.</p>	<p>To ensure compliance with R.A. 9184 and AO 17 as to:</p> <p>1. Registration with PhilGEPS</p> <p>a. RWO 4-A</p> <p>b. RWO 5</p> <p>c. RWO 7</p> <p>d. RWO 9</p> <p>2. Training of Personnel</p> <p>a. RWO 4-A</p> <p>b. RWO 5</p> <p>c. RWO 7</p> <p>d. RWO 9</p>	<p>Reminded RWOs to comply with RA 9184 on February 2014</p> <p>Fully Implemented (May 2012)</p> <p>Fully Implemented (Aug 2014)</p> <p>Fully Implemented (June 2014)</p> <p>Fully Implemented (Feb 2014)</p> <p>Partially Implemented (Scheduled on 15-16)</p> <p>Fully Implemented (Mar 2014)</p> <p>Fully Implemented (Jun 2014)</p> <p>Fully Implemented (Mar 2014)</p>

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<p>21. OWWA RWO No. I has no approved Annual Procurement Plan (APP) as required under Section 7 of the Revised IRR of R.A. 9184.</p>	<p>21.7 We recommended that the RWO No. I prepare the APP for CY 2014 and every year thereafter based on the approved budget. All purchases should be based on the said APP.</p>	<p>To prepare the Annual Procurement Plan (APP) for CY 2014 and thereafter.</p>	<p>Fully Implemented (March 2014)</p>
<p>22. Copies of Purchase Orders (POs) and Delivery Receipts (DRs) of RWO No. III and all supporting documents thereto were not submitted to the Office of the Auditor within five (5) working days after the issuance thereof and within 24 hours after acceptance of deliveries, respectively, in violation of COA Circular Nos. 2009-001 dated February 12, 2009 and 2009-002 dated May 18, 2009.</p>	<p>22.5 We strongly recommended and Management agreed that the RWO Director should cause the submission of copies of POs and DRs together with all supporting documents to the Office of the Auditor in accordance with COA Circular Nos. 2009-001 and 2009-002 dated February 12, 2009 and May 18, 2009.</p>	<p>To submit copies of Purchase Orders and Delivery Receipts together with all supporting documents to the Office of the Auditor in accordance with rules and regulations.</p>	<p>Fully Implemented</p>
<p>23. The CY 2013 Gender and Development (GAD) Plan and Programs were prepared. The planned activities however, were not fully implemented in contravention with the Philippines' commitment to International Conventions and various laws, rules and regulations on GAD.</p>	<p>23.7 We recommended that the program and activities related to the implementation of the Information System Strategic Plan (ISSP) Phase I, be excluded from the GAD Plan and its AR in the sense that these are regular activities of the agency as mandated.</p> <p>23.8 We also recommended that in similar situations, a revision to the lined-up GAD programs and activities be made in order to undertake another programs and its activities in lieu of the programs and activities considered as their regular functions.</p>	<p>1. To exclude the ISSP activities from the GAD Plan.</p> <p>2. To conduct GAD training and other GAD-related activities in addition to the regular programs.</p> <p>a. GAD Training for Overseas Officers for deployment</p> <p>b. GAD programs/activities for OWWA employees, OFWs, and their families during the Women's Month celebration.</p>	<p>Fully Implemented January 2014</p> <p>Fully Implemented August 2014</p> <p>Fully Implemented March 2014</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTIONS TAKEN	VALIDATION
B. VALUE FOR MONEY AUDIT			
<p>24. Collections of loans amounting to P205.3 million and granted to OFWs and/or their dependents in RWO Nos. I, II, III, IV-A, V, VI, IX and XIII were not intensified such that collection efficiency rate ranged from 17.18 per cent to 39.88 per cent only. This resulted to the accumulation of balance of overdue accounts thereby, affecting the sustainability and effectiveness of the programs.</p>	<p>24.6 We recommended that Management devise more effective strategies to enforce collection by locating and sending final demand letters to the beneficiaries with outstanding loan accounts. If warranted, legal measures to collect could be resorted to.</p> <p>24.7 We also recommended that control measures be established by Management in the renewal of applications by OWWA members by verifying any outstanding accounts, devise other means to enforce collections and conduct regular and quarterly visitation to beneficiaries with outstanding loan obligations to remind them that these are not grants/dole outs, thus, they should pay the total amount due from them.</p>	<ol style="list-style-type: none"> 1. To enhance the collection efforts and take legal action, if necessary. 2. To review the request for penalty condonation by the borrowers, as discussed during the 2014 MYPA, for presentation to the Board of Trustees. 	<p style="text-align: center;">Ongoing</p> <p style="text-align: center;">Partially Implemented (For PPDO to review the recommendation and constitute a review team, if necessary.)</p>
<p>25. Absence of monitoring scheme and procedures by the Education and Training Unit (ETU), OWWA-NCR, after the completion of the courses undertaken by the scholars resulted in the non-submission of the required reports, a violation of the Scholarship Agreement, and non-validation of the compliance by the said scholars that they had rendered services in the country which was a yardstick of the</p>	<p>25.7 We recommended that the ETU, RWO-NCR:</p> <ol style="list-style-type: none"> a. provide monitoring systems that will include a strict implementation of the provisions in the Scholarship Agreement, specifically the submission of the reports, and evaluation of the scholars to determine the effectiveness of the Program; b. analyze the result of the above evaluation and, if warranted, 	<ol style="list-style-type: none"> 1. To develop a monitoring system to strictly follow the Scholarship Agreement. 2. To prepare a report for program evaluation and monitoring to determine scholars' compliance on submission of final report and post-scholarship requirements. 	<p style="text-align: center;">Fully Implemented April 2014</p> <p style="text-align: center;">Ongoing</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTIONS TAKEN	VALIDATION
program's success.	recommend to top Management guidelines and procedures to improve the implementation and monitoring of the Program.		
C. Audit of Foreign Post			
<p>26. Collections from membership contributions at Kuala Lumpur, Seoul, Brunei, Kuwait City, Muscat, and Tel-Aviv Posts with an average monthly collection ranging from P106,683.40 to P1,587,028.79 were not deposited daily and intact. Likewise, these were not remitted to OWWA Head Office on time contrary to Section 21, Volume I of the NGAS Manual, and pertinent provision of OWWA MOI No. 009 dated September 25, 2009, thereby exposing the fund to risk of loss and possible misappropriation.</p>	<p>26.5 The Teams recommended that the WelOfs and/or AOs at the above Posts ensure that collections be deposited intact daily and that all collections for the month be remitted to the OWWA Head Office bank account not later than the 5th day of the following month. As such, the timely remittance of all membership contributions will enable the fund in the OWWA LBP-Manila Dollar account to earn additional interest income which can be used by OWWA for the welfare of OFWs.</p> <p>26.6 They also recommended that OWWA-HO should closely monitor the remittances of collections from all Posts and if possible, enforce sanctions on the persons liable for delayed remittances.</p>	<p>To strictly comply with the provision on daily deposit and monthly remittance of collections</p> <p>To closely monitor the remittances of collections by all posts, and impose sanctions on Welofs/AOs found to be liable for delayed remittances</p> <p>OOCs and Cash Division to closely coordinate in the monitoring of remittances and deposit of collections</p> <p>To improve the monitoring system on deposits/remittance of collections thru MOI 010 s. of 2014</p>	<p>Fully implemented</p> <p>Fully implemented</p> <p>Fully implemented</p>
<p>27. The delay in the submission of requests for replenishment of Revolving Funds for MOOE and Program Funds by the Kuala Lumpur, Muscat, Milan, Tel-Aviv and Hong Kong Posts violated the provision of OWWA MOI No. 009, and exposed other available fund to the risk</p>	<p>27.4 The Teams recommended that the AOs should strictly observe the prescribed period for the submission of requests for replenishment of Revolving Funds to ensure timely remittance of funds from OWWA-HO and to avoid the use of other available funds and/or their personal funds.</p>	<p>Comply with the prescribed guidelines for submission of liquidation reports and requests for replenishment of revolving funds</p>	<p>Fully Implemented</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTIONS TAKEN	VALIDATION
<p>of being utilized for other purpose/s thereby affecting the efficiency of operations of said Posts.</p>			
<p>28. No separate bank accounts in the name of the OWWA Posts were maintained for the Hong Kong and Doha Posts' operating fund and collections, respectively, thereby exposing the said funds to loss and/or misuse.</p>	<p>28.9 The Hong Kong Team recommended and the WelOfs agreed to immediately comply with the requirements of the Hong Kong government for the opening of a bank account in the name of the OWWA Post. While the Doha Team recommended that the WelOf make representation with the Labatt and the Ambassador on the opening of an OWWA account with a local bank in order that their collections be deposited daily or the next banking day as a safeguard against loss and/or misuse.</p>	<p>To open two (2) bank accounts for operating funds and collections as may be allowed by host country laws.</p> <p>a. Hongkong</p> <p>b. Qatar</p>	<p>Not implemented</p> <p>Not implemented</p> <p>Difficulty in meeting host countries' banking regulations</p> <p>OOCS to secure management and COA guidance concerning the banking requirements, particularly on maintaining minimum balance of HKD 10,000.00 and QR 10,000.00</p>
<p>29. The Collecting Officers/Special Disbursing Officers (COs/SDOs) at Hongkong, Tel-Aviv, Milan, Washington D.C. and Muscat failed to present, upon demand by the Audit Teams their duly approved Fidelity Bond as required under Presidential Decree (PD) No. 1445 and the Public Bonding</p>	<p>29.6 The Teams emphasized the significance of a Fidelity Bond and recommended that the AOs should closely coordinate with the Personnel Division of OWWA-HO thru the Overseas Operations Coordination Services (OOCS), on the status of their applications to insure the security of public funds. Upon receipts, the said AOs should immediately furnish copies thereof to the Office of the</p>	<p>OOCS to coordinate with HRMDD on the renewal of Fidelity Bond of Welfare Officer / Administrative Staff</p> <p>To provide the Office of the Auditor with copies of the valid Fidelity Bond</p> <p>To monitor status of bond and advise concerned Welofs/SDOs/DCO to submit required documens for renewal</p>	<p>Fully Implemented</p> <p>Ongoing</p> <p>Ongoing</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTIONS TAKEN	VALIDATION
Law.	Auditor.		
<p>30. Cash advances of Hong Kong and Muscat Posts were not liquidated on time in violation of existing rules and regulations on the proper granting, utilization and liquidation of cash advances.</p>	<p>30.4 The audit team recommended that the WelOf immediately liquidate her outstanding cash advances while the Team in Muscat recommended and Management agreed that immediate representation with the OWWA-HO be made to strongly enforce the liquidation of the advances of the previous WelfOf and seek immediate release of the current revolving fund to avoid the present inconveniencies or delays in the operations of the Post.</p>	<p>To issue the required PAR to concerned personnel in the Posts, as prescribed by Section 56 of the NGAS Manual.</p>	<p>Fully Implemented</p>
<p>31. The Teams recommended that the WelOfs of the Posts direct the designated Property Officers to prepare and issue PAR for each item issued to the users in order to pinpoint or determine the accountability and responsibility of each user, especially in case of loss.</p>	<p>31.4 The Teams recommended that the WelOfs of the Posts direct the designated Property Officers to prepare and issue PAR for each item issued to the users in order to pinpoint or determine the accountability and responsibility of each user, especially in case of loss.</p>	<p>To issue the required PAR to concerned personnel in the Posts, as prescribed by Section 56 of the NGAS Manual.</p>	<p>Fully Implemented</p>
<p>32. Capital outlay at Milan Post amounting to €380 was incurred without approval from OWWA-HO.</p>	<p>32.4 The Team recommended that the WelOf secure from OWWA- HO the approval and/or confirmation of said purchase. Henceforth, approval should be secured first from OWWA-HO before incurring capital expenditures, in accordance with MOI No. 009.</p>	<p>To secure from OWWA Head Office through OPCS the approval/confirmation for the purchase.</p>	<p>Fully Implemented</p>
<p>33. Cash Receipts Register (CRR) and Cash Disbursement Register (CDR) required under</p>	<p>33.4 The Teams recommended that the WelOfs and/or AOs use and maintain the required CRR and CDR using computer</p>	<p>Welfare Officers / Administrative Staff to use and maintain the CRR and CDR for collections and dibursements and observe</p>	<p>Fully Implemented</p>

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<p>COA Circular Nos. 2003-006 and 2004-003 dated December 2, 2003 and June 24, 2004, respectively, were not maintained by Hong Kong, Seoul, Tel Aviv, Doha, and Kuala Lumpur Posts. Proper recording of collections and deposits were not observed by Milan and Brunei Posts.</p>	<p>facilities to facilitate the preparation of reports for submission to the OWWA-HO.</p> <p>33.5 They further recommended that extra care and diligence be observed by the AOs in recording transactions to avoid errors and incomplete recordings so that accountability of each AO at a given date/s can be easily determined.</p>	<p>due diligence in recording transactions</p>	
<p>34. No cash vaults were maintained by the Hong Kong and Washington D.C. Posts, exposing their collections to risk of loss.</p>	<p>34. The Teams recommended and the WelOfs agreed to:</p> <p>a. strictly comply with the pertinent provisions on cash management to ensure protection of collections by placing them in the cash vault; and</p> <p>b. request and/or make representation with OWWA-HO for the immediate purchase of cash vaults.</p>	<p>To strictly comply with pertinent provisions of cash management to ensure protection of collections by placing them in a cash vault</p> <p>a. Hong Kong</p> <p>b. Washington</p>	<p>Not Implemented</p> <p>Not Implemented</p> <p>No request received from Washington and Hong Kong posts</p> <p>OOCS to secure approval for the release of funds for the purchase of vault for Washington and Hongkong Posts</p>
<p>35. Database on OWWA membership at job-site in the State of Qatar have not been maintained as required in Section 2, Article IV of the OWWA Omnibus Policies under Board Resolution (BR) No. 038</p>	<p>35.2 The Team reiterated the previous audit recommendation that the Post coordinate with the OWWA-HO in order to obtain, maintain and update regularly the database on OWWA membership on-site to extend adequate welfare and protection services to the OFWs in the</p>	<p>To maintain a database of OWWA membership at the post as required by OWWA Omnibus Policies.</p>	<p>Fully implemented</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTIONS TAKEN	VALIDATION
dated September 19, 2003.	State of Qatar and to provide basis for attainable targets for the VMP collections.		
<p>36. There were no specific guidelines issued for the implementation of the Reintegration Program in Muscat, Oman Post, so as to ensure the achievement of the program's objective to provide the OFWs of the knowledge, skill and opportunity they need.</p>	<p>36.10 The Team recommended that the Post secure the full cooperation and participation of those involved in the implementation of the Reintegration Program and the issuance of specific guidelines that would delineate the responsibilities and functions of the OWWA, DOLE, and other agencies/organizations involved therein. Also, carefully select the courses to be offered vis-à-vis the skills of the participants and trainers to ensure the success of the Program that is, to provide the OFWs of the appropriate knowledge and skills they need.</p>	<p>To discuss with OWWA Head Office the need for the issuance of guidelines for the implementation of the Reintegration program that would delineate responsibilities and roles of OWWA and DOLE, and other agencies, if any</p> <p>To review courses offered vis-à-vis the skills of the participants to ensure the success of the Reintegration Program</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>The recommendation was implemented, with the exception of the Computer Training which was co-shared by both POLO and OWWA until July 2014, all other skills training and seminars were conducted by OWWA.</p>
<p>37. Restrictions in the remittance of collections in Milan, Italy, resulted in frequent remittances to OWWA-HO not only through the account of the Collecting Officers but also through accommodation from other staff of the Philippine Consulate General (PCG) and friends of OWWA personnel.</p>	<p>37.4 The Team recommended that the WelOf immediately pursue the negotiation with Banco de Sondrio to have an account for use in the remittance of collections. If necessary, assistance from the Office of the PCG should be requested.</p>	<p>To negotiate with Banco de Sondrio to have an account for use in the remittance of collections, with the assistance of the PCG, if necessary</p> <p>Management to discuss with the Board of Trustees the restrictive banking policy/requirements in Italy.</p>	<p>Ongoing</p> <p>Landbank of the Philippines (Banco di Sondrio) stopped their operation in Milan during the negotiation on the remittance of collections.</p> <p>Post tried negotiating with other banks but there is difficulty in</p>

OBSERVATIONS	RECOMMENDATIONS	COMMENTS/ACTIONS TAKEN	VALIDATION
			complying with the banking requirements in Italy.