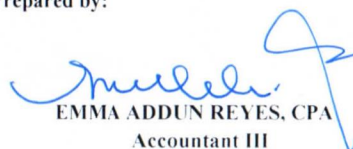


AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
For the Calendar Year 2019
As of June 30, 2020
Department of the Interior and Local Government, Region 02

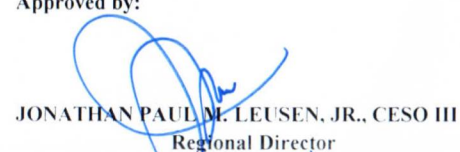
| AOM No. | AUDIT OBSERVATION | AUDIT RECOMMENDATION | DILG ACTION PLAN | | | | STATUS OF IMPLEMENTATION | REASON FOR PARTIAL / DELAY / NON-IMPLEMENTATION | ACTION TAKEN/TO BE TAKEN (As of June 30, 2020) |
|--------------------------------|--|---|---|---|----------------------------|-----------|--------------------------|---|---|
| | | | ACTION PLAN | PERSON/ DEPT RESPONSIBLE | TARGET IMPLEMENTATION DATE | | | | |
| | | | | | From | To | | | |
| Financial and Compliance Audit | | | | | | | | | |
| 2020-001 | Cash in Bank-LCCA account is understated by P136,553.63, composed of stale checks of P136,463.64 and errors in recording of check disbursements of P89.99 that were not adjusted and recorded in the books at the end of the year. | Require the Regional Accountant to draw Journal Entry Voucher/s to record the cancellation of stale checks and to correct erroneously recorded checks by debiting the Cash in Bank-LCCA account and crediting Accounts Payable and Accumulated Surplus (Deficit). | The Regional Accountant shall draw Journal Entry Voucher to record the cancellation of Stale checks and to correct erroneously recorded check. | Regional Accountant | 16-Mar-20 | 31-Mar-20 | fully implemented | | Journal Entry Voucher Nos. 01-2020-01-052 and 01-2020-01-053 both dated January 31, 2020 were drawn to correct erroneously recorded checks in the amount of PhP90.00 and PhP 0.01 respectively. Journal Entry Voucher No. 01-2020-02-094 dated February 29, 2020 was drawn to record cancellation of staled checks in the amount of PhP136,463.64 |
| 2020-002 | Unutilized funds in the total amount of P4,122,581.85 as of December 31, 2019 were not remitted to the Bureau of Treasury, thus resulting to idle funds which could have been used to finance other priority projects, programs and activities of the government. | 1. Require all Heads of DILG Provincial Offices and the Regional Accountant to: a. stop utilizing the amount of P4,122,581.85 for 2020 transactions because the validity of funds ended on December 31, 2019, otherwise it could be disallowed in audit. b. remit immediately the amount of P4,122,581.85 to the Bureau of the Treasury and to comply strictly to existing law, rules and regulation. 2. Require the Regional Accountant to maintain complete and accurate records for each fund transferred to DILG Provincial Offices. | Management shall direct the Provincial Offices to stop utilizing the unutilized amount as of December 31, 2019 for 2020 transactions and remit immediately the same to the .Bureau of the Treasury. REGIONal Accountant shall maintain complete and accurate records for each fund transfer to DILG Provincial Offices. | Provincial Directors/ Disbursing Officers/ Accounting Clerks/ Regional Accountant | 16-Mar-20 | 30-Jun-20 | fully implemented | | Regional Office had already remitted to the Bureau of the Treasury the amount of P305,557.67 on January 17, 2020 under check no. 260070 taken up under JEV No. LGA-2020-01-0008 and on February 12, 2020 the amount of P39,460.01 under check no. 260082 to fully remit the unexpended LGA fund in the amount of P345,017.68. DILG Provincial Offices have already refunded the unutilized fund transfer in CY 2018 and earlier year as of December 31, 2019 after payment of all 2019 obligations taken up under JEV#01-2020-05-03-005 for PO Isabela and JEV#01-2020-05-003-004 for PO Cagayan. For POs Quirino, Nueva Vizcaya and Batanes, the remittances were acknowledged thru the issuance of Official Receipt #8100281, #8100278 and #8100280 respectively. Journal Entry Voucher shall be drawn to take up the refund. |
| 2020-003 | Fund transfers to Implementing Agencies (IAs) amounted to P43,994,547.71, representing fund transfers to Local Government Units (LGUs) and State Universities in the amount of P42,966,051.23 and P1,028,496.48, respectively, remained unliquidated as of December 31, 2019 | 1. Require the Implementing Agencies to submit the necessary liquidation documents and return the unexpended balance for completed projects, if any, which will be remitted the same to the Bureau of the Treasury. 2. Require the Accountant to maintain and update the Subsidiary Ledger and to ensure its completeness and accuracy. | Management shall send Demand Letters to concerned LGUS to submit necessary liquidations and return the unexpended balance for completed projects to the Bureau of the Treasury. Regional Accountant shall maintain complete and accurate and update the Subsidiary ledger. | Regional Accountant/ RPMO | 16-Mar-20 | 31-Dec-20 | partially implemented | | The balance of of unliquidated Due from LGUS is reduce to P23,406,894.56 due to the following: -JEV No. 01-2020-01-002 - recognized liquidation of LGU Sta. Fe, Nueva Vizcaya in the amount of P5,879,652.60 - JEV No. 01-2020-01-003 - recognized liquidation of LGU Kayapa, Nueva Vizcaya in the amount fof P1,472,337.24. -JEV No. 01-2020-01-001 - recognized reclassification of entry made re Financial Assistance to earthquake victims of Itbayat, Batanes in the amount fof P10,000,000.00. -JEV No.01-2020-03-001 -- recognized the liquidation of PLGU Quirino for the construction of Half Way House for rebel returnees in the amount of P2,207,166.83. Management shall sent Demand Letters to concerned LGUs to submit necessary liquidation and/or refund the unliquidated balance for any completed projects. |

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|----------|--|---|---|---|-----------|-----------|-------------------------|--|---|
| 2020-004 | Accounts Payable amounting P2,208,723.70 out of P16,288,194.96 as of December 31, 2019 were inadequately supported with the required supporting documents, contrary to Volume I, Chapter 6, Section 2(a) of the Government Accounting Manual for National Government, thereby the validity is doubtful. | 1. Ensure that all recorded payables are duly supported with the required documents and drop from the books those accounts that were not supported with necessary documents. 2. Ensure strict compliance to the applicable rules and regulation on disbursement of government funds. | Management shall ensure that all recorded payables are duly supported with the required documents and drop from the books those accounts that were not supported with necessary documents. Management shall ensure strict compliance to the applicable rules and regulations on disbursement of government funds. | Canvassers/ GSS Chief/ BAC/ Regional Accountant/ BAC Secretariat | 16-Mar-20 | 31-Dec-20 | on-going implementation | | Management is presently complying with the audit recommendation strictly in adherence to pertinent laws, rules and regulations to establish the accuracy and validity of claims. Paid claims were duly supported with complete and proper documents. |
| 2020-005 | The amount of P505,659.58 out of P1,364,795.07 of the balances of Due to BIR, GSIS and HDMF has no available record details due to incomplete and not updated Subsidiary Ledgers, thereby, could not be remitted to proper agencies. | 1. Require the Regional Accountant to exert extra effort to look into the details of the unremitted balances of Due to BIR, GSIS and HDMF. Any unaccounted balance shall be reverted and remitted to the Bureau of the Treasury. 2. Update Subsidiary Ledgers and ensure that complete details are recorded and remittances reconcile with the amount deducted or withheld. | Management shall require the Regional Accountant to exert extra effort to look into the details of the unremitted balances of Due to BIR, GSIS and HDMF. Regional Accountant shall update Subsidiary Ledgers and shall ensure the completeness of details of records and remittances. | Provincial Offices Disbursing Officers/ Bookkeeper/ Regional Accountant | Mar-20 | 30-Jun-20 | fully implemented | | Management thru the Accounting Section had already determined the unremitted and unaccounted balances of Due to BIR, GSIS and HDMF as of December 31, 2019 due to maintenance of updated Subsidiary Ledger with complete details by the Accounting section. Disbursement Voucher was prepared to effect the remittance to the National Treasury for Due to BIR- P68,397.85, Due to GSIS- P176,714.57 and Due to HDMF- P210,437.36 totaling to P455,549.78. Remittance shall be made in July 2020 through LDDAP-ADA. |
| 2020-006 | Allotments under Maintenance and Other Operating Expenses amounted to P1,252,719.54 were used, instead of Capital Outlay, to fund the Construction of the DILG Annex Building contrary to the provisions of Section 4(1) of P.D. No.1445, Section 76 of the General Provisions of the General Appropriations Act for FY 2019, and Section 8, Chapter 10 of the Government Accounting Manual (GAM) for National Government, Volume I. | 1. Prepare complete Engineering Design, Program of Work, Plans and Specifications and Detailed Cost Estimates of Bill of Materials for the DILG RO2 Annex Building. 2. Request Capital Outlay funds from the Department of Budget and Management for the project. 3. Stop using funds allocated for MOOE to finance construction of the building. 4. Observe proper planning in the procurement of construction materials to avoid delay in the completion of the project. 5. Adhere strictly with all related laws, rule and regulations, whichever is applicable. | Management shall prepare complete Engineering Designs, Program of Work, Plans and Specifications and Detailed Cost Estimates of Bill of Materials for the DILG RO2 Annex Building. Management shall request Capital Outlay funds from the DBM for the project. Management shall observe proper planning in the procurement of construction materials to avoid delay in the completion of the project. Management shall strictly adheres with all related laws, rules and regulations. | Budget Officer/ FAD/ RPMO/ Engineers | Mar-20 | 30-Jun-20 | fully implemented | | Management had stop using funds allocated for MOOE to finance the construction of the building. Management had already requested fund for Capital Outlay to DILG Central Office . Likewise fund for the construction of Annex Building was included in the Budget Proposal for CY 2021. Management is adhering strictly to laws rules and regulations and observing proper planning in the procurement to avoid delay in the completion of the project. |
| 2020-007 | The agency failed to formulate plans, programs and projects for Senior Citizens and Differently-Abled persons which is not compliant with Section 33 of the General Provisions of General Appropriations Act, FY 2019. | We recommend for management to formulate plans, programs and projects that address the needs of senior citizens and differently-abled persons pursuant to Section 33 of the General Provisions of the General Appropriations Act for FY 2019. | Management shall formulate plans, programs and projects that will address the needs of senior citizens and differently abled persons. | FAD/ Focal Person | Mar-20 | 30-Jun-20 | fully implemented | | Management formulated plans, programs and projects pursuant to Section 33 of the General Provisions of the GAA for FY 2020 and included the budgetary requirement in the realigned AOPB for the 2nd Semester. |

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