

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION

For the Calendar Year 2020

As of December 31, 2021

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 December 31, 2021)		
			ACTION PLAN	PERSON/ DEPT RESPONSIBLE	TARGET IMPLEMENTATION DATE						
					From	To					
Value for money Audit											
2021-007	Procured Personal Protective Equipment (PPE) and other medical supplies amounting to P5,683,770.00 intended for COVID-19 Contact Tracers were not effectively utilized tantamount to waste of public fund due to poor timing in the release of funds from DILG Central Office and inefficient and ineffective conduct of procurement.	1. Ensure that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguard against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operation of government pursuant to Section 2 of P.D. 1445;	1. Management to strictly comply with Section 2 of P.D. 1445 in ensuring efficiency, economy and effectiveness in the operation of government; 2. to submit written report to account the discrepancies noted on the remaining items still in the possession of the Supply Officer; and 3. to submit list on how the concerned Provincial Directors distributed and or utilized the items allocated to them indicating therein the names of the recipients duly acknowledged by each recipient, date of actual receipt and the quantity.	Chief Administrative Officer	March 12, 2021	March 31, 2021	fully implemented	1. The Management is fully compliant with Section 2 of P.D. 1445 in ensuring efficiency, economy and effectiveness in the operation of government			
		2. Account the discrepancies noted on the remaining items still in the possession of the Supply Officer and submit written report thereon including list to whom they were distributed or utilized; and					fully implemented		2. The Management thru General Services Section conducted an accounting of discrepancies on the remaining items in the possession of the Supply Officer. A report was submitted to the Office of the Resident Auditor on March 31, 2021 noting that the accounted excess and lacking PPEs and other medical supplies were considered in the next round of procurement for the rehired contact tracers.		
		3. Submit list on how the concerned Provincial Directors distributed and or utilized the items allocated to them indicating therein the names of the recipients duly acknowledged by each recipient, date of actual receipt and the quantity.					fully implemented			3. The Management issued memorandum dated March 18, 2021 to all Provincial Directors enjoining them to conduct inventory of received items. The distribution lists from the Provincial Offices were already submitted to Office of the Resident Auditor for their reference.	
Financial and Compliance Audit											
2021-001	Funds transferred to Provincial Offices have a total of P57,120,093.18 that remained unutilized as of December 31, 2020 which could have been put to better use by the National Government had the Agency been compliant to DBM Circular Letter No. 2019-3 and other regulations.	1. Stop the practice of transferring funds to Provincial Offices more than their operational requirements at any given period that would circumvent the lapsing of the NCA validity until the last working day of the 3rd month of the quarter;	1. Management to stop the practice of transferring funds to Provincial Offices more than their operational requirements at any given period; 2. to return to the National Treasury all unutilized and idle funds, and 3. to strictly comply with all related laws, rules and regulations.	Chief Administrative Officer/ Regional Accountant/ Budget Officer	March 12, 2021	June 30, 2021	fully implemented	1. The management had stopped transferring funds to Provincial Offices more than their operational requirements at any given period effective immediately of 1st quarter of CY 2021.			
		2. Require the return to the National Treasury all unutilized and idle funds;					fully implemented		2. The Management issued memorandum to Provincial Offices to refund the unexpended fund transfer covering CY 2019. Journal entry voucher #(CRJ) 01-2021-03-096-00 dated March 31, 2021, 01-2021-04-189-00 dated April 30, 2021, 01-2021-05-231-00 dated May 31, 2021 and 01-2021-06-237-00 dated June 30, 2021 were drawn to record the collection and deposit to the National Treasury. The total refund of the unexpended fund transfer to Provincial Offices for CY 2019 amounts to P7,017,687.91.		
		3. Adopt good fiscal management practices to ensure that all funds are utilized efficiently and effectively;					fully implemented			3. The Management is presently adopting good fiscal management practices such as alignment meetings to ensure that all funds are utilized efficiently and effectively by strictly implementing PPAs on time based on AOPB and timely payment of obligations.	
		4. Avoid circumventing the provisions of DBM Circular Letter No. 2019-3 dated January 14, 2019; and					fully implemented				4 and 5. The Management is fully compliant to laws, and other applicable rules and regulations on the utilization and disposition of government funds.
		5. Comply to the provisions of Section 2 of Executive Order No. 338 dated May 17, 1996 and Section 3 of COA Circular 92-388 dated October 30, 1992.					fully implemented				

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2021-002	Unliquidated cash advances amounting to P90,192.00 remained unliquidated as of December 31, 2020 contrary to the provisions of COA Circular No. 97-002 dated February 10, 1997.	1. Require the Accountable Officer to immediately liquidate the cash advance by refunding the amount of P90,192.00; and 2. Ensure strict compliance to the provisions of COA Circular No. 97-002 pertaining to the granting, utilization and liquidation of cash advance.	Regional Accountant to require the Accountable Officer to immediately liquidate the cash advance, and strictly comply to the provisions of COA Circular No. 97-002 pertaining to the granting, utilization and liquidation of cash advance.	Regional Accountant/ Administrative Officer IV	March 12, 2021	March 31, 2021	fully implemented	1. Journal entry voucher # (CRJ) 01-2021-096-00 dated March 31, 2021 was drawn to liquidate the cash advance supported by OR#8100299 dated March 17, 2021 for the refund in the amount of P90,192.00. 2. The Management is fully compliant with the provisions of COA Circular No. 97-002 pertaining to the granting, utilization and liquidation of cash advance.	
2021-003	Fund transfers to Implementing Agencies (IAs) amounted to P8,724,732.90, representing fund transfers to Local Government Units (LGUs) and taken up as Due from LGUs, remained unliquidated as of December 31, 2020.	1. Require the Implementing LGUs 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; and 2. Conduct the close monitoring on the implementation of projects to ensure compliance as to the intended purpose of the fund transfer.	1. Regional Accountant to require the Implementing LGUs 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; and 2. Management to conduct the close monitoring on the implementation of projects to ensure compliance as to the intended purpose of the fund transfer.	Regional Accountant/ Chief Administrative Officer	March 12, 2021	December 2021	fully implemented	1. The balance of the unliquidated Due from LGUs has been fully liquidated due to the following: -JEV# (GJ) 01-2021-01-030-00 dated January 31, 2021, JEV# (GJ) 01-2021-10-428-00 dated October 31, 2021 and JEV# (CRJ) 01-2021-11-472-00 dated November 30, 2021 to recognize liquidation and refund of Provincial Government of Cagayan re Construction of Halfway House for former rebels amounting to P784,084.27, P247,141.46 and P2,073.87, respectively ; -JEV# (GJ) 01-2021-02-082-00 dated February 28, 2021 to recognize liquidation of Provincial Government of Batanes re Implementation of BUB Water 2015 amounting to P191,433.30; -JEV# (GJ) 01-2021-02-083-00 February 28, 2021 to recognize liquidation of LGU Itbayat, Batanes re Implementation of BUB Water 2015 amounting to P2,500,000.00; -JEV# (GJ) 01-2021-02-088-00 dated February 28, 2021, JEV# (GJ) 01-2021-06-269-00 dated June 30, 2021 and JEV# (CRJ) 01-2021-07-293-00 dated July 31, 2021 amounting to P2,563,751.26, P2,432,198.57 and P4,050.17, respectively, to recognize liquidation and refund of Provincial Government of Isabela re Construction of Halfway House for former rebels totalling to P5,000,000. 2. The Management thru RPD MU is closely monitoring the implementation of projects to ensure compliance as to the intended purpose of the fund transfer and timely submission of liquidation reports.	
2021-004	Accounts Payable amounting to P3,490,489.74 out of P19,871,855.65 as of December 31, 2020 were inadequately supported with the required supporting documents, contrary to Volume 1, 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; and 2. Ensure strict compliance to the applicable rules and regulation on disbursement of government funds.	Regional Accountant to ensure that all recorded payables are duly supported with the required documents; and ensure strict compliance to the applicable rules and regulation on disbursement of government funds.	Regional Accountant/Chief Administrative Officer	March 12, 2021	March 31, 2021	fully implemented	1. The Management had already completed the necessary documents supporting the Accounts Payable before payment. 2. The Management is fully compliant to the applicable rules and regulation on disbursement of government funds.	

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2021-005	The amount of P148,838.37 out of P311,003.52 representing balance of Due to GSIS account has no available recorded details due to incomplete and not updated Subsidiary Ledgers, thereby, could not be remitted to GSIS.	1. Require Regional Accountant to exert extra effort to look into the details of the unremitted balances of Due to GSIS. Any unaccounted balance shall be reverted and remitted to the Bureau of the Treasury; and	Regional Accountant to look into the details of the unremitted balances of Due to GSIS and to revert and remit to the Bureau of the Treasury any unaccounted balance; and to update Subsidiary Ledgers and ensure that complete details are recorded and remittances reconcile with the amount deducted or withheld.	Regional Accountant/ Chief Administrative Officer	March 12, 2021	March 31, 2021	fully implemented	1 and 2. Upon updating of Subsidiary Ledger, reconciliation and verification of the records was conducted to account the unremitted balance of P148,838.37. As a result, the amount of P145,422.82 represents the unremitted GSIS-Personnel share deducted from the salaries of PO-Isabela personnel The amount of P145,422.82 was already remitted and recorded under JEV No. CKDJ 01-2021-05-234-03 dated May 31, 2021, CKDJ 01-2021-06-290-03 dated June 30, 2021 and CKDJ 01-2021-08-358-03 dated August 30, 2021 representing the unremitted GSIS-PS share of PO Isabela in CY 2020.	
		2. Update Subsidiary Ledgers and ensure that complete details are recorded and remittances reconcile with the amount deducted or withheld.					fully implemented		
2021-006	The agency failed to submit all copies of perfected Contracts, Purchase Orders, Memorandum of Agreements and supporting documents to the Office of the Auditor within five (5) working days from the execution of a contract or issuance thereof contrary to COA Circular No. 2009-001 dated February 12, 2009, thus systematic and effective review process could not be immediately made, any presence of error/s could not be immediately detected and corrective measures could not be effected. Furthermore, agency officials responsible for or in charge of the issuance of Letter Orders or Purchase Orders and of accepting deliveries of procured items failed to notify the Auditor within twenty-four (24) hours of such delivery for timely inspection in violation of COA Circular No. 94-006 dated February 17, 1994.	1. Furnish the Auditor copy of contract including Purchase Orders and Memorandum of Agreement and each of all the documents forming part thereof by reference or incorporation within five (5) working days from the execution of a contract; and	Management to furnish the Auditor copy of contract including Purchase Orders and Memorandum of Agreement and each of all the documents forming part thereof by reference or incorporation within five (5) working days from the execution of a contract; and notify the Auditor within twenty-four (24) hours from accepting deliveries of procured items.	LGMED Chief/ Chief Administrative Officer/ GSS Head	March 12, 2021	March 31, 2021	fully implemented	1 and 2. The Management is fully compliant with COA Circular No. 2019-001 and 94-006 by establishing a system of tracking (Procurement Tracking System) and furnishing the auditors office for copies of approved contracts, purchase orders and job orders within 5 working days from execution and notifying within 24 hours from acceptance of deliveries of procured items..	
		2. Notify the Auditor within twenty-four (24) hours from accepting deliveries of procured items.					fully implemented		

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2021-008	Expenses amounting to P1,499,070.43 out of P51,136,505.52 charged against COVID 19 Fund as of December 31, 2020 were not directly COVID-19 related activities, which is not in accordance with Section 32, Chapter 5, Book VI of Executive Order No.292 otherwise known as Administrative Code of 1987.	1. Stop utilizing COVID-19 fund for transactions not COVID-19 related activities;	Management to stop utilizing COVID-19 fund for transactions not COVID-19 related activities; and to strictly adheres with all rules and regulations on the utilization and disposition of government funds.	Regional Accountant/ Chief Administrative Officer	March 12, 2021	March 31, 2021	fully implemented	1. The Management had stop utilizing COVID 19 fund for transaction not COVID-19 related activities and refund the unexpended balances as of December 31, 2020 Fund Transfer under the Bayanihan to Heal as One Act (RA11469) in compliance to DILG-Central Office memorandum dated February 18, 2021. A total of P617,281.47 has been refunded and deposited to the National Treasury. Journal Entry Voucher # 01-2021-03-096-00 and 01-2021-05-231-00 were drawn to recorded the transaction while Regional Office had stop utilizing this CY2021.	
		2. Ensure that all resources of government shall be managed, expended, or utilized in accordance with law and regulations, and safeguard against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government pursuant to Section 2 of P.D. 1445;					fully implemented		2 and 3. The Management is fully compliant to laws, and other applicable rules and regulations on the utilization and disposition of government funds.
		3. Ensure strict compliance to Section 32, Chapter 5, Book VI of Executive Order No.292 and other applicable rules and regulations on the utilization and disposition of government funds.					fully implemented		

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