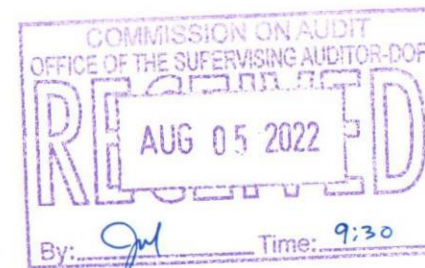
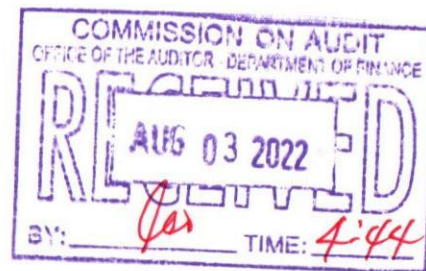


**DEPARTMENT OF FINANCE**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
For the Calendar Year 2021



**DEPARTMENT OF FINANCE**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
For the Calendar Year 2021

**DEPARTMENT OF FINANCE**  
DOF Building, BSP Complex, Roxas Boulevard, Manila

**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
Audit Observations and Recommendations  
For the Calendar Year 2021

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, If applicable	Action Taken/Actions To be taken
			Action Plan	Person/Dept. Responsible	Target Implementation Date				
					From	To			
Annual Audit Report									
AAR 2021 Pages 49-57	<p>The existence, completeness and accuracy of the balances of several assets, equity and expense accounts were not ascertained due to discrepancies between the books and related records/reports, and non-compliance with accounting standards and other issuances, among others.</p> <p>a. Unliquidated fund transfers to Government-Owned or Controlled Corporations (GOCCs)</p>	<p>Management agreed to direct the Officer-in-Charge (OIC)-Chief Accountant to require the liquidation by the concerned GOCCs of all remaining fund transfers, including the refund of any unutilized funds.</p>		<ul style="list-style-type: none"><li>• IFG (DAP-MCC Post Compact Monitoring)</li></ul>			Implemented		<p>Out of 18.503 million, 10.169 million or 54.96% was already liquidated or refunded.</p> <p><b><u>DAP - MCC Post Compact Monitoring and Evaluation</u></b> <b><u>₱10,169,167.98</u></b></p> <p>1. The project has no activity for the year 2021 and the implementation of the project is until Feb. 1, 2022.</p> <p>2. DAP already refunded the unutilized amount of 10.169 million under OR No. 5546813 dated May 2, 2022 and recorded under Journal Entry Voucher (JEV) No. 2022-05-001398.</p>



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				<ul style="list-style-type: none"><li>Legal Affairs Office (DAP-MICC Phase II)</li></ul>	1st Quarter of 2022	3rd Quarter of 2022	Not Implemented (On-going)	DAP: On July 1, 2022, the Certificate of Acceptance and Accomplishment Report for the “Conduct of an Objective, Fact-finding and Science-based Review of Performance of Existing Mining Operations-Phase II Project was already submitted to DOF-Accounting Division. Still waiting for the Development Academy of the Philippines’ (DAP) submission of the Financial Report being the project's implementing agency.	Attached is a copy of OR and JEV under Annex A.  <b>DAP - MICC Phase II: P986,538.23</b> 1. There is an approval of the KfW-IDF Grant Steering Committee (GSC) through KfW-IDF Resolution No. 05-10-2021 dated October 28, 2021 of the no-cost extension of the implementation period from <b>Sept. 30 to Dec. 30, 2021</b> . 2. Furthermore, the KfW-IDF GCS also approved the request of the Legal Services Group for a no-cost extension of the implementation period of the aforesaid project from <b>Dec. 30, 2021 to June 30, 2022</b> with KfW-IDF GSC Resolution No. 09-01-25-2022 dated Jan. 25, 2022. 3. LAO emailed DAP on July 05, 2022 to follow up on the Financial Report submission and refund the unutilized amount, if any.

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				<ul style="list-style-type: none"><li>HRMDD (PCED)</li></ul>	1st Quarter of 2022	3rd Quarter of 2022	Not Implemented (On-going)	PCED:  HRMDD is waiting for the Liquidation Report from PCED signed by COA to determine the amount of the unutilized fund to be refunded to DOF.	Attached in <i>Annex B</i> is a copy of the KfW-IDF GSC Resolution No. 09-01-25-2022 dated Jan. 25, 2022 and the Certificate of Acceptance.  <b><u>PCED:</u></b> <b><u>₱7,347,162.50</u></b>  A letter was prepared and signed by Undersecretary Maria Edita Tan dated July 6, 2021 requesting PCED to refund to DOF all the unutilized portion of the transferred funds. <i>Annex C</i> .
	b. Non-recognition of deliveries due to non-submission of Delivery Receipts (DRs) and Inspection and Acceptance Reports (IARs) by the Procurement Management Division (PMD)	Management agreed to require the Chief, PMD to submit the DRs and IARs as bases in recognizing in the books the deliveries of goods from the PS totaling ₱4.796 million.		<ul style="list-style-type: none"><li>Accounting Division</li><li>PMD</li></ul>			Implemented		The PMD, through Memoranda dated April 29, 2022 and May 23, 2022 addressed to the Accounting Division, submitted the proof of deliveries of goods from PS-DBM. Also, the Procurement Services provided the Accounting Division copies of some delivery receipts. The Accounting Division recorded various Journal Entry Vouchers (JEVs) for the unrecorded deliveries with the total amount of ₱4.796 million.  <i>Please see attached Table: Deliveries from PS</i>



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									Not Yet Recognized in the Books and copies of Journal Entry Vouchers (JEVs) in Annex D.
	<p>c. Unreconciled net discrepancy between supplies ledger card (SLCs) and stock cards (SCs)</p> <p><i>c.1 Office supplies Inventory - ₱3.266 million</i></p> <p>i. Negative/abnormal balances in SCs</p> <p>ii. Difference in record maintenance for office supplies tagged as “Directly Issued to End-User”</p>	<p>Management agreed to instruct: (a) the OIC- Chief Accountant and the Chief, General Service Division (GSD) to reconcile the discrepancies between SLCs and SCs for <i>Office Supplies Inventory</i> and effect adjustments as necessary; and (b) the Chief, GSD to maintain SCs for all procured supplies and prepare of Report of Supplies and Materials Issued (RSMI) for corresponding issuances based on the Requisition and Issue Slips (RIS) and to submit the same to the AD for recognition in the books.</p>		<ul style="list-style-type: none"><li>Accounting Division</li><li>General Services Division</li></ul>	Jan. 2022	Oct. 2022	Not Implemented (On-going)		<p>For the office supplies tagged as “Directly Issued to End-User,” ₱1.936 million were recorded out of ₱1.990 million or 97.31% and the current balance is only ₱53,552.78</p> <p>From the total discrepancy between supplies ledger card (SLC) and stock cards (SC) in the amount of ₱3.266 million, the amount of ₱2.79 million was already reconciled or 85.44%. The Accounting Division prepared various adjusting entries based on the documents provided by the General Services Division (GSD). Continuous reconciliation is being done by the Accounting Division and GSD for the remaining ₱475,716.12.</p> <p><i>Attached in Annex E is the list of Journal Entry Vouchers (JEVs).</i></p>

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	c.2 Drugs and Medicines Inventory- <del>₱</del> 110,640.79 and Medical, Dental and Laboratory Supplies Inventory - ₱69,554.71	Management agreed to require the OIC-Chief Accountant and Human Resource Management and Development Division-Medical and Dental Clinic (HRMDD-MDC) Supply Custodian to reconcile their records pertaining to Drugs and Medicines Inventory and Medical, Dental and Laboratory Supplies Inventory and adjust both records as necessary.		<ul style="list-style-type: none"><li>Accounting Division</li><li>HRMDD-MDC</li></ul>	April 2022	Onwards	Implemented	<p>The difference of the reported inventory balances per SLCs and SCs were purchased through petty cash fund recognized in the books as direct expenses, thus, not recorded in the SLCs. While in the SCs maintained by the HRMDD-MDC, all purchases were recorded as inventories pending issuance of the medicines/supplies to end-users.</p> <p>1. JEV No. 2022-07-003213 dated 07/01/2022 amounting to ₱250,421.50</p> <p>2. JEV No. 2022-07-003316 dated 07/01/2022 amounting to ₱171,737.56</p> <p>Attached in Annex F is the copy of Report on the Physical Count of Inventories (RPCI) for the Drugs and Medicine, Medical, Dental and Laboratory Supplies as of June 30, 2022 and copies of Journal Entry Vouchers (JEVs).</p>	



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	c.3 Other Supplies and Materials Inventory – ₱1.684 million	Management agreed to instruct the OIC-Chief Accountant and Chief, GSD to endeavor to locate/prepare the necessary documents evidencing disposal of other supplies and materials inventories totaling ₱1.684 million, and accordingly derecognize the same in the books as necessary to present the correct balance of Other Supplies and Materials Inventory.		<ul style="list-style-type: none"><li>Accounting Division</li><li>GSD</li></ul>	Jan. 2022		Implemented		The Accounting Division prepared various adjusting entries based on the documents provided by the General Services Division (GSD) amounting to ₱1.684 million  Attached in Annex G is the list of Journal Entry Vouchers (JEVs).
	d. Non-preparation and non-submission RSMIs for recognition of issuances of medical, dental and laboratory supplies inventories	Management agreed to: (a) require the HRMDD-MDC Supply Custodian and the OIC-Chief Accountant to reconcile their records on medical, dental and laboratory supplies inventories; and (b) instruct the HRMDD-MDC Supply Custodian to prepare the RSMI based on the RISs for issuances made thereon and submit the RSMI with the RISs to the AD for prompt recognition of issuances of inventories.		<ul style="list-style-type: none"><li>HRMDD - MDC</li></ul>	April 2022	Onwards	Implemented		The HRMDD-MDC submitted to the Accounting Division RSMI for the recording of issuances of drugs and medicines, medical, dental and laboratory supplies starting April 2022 and commits to continuously submit the Report in the succeeding months.
AAR 2021 Pages 58-60	Deficiencies in the grant, utilization and refund of unutilized cash advances (CAs) to Petty Cash Fund Custodians (PCFCs) and Special Disbursing Officers (SDOs) exposed public funds to the risks of loss and/or misuse and non-indemnification thereon in case of loss and/or misuse.								
	a) CAs granted to an SDO in excess of the requirements for two-month's expenses.	Management agreed to instruct the Policy Development and Management Services Group (PDMSG) Undersecretary to authorize the grant of CAs in an amount adequate for the requirements for a two-month period		<ul style="list-style-type: none"><li>PDMSG Undersecretary</li><li>Accounting Division</li></ul>	Jan. 2022	Onwards	Implemented		Budget estimation for fuel, toll fees and other related expenses charged to GSD SDO are being endorsed and represented by GSD.



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		<p>based on a proper estimate of expenses that will be charged to the CA to avoid excessive funds with the SDO.</p> <p>Management to instruct the SDO concerned to liquidate CAs at year-end to ensure recognition of expenses paid out of the CAs in the appropriate reporting period.</p>		<ul style="list-style-type: none"><li>Petty Cash Fund Custodians</li></ul>					<p>Currently, these expenses are not anymore charged to SDO. These are charged to the petty cash fund under the name of Mr. Kenneth Dwight M. Muñoz with DPO no. 067-2022 (<i>Annex H</i>). The amount of petty cash under his custody is ₱500,000.00.</p> <p>Furthermore, claims relative to advances to Special Disbursing Officers (SDO), the estimated amount of cash advances will be strictly verified and will limit only equivalent to two months' expenses.</p>
b) <i>Unutilized/underutilized PCFs</i>	10	Management agreed to require the PDMSG Undersecretary to: (a) instruct the PCFCs to report any payments out of the PCFs and/or refund the unutilized PCFs; and (b) review the PCFs annually to determine the necessity of their maintenance and/or the level at which the same should be maintained to meet the Agency's operational requirements.		<ul style="list-style-type: none"><li>PDMSG Undersecretary</li><li>Accounting Division</li><li>Petty Cash Fund Custodians</li></ul>			Implemented	<p>Non-utilization of the fund was mainly due to the Covid-19 pandemic and work-from-home arrangement. With these, the non-utilization of the fund inadvertently caused non-monitoring of the fidelity bonds.</p> <p>For the PCF of Ms. Eusebia Guevarra, due to the restricted movements during the covid lockdown in</p>	<p>The following are the current status of the 10 PCFs as shown in the JEVs attached in <i>Annex I</i> relative to the unutilized/underutilized amounts:</p> <ol style="list-style-type: none"><li>Hannah Lyn Go - refunded ₱5,000.00 under OR No. 5546495 dated March 2, 2022</li><li>Lyra Relator - refunded ₱5,000.00 under OR No.</li></ol>

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								Baguio City, it took quite some time before the original copies of the official receipts were submitted by the DOF Cottage Caretaker.	5546496 dated March 2, 2022  3. Eusebia Guevarra - petty cash fund will be retained and will observe timely replenishment  4. Ria Cruz – Liquidated the amount of ₱99,976.20 and the amount of ₱23.80 was refunded per OR No. 5546806. Her PCF for the purchase of drugs, medicines and other medical supplies was reduced to ₱20,000.00 under DPO No. 185-2022 dated May 23, 2022.  <i>The details of the remaining six petty cash fund custodians are stated under item (c)</i>
	c) Six unbonded PCFCs	Management agreed to require the PCFCs to monitor their fidelity bond and renew the same before the end of the effectivity date of the bond coverage to ensure indemnification of the government funds in case of loss or misuse of such funds.		• Petty Cash Fund Custodians			Implemented		The six unbonded PCFCs refunded the amounts as reflected in the JEVs attached in Annex I. Below are the actions taken by the following PCFCs:  1. Maryanne Exiomo – Liquidated the amount of



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									<p>₱35,628.70 and refunded the balance of ₱64,371.30 under OR No. 5546805 dated 03/29/2022</p> <p>2. Melissa dela Peña - refunded ₱20,000.00 under OR No. 5546493 dated March 2, 2022</p> <p>3. Mary Jane Zuño – Refunded ₱20,000.00 under OR No. 5546819 dated May 19, 2022</p> <p>4. Ana Marie Medina - Liquidated the amount of ₱6,766.25 and the balance was deducted from her salary starting May to August 2022.</p> <p>5. Jamie Camille Demetria - refunded ₱10,000.00 under OR No. 5546498 dated March 10, 2022</p> <p>6. Donalyn Minimo - refunded ₱10,000.00 under OR No. 5546494 dated March 2, 2022</p>

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AAR 2021 Pages 60-62	The scholarship costs, salaries and wages, and other benefits totaling ₱3.444 million as study grants to DOF officials and employees who were not able to complete the scholarship program remained unrefunded as of December 31, 2021 thus was not made available for use by the National Government (NG) for its operations.	Management agreed to: (a) require the beneficiaries to refund to the DOF the salaries, allowances and benefits received while on official study grant for non- completion of the scholarship program; and (b) require the concerned beneficiaries to authorize the OIC-Chief Accountant or the Cashier to deduct from their salaries or other benefits the amount to be refunded to the DOF.		<ul style="list-style-type: none"><li>Beneficiaries</li><li>HRMDD</li></ul>	4th Quarter of 2021	4th Quarter of 2024	Not Implemented (On-going)	Ms. Narcisa Martinez retired from service and is not living in her declared address that was on record. The letters sent to her regarding the refund were returned to DOF.	<p>Below are the actions taken by the concerned offices and the scholarship beneficiaries:</p> <ol style="list-style-type: none"><li>The Accounting Division will compute the supposed deduction of each scholar for a 3- year period and will submit to HRMDD for them to send billing to the scholars</li><li>Mr. Rivero’s salary deduction amounting to ₱6,141.85 per month started in November 2021 through payroll deduction and will last until October 2026.</li><li>Initially, the refund of Ms. Mendoza and Mr. Rojas will be deducted starting May 2022 based on their request of 10 years.</li><li>Ms. Atilano requested a partial refund for the fees paid by the DOF that she was not able to attend due to her medical emergencies. She will refund to DOF once AIM responds to her request.</li></ol>



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									<p>5. The proposed Policy on the Refund of Monetary Obligations Relative to the Scholarship/Training Grants of DOF Officials and Employees (Annex J) was crafted by the Management Services Division (MSD) and coordinated with the HRMDD and Legal Affairs Office (LAO). The said guideline is still for approval.</p> <p>As of July 31, 2022, the balance of the amount for refund is <b>₱3,385,705.97</b></p>
AAR 2021 Pages 62-64	Non-conduct of the physical count of inventories by a duly created Inventory Committee and observed by the required witness had not ensured an independent verification of the accountabilities of the Agency’s inventory custodians, and the non-/delayed submission of the RPCI had not enabled the timely verification of the balances of the <i>Office Supplies Inventory, Drugs and Medicines Inventory and Medical, Dental and Laboratory Supplies Inventory</i> .	<p>Management agreed to: (a) create an inventory committee to conduct the physical count of inventories once every semester and to report on the results of such count; and (b) submit the RPCI to the Audit Team on July 31 and January 31 of each year for the first and second semesters, respectively.</p> <p>Management to require the Inventory Committee to inform the Audit Team of the schedule of physical count of inventories to give the latter the opportunity to witness such count.</p>		<ul style="list-style-type: none"><li>• GSD</li><li>• HRMDD</li></ul>			Implemented		<p>A Department Personnel Order (DPO) was issued on June 23, 2022 for the Inventory Team composed of GSD personnel and representatives from the Accounting Division and COA. The Semi-annual physical count of common-use office supplies for FY 2022 was conducted last July 07 to 08, 2022. A copy of the DPO No. 241-2022 is attached in <i>Annex K</i> for reference.</p>

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									<p>The Inventory Committee will conduct the physical count of inventories while the GSD will prepare the RPCI.</p> <p>The RPCI for the Common-Use Office Supplies and Other Supplies and Directly-Issued as of June 30, 2022 were submitted to the Audit Team last July 8, 2022. <i>(Annex L)</i></p>
AAR 2021 Pages 68-69	Unremitted Government Service Insurance System (GSIS) employee contributions and loan amortizations deducted from salaries of DOF personnel totaling ₱1.078 million for verification may result in the incurrence of additional interests and/or, penalties and surcharges, or may affect availment of employee benefits, among others.	Management agreed to require the OIC-Chief Accountant to: (a) determine whether the accumulated balance of ₱1.078 million is due for remittance to the GSIS and immediately remit any amount due to the GSIS; (b) continue to reconcile records with the GSIS; and (c) refund the premium contributions and loan amortizations which have been erroneously deducted from the compensations of concerned officials and employees.		<ul style="list-style-type: none"><li>Accounting Division</li></ul>	April 2022	October 2022	Not Implemented (On-going)	Monthly premiums and loan amortization were uploaded to the GSIS Electronic Billing and Collection System (EBCS) for matching and verification. However, upon remittance, some premiums and loan amortizations were included in the clarificatory items in the Exception Report due to the reason that remitted amount was greater than the ideal premium, or that no remaining PS was due because employees' records with GSIS were not yet uploaded and some loans may be fully paid or renewed.	<p>DOF is waiting for the Statement of Account from GSIS for the unpaid premium and loan amortization which were previously deducted from employees' salaries.</p> <p><b>LOANS:</b> The refund of loan amortizations to employees amounting to ₱74,819.37 were refunded to the respective employees.</p> <p><b>PREMIUMS:</b> The unremitted premiums from prior years amounting to ₱164,964.94 were included in the remittance for the month of March, ₱10,479.72 were included in April remittances and ₱5,073.25</p>



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									were included in May remittances.
AAR 2020 Pages 51-58	<p>The existence, completeness and accuracy of the balances of several assets, liability and expense accounts were not ascertained due to discrepancies between the books and related records/reports, non-compliance with accounting standards and other issuances, and dormancy of accounts, among others.</p> <p><i>Dormant subsidiary ledger (SL) balances amounting to ₱0.865 million.</i></p>	<p>Management agreed to direct the Chief Accountant to analyze the dormant SL balances and to exert effort to gather the related documents for adjustment in the SLCs as necessary.</p>		<ul style="list-style-type: none"><li>Accounting Division</li></ul>			Implemented		<p>The following are Journal Entry Vouchers (JEVs) pertaining to the dormant subsidiary ledger (SL) balance of the Office Supplies Inventory account amounting to <i>₱0.865 million</i>:</p> <p><b>a. ₱818,844.00</b> JEV No. 2022-07-003141 dated 07/01/2022</p> <p><b>b. ₱46,000.00</b> JEV No. 2022-07-000088 dated 07/01/2022 (Reclassification) JEV No. 2022-07-000089 dated 07/01/2022 (Issuance)</p>

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AAR 2020 pages 58-64	Non-submission of the results of the review of the dividend remittances and of the requests for dividend reliefs/ downward adjustments in dividends, and absence of a database on such review had precluded the determination of the accuracy of the dividend remittance to the Bureau of the Treasury (BTr) and the validity of/approval on non-/under-remittances of dividends by the GOCCs.			<ul style="list-style-type: none"><li>Corporate Affairs Group</li></ul>			Implemented		The DOF-CAG submitted to the COA Audit Team in their letter dated April 29, 2022 the additional documents requested relative to the dividend remittances by Government Owned-or Controlled Corporations (GOCCs) and the sample communications between the DOF-CAG and BTr. (Annex M)
	<i>Non-submission of the results of the review of the correctness of dividend remittances for the dividend years 2017-2019.</i>	Management to direct the Director, Corporate Affairs Group (CAG) to agree with the BTr on which office will bill the GOCCs for non-/under-remittances of dividends; and							Pursuant to the 2016 Revised Implementing Rules and Regulations (RIRR) of RA 7656 or the Dividend Law, the correctness of the dividend remittance was vested on the Corporate Affairs Group (CAG) of the Department. As such, the DOF through its Corporate Affairs Group is sending letters to the GOCCs reminding them of their obligations to declare and remit dividends and the proper dividend due.
		Management to direct the Director, CAG to provide the BTr with the results of CAG's review of the dividend remittances to provide the bases for verifying the correctness of dividends received and for the setting up of dividend receivables from GOCCs in case of shortfalls in remittances.							The DOF-CAG is constantly coordinating with the Bureau of the Treasury (BTr) on the determination and reconciliation of the dividend remittances by the GOCCs. DOF-CAG



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									<p>furnished BTr with a copy of the evaluation of dividends due from the GOCCs for the proper reporting and monitoring of dividends due and remittances.</p> <p>It is DOF-CAG's continuous efforts to raise additional revenues to fund the various programs of the government. DOF-CAG is strictly monitoring the compliance of GOCCs with the dividend payment.</p>
AAR 2019 Pages 49-51	Unreconciled discrepancy of ₱303.305 million between the balances of various Property Plant and Equipment (PPE) accounts and the Report on Physical Count of Property, Plant and Equipment (RPCPPE) had not facilitated the determination of the existence and accuracy of the PPE balances totaling ₱2.055 billion.	Management to direct the Chief Accountant and Chairperson, Inventory Committee to reconcile the PPE book and RPCPPE balances and effect the necessary adjustments.		<ul style="list-style-type: none"><li>GSD</li><li>Accounting Division</li></ul>	July 2022	Dec. 2022	Not Implemented (On-going)		<p>This will be addressed in the One-time Cleansing of PPE</p> <p>Approximately, the reconciling amount was reduced to 66 million due to the following:</p> <ol style="list-style-type: none"><li>Preparation of Journal Entry Vouchers (JEVs) for the reclassification of PPE to proper accounts - As of this date, the amount reclassified to its proper account is ₱86.932 million.</li><li>Preparation of Journal Entry Vouchers (JEVs) for prior years' disposals of PPE - As</li></ol>

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									<p>of this date, the amount recorded in CY 2022 for the prior years' disposal is ₱49.85 million.</p> <p>3. Current disposals of PPE which are not included in 2021 Report of Physical Count of PPE (RPCPPE) - The total amount of current disposals of PPEs not included in 2021 RPCPPE is ₱2.988 million.</p> <p>4. Issuance of COA Circular No. 2022-004 dated May 31, 2022 which increases the capitalization threshold from ₱15,000 to ₱50,000 - A total of ₱102.934 million were dropped from the system with various Journal Entry Vouchers (JEVs).</p> <p><i>See Annex N: Computation and List of Journal Entry Vouchers (JEVs) in relation to the reconciliation of PPE Accounts.</i></p> <p>The management is in the process of availing of the One-Time Cleansing of</p>



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									PPE in compliance with COA Circular No. 2020-006 dated January 31, 2020. The Department Personnel Order (DPO) No. 276-2022 dated July 19, 2022 was issued for the Inventory Committee to conduct the actual inventory counting scheduled from August 1, 2022 to October 31, 2022. Attached is a copy of the DPO and the Physical Inventory Plan (PIP) submitted last July 22, 2022 to the Audit Team ( <i>Annex O</i> ).
AAR 2019 Pages 52-54	Non-compliance with several provisions of Republic Act (RA) No. 9184 and COA Circular No. 2009-01 for various consulting services affected the regularity of the transactions. <i>a) Delayed submission of contracts;</i>	Management agreed to submit the contracts together with their supporting documents to the Audit Team within five working days from the execution of the contracts.		<ul style="list-style-type: none"><li>PMD</li></ul>			Implemented		<p>The PMD has been complying with the requirement of COA to submit the contracts within 5 working days from the date of the execution of the contracts.</p> <p>The PMD continuously commits to submit the same within the prescribed deadline.</p>

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	b) <i>Policy in hiring Consultants not in consonance with the 2016 Revised Implementing Rules and Regulations of R.A No. 9184 and Government Procurement Manual (GPM), and non-maintenance of Employee Handbook.</i>	Management agreed to require the Management Services Division (MSD) to formulate policies, in coordination with the Internal Audit Services (IAS), for the procurement of consultancy services including procedures related to its payment, performance, monitoring and reporting, as well as appropriate timelines and schedules, as necessary, for inclusion in the existing guidelines on hiring individual consultant.		<ul style="list-style-type: none"><li>• MSD</li><li>• IAS</li><li>• PMD</li></ul>			Implemented		<p>The PMD, through the Undersecretary of the PDMSG, issued a memorandum addressed to all DOF Offices/Divisions/Units dated June 01, 2022 informing the end-users of the conditions, documentary requirements and the process flows to be followed in the hiring of Highly Technical Consultants. The memorandum, attached in <i>Annex P</i>, is in compliance with the recommendations of COA.</p> <p>A draft policy was crafted and submitted by MSD to the PMD for comments/suggestions. The final draft prepared by PMD is a comprehensive Guidelines in the Procurement of Highly Technical Consultant that includes the Purpose, Scope, Conditions, Documentary Requirements, Process, Submission of Documents, Contract Implementation and Monitoring, Payment and Process Flow starting from the Purchase Request (PR) up to the payment.</p>



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									The proposed guidelines were reviewed, finalized and approved by the Legal Affairs Office (LAO) and submitted to MSD for issuance of an Office Order to be signed by the Secretary of Finance. The draft Order and copy of the guidelines were submitted to the Office of the Assistant Secretary for Legal Services on July 13, 2022 and resubmitted on August 02, 2022 to address the queries of Assistant Secretary Rieza-Culangen. (Annex Q)
AAR 2019 Pages 55-57	Various deficiencies in accounting and cash accountability controls exposed public funds to the risks of non-indemnification, loss, and/or misuse, among others.  <i>Delayed/ incomplete submission of the monthly Reports for Accountability for Accountable Forms (RAAF)</i>	Management agreed to require the Acting Cashier to submit the monthly RAAF, for all accountable forms in her custody, on or before the 10th day of the following month.		<ul style="list-style-type: none"><li>GSD-Cash Section</li></ul>			Implemented		<p>The GSD-Cash Section has been complying with the requirement of COA and prioritizing the preparation of the monthly Reports for Accountability for Accountable Forms (RAAF) and directly submitting to COA.</p> <p>In CY 2022 submissions of RAAF to the resident auditor were as follows:</p>

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									<ul style="list-style-type: none"><li>• January 2022 - submitted Feb 4, 2022</li><li>• February 2022 - submitted Mar. 10, 2022</li><li>• March 2022 - submitted Apr. 6, 2022</li><li>• April 2022 - submitted May 5, 2022</li><li>• May 2022 - submitted Jun. 1, 2022</li><li>• June 2022 - submitted Jul. 4, 2022</li></ul>
AAR 2018 Pages 47-49	Various accounts were either with unreconciled balances, dormant, and/or undocumented, thus accuracy/ reliability of the same could not be fully ascertained.	<p>Management agreed to:</p> <p>a) Require the AD to review and account for the unreconciled differences and effect immediately any correcting/ adjusting entries on discrepancies/ errors and other reconciling items noted for PPE items subject of reconciliation; and</p> <p>b) Exert effort to analyze and document dormant accounts and if all efforts failed, consider filing a request for authority to write-off the same, following the guidelines set forth under COA Circular No. 2016-005 for dormant accounts.</p>		<ul style="list-style-type: none"><li>• Accounting Division</li></ul>	Jan. 2022	Dec. 2022	Not Implemented (On-going)		<p><b><u>PPE Account:</u></b> P88.019 million out of P137.065 or 64.22% were already reconciled with various Journal Entry Vouchers (JEVs). The Accounting Division is still exerting effort to analyze the remaining balance based on available documents on disposal. As part of the one-time cleansing of PPE of the agency in compliance with COA Circular No 2020-006 dated January 31, 2020, the unreconciled amount will be included in the list of PPE to be requested for write-off.</p> <p><i>Please see attached Schedule of "For Reconciliation/</i></p>



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									<i>Reclassification” S/L and List of Journal Entry Vouchers (JEVs) for the Reclassification of PPE Accounts under Annex R.</i>  <b><u>Due from NGAs (DBM-PS)</u></b> The Accounting Division recorded various Journal Entry Vouchers (JEVs) for the unrecorded deliveries with a total amount of ₱4.796 million.  <i>Please see attached Table: Deliveries from PS Not Yet Recognized in the Books and copies of Journal Entry Vouchers (JEVs) in Annex D.</i>
AAR 2018 Pages 58-59	Financial reports and supporting documents were either not submitted or submitted beyond the prescribed period, thus, affected the timely audit of the agency’s financial transactions.	Management agreed to require the Chief Accountant and other Officials concerned to submit to COA the required financial reports, including the supporting documents within the prescribed period.		<ul style="list-style-type: none"><li>Accounting Division</li></ul>	Jan. 2022	Onwards	Implemented	For the whole year of 2021 up to the first two months of 2022, the Department implemented the 50 percent on-site workforce capacity to carry on abiding by the health protocols mandated and promulgated by the government through IATF and DOH. This impediment keeps on hampering the normal working operation of the division; thereby continuing to cause	On the department’s implementation of the 50% on-site working capacity up to February 2022, the Accounting Division ensured that the working potential of every employee is maximized. In March 2022, IATF released Resolution No. 163-A placing the National Capital Region (NCR) under Alert level 1 status and Guidelines on the nationwide implementation of the alert level system for Covid-19 response which

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								<p>delays in transmitting vouchers and reports to the regulatory agencies.</p> <p>In addition, delays encountered are due to but not limited to the following:</p> <p>1. Source documents are incomplete (e.g. unsigned)</p> <p>2. With the implementation of ADA wherein payments are deposited to the supplier's/payee's account, Official Receipts from Suppliers are not immediately issued, delaying the transmission of Disbursement Vouchers and supporting documents by the Cashier to the Accounting Division.</p> <p>3. System error encountered in importing and exporting data in the ENGAs.</p>	<p>gives the department to implement 100% on-site workforce capacity; with this, the impediment on prior years due to pandemic subsidy and helped the division to catch up on the delays on transmitting vouchers and reports to the regulatory agencies.</p> <p>At present, the Cash Section is submitting the disbursement vouchers earlier than usual and the Accounting Division records and submits the documents and reports promptly to the Audit Team. Last May 2022, the division was able to submit partially on time.</p> <p>For the succeeding months, the Accounting Division is doing its best effort to work effectively and efficiently in order to submit documents based on existing COA rules and regulations.</p>



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AAR 2018 Pages 60-62	Deficiencies were noted in the keeping of records and reports by the Property Division.	Management agreed to require the Inventory Committee to report in the RPCPPE the 233 PPE items aggregating ₱19.725 million to their appropriate PPE accounts.		<ul style="list-style-type: none"><li>GSD</li></ul>		Dec. 2022	Implemented		138 or 60% of the PPE reported were reclassified to semi-expendable assets pursuant to COA Circular No. 2022-004 dated May 31, 2022. PPE is expected to be fully adjusted as at Dec. 31, 2022  Attached in <i>Annex S</i> is the list of PPE reclassified to Semi-Expendable Assets.

Agency sign-off:

  
**MARIA EDITA Z. TAN**  
Undersecretary  
Policy Development and  
Management Services Group

\_\_\_\_\_ Date