

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION

For the Calendar Year 2021

As of December 31, 2022

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, 2022)
			ACTION PLAN	PERSON/ DEPT RESPONSIBLE	TARGET IMPLEMENTATION DATE				
					From	To			
Value for Money Audit									
2022-002	One (1) unit generator set costing P499,000.00 remained unutilized since its delivery in December 2020 and was kept idle for more than a year due to an existing generator set used in the Regional Office, thus exposing the equipment to a potential obsolescence, fouling and scaling, which could result in the incurrence of additional repair and maintenance expenses and wastage of government funds.	1.Assign a responsible staff to conduct frequent test runs on the generator set to avoid possible common generator problems and 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 operations of government pursuant to Section 2 of P.D. 1445.	1. Management to assign a responsible staff to conduct frequent test runs on the generator set to avoid possible common generator problems and to 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 operations of government pursuant to Section 2 of P.D. 1445.	Chief Administrative Officer/ GSS Chief	March 7, 2022	March 31, 2022	Fully implemented		Management is continuously monitoring the conduct of the regular test run on the generator set to avoid possible problems and ensures that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguard against loss or wastage. A report on the status/condition of said equipment after the test run is submitted by the responsible staff to the management.
Financial and Compliance Audit									
2022-001	The validity, existence and accuracy of the Inventory account balance of P378,214.60 could not be ascertained due to non-maintenance of Supplies Ledger Card (SLC) and not updated Stock Cards (SC), and physical count of supplies and materials not conducted contrary to the provisions of Section 17 Chapter 8 of the Government Accounting Manual (GAM) volume I, thus affecting the reliability of the account balances.	1. Require the Accounting Section and General Services Section to maintain Supplies Ledger Card and updated Stock Card for each item of inventory and conduct regular reconciliation of records; and	1. Management to require the Accounting Section and General Services Section to maintain Supplies Ledger Card and updated Stock Card for each item of inventory and conduct regular reconciliation of records; and	Regional Accountant/ GSS Chief	March 7, 2022	June 30, 2022	Fully implemented		The Accounting and General Services Sections are maintaining Supplies Ledger Card and Stock Card, respectively for each item of inventory to ascertain the validity, existency and accuracy of the inventory account balance in the books.
		2. Instruct the Supply Officer to conduct physical count of inventories every six (6) months and to prepare and submit the Report on the Physical Count of Inventories (RPCI) to the audit team not later than July 31 and January 31 of each year for the first and second semesters, respectively as provided in the Instructions embodied in GAM volume II.	2. Supply Officer to conduct physical count of inventories every six (6) months and to prepare and submit the Report on the Physical Count of Inventories (RPCI) to the audit team not later than July 31 and January 31 of each year for the first and second		March 7, 2022	July 31, 2022	Fully implemented		The Management thru the General Services Section conducted physical count of inventories for the 1st Semester of CY 2022 on July 13, 2022 with the presence of COA and Accounting Section representatives as witnesses. The Report on the Physical Count of Inventories (RPCI) was prepared and already submitted to the Office of the Resident auditor on August 1, 2022.
2022-003	Procurement of various Information and Communication Technology Equipment amounting to P1,955,194.80, considered as capital expenditures, was improperly charged to allotment for MOOE, inconsistent with Section 4(1) of P.D. No. 1445, Section 17&72 of the General Provisions of the General Appropriations Act for FY 2021, and Section 8, Chapter 10 of the Government Accounting Manual (GAM) for National Government, Volume I, doubting the legality of the transactions.	1. Management to stop using funds allocated for MOOE to finance the procurement of properties/equipment above the P15,000.00 capitalization threshold and adhere strictly with Sections 17 and 72 of the General Provisions of RA 11518.	1. Management to stop using funds allocated for MOOE to finance the procurement of properties/equipment above the P15,000.00 capitalization threshold and adhere strictly with Sections 17 and 72 of the General Provisions of RA 11518.	Regional Accountant/ Budget Officer/ Provincial Directors	March 7, 2022	March 31, 2022	Fully implemented		Management had already stopped using funds allocated for MOOE to finance the procurement of properties/equipment above the P15,000.00 capitalization threshold and ensure to adhere strictly with the related laws, rules and regulations.

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					From	To			
2022-004	Funds transferred to Provincial Offices have a total balance of P43,043,812.82 that remained unutilized as of December 31, 2021 which is not fully compliant to DBM Circular Letter No. 2019-3 and other regulations, thus barring the availability of the funds for other priority programs and projects of the National Government.	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 which is contrary to DBM Circular Letter No. 2019-3 dated January 4, 2019, instead adopt good fiscal management practices to ensure that all funds are utilized efficiently and effectively; and	1. Management to stop the practice of transferring funds to Provincial Offices more than their operational requirements at any given period until the last working day of the 3rd month of the quarter instead adopt good fiscal management practices to ensure that all funds are utilized efficiently and effectively; and	Chief Administrative Officer/ Regional Accountant/ Budget Officer/ Provincial Directors	March 7, 2022	March 31, 2022	Fully implemented		Management had already stopped transferring funds to Provincial Offices more than their operational requirement at any given period that circumvent the lapsing of NCA validity since CY2021 in compliance with the same audit observation and recommendation in CY2020.
		2. Require the return of all unutilized and idle funds to the National Treasury in accord with 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.	2. to return of all unutilized and idle funds to the National Treasury				Fully implemented		The unexpended CY2020 Fund Transfer to Provincial Offices have been refunded under OR nos.1029392, 1029393, 1029394, 1029395, 1029396, 1029398 dated March 2022 amounting to P7,385,835.79 and remitted to the National Treasury on April 8, 2022.
2022-005	The validity, existence and accuracy of the Property Plant and Equipment (PPE) account per books of P58,357,470.61 as of December 31, 2021 could not be ascertained due to non-reconciliation of accounting and property records of P418,650.43 and the non-maintenance of Property, Plant and Equipment Ledger Cards (PPELC) and not updated Property Cards (PC), contrary to Section 42 Chapter 10 of the Government Accounting Manual (GAM) Volume I.	1. Require the Accounting Section and Supply/General Services Section to maintain a complete Plant, Property and Equipment Ledger Cards and updated Property Cards, respectively and to exert extra effort to analyze and reconcile their records on a regular basis so that discrepancies thereon are immediately corrected.	1. Management to require the Accounting Section and Supply/General Services Section to maintain a complete Plant, Property and Equipment Ledger Cards and updated Property Cards, respectively and to instruct both the Regional Accountant and Property Officer so that discrepancies thereon are immediately corrected.	Regional Accountant/ GSS Chief	March 7, 2022	June 30, 2022	Fully implemented		The Accounting and General Services Sections are already maintaining Plant, Property and Equipment Ledger Card and Property Cards, respectively. The amount of P1,343,701 representing 26 units of ICT Equipment and 6 units of Office Equipment was already recorded in the books drawn under Journal Entry Voucher# (GJ) 01-2022-03-082-00 dated March 18, 2022. While other PPEs removed in the RPCPPE were recorded back to settle the difference of P418,650.43 between Accounting and Property Records.

Prepared by:

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EMMA ADDUN REYES, CPA
Accountant III

Approved by:

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JONATHAN PAUL M. LEUSEN, JR., CESO III
Regional Director