

NATIONAL WAGES AND PRODUCTIVITY COMMISSION
2nd Flr. DY International Bldg., San Marcelino corner Malvar St., Malate, Manila

Agency Action Plan and Status of Implementation
Audit Observations and Recommendations
For the Calendar Year 2016 (Current Year)
As of May 12, 2017

Reference No. (ML/CAAR)	Category	Audit Subject	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be taken
					Action Plan	Person/Dept. Responsible	Target				
							From	To			
ML p.6	Value for Money Audit	Major Final Output No. I	NWPC-Central Office was able to develop the training modules and upgrade/revise its succeeding in business and? Industrious, Systematic, Time conscious, Innovative, strong value - Bayanihan training programs during the year and exceeded its target on Tamang Kaalaman sa Kita at Kakayahan (T3K) by 12 percent; thus, the objective of meeting the agency's target or expected output was fully realized.	Management to continue its good performance in accomplishing its expected outputs.		NWPC-Main			POSITIVE AOM		The Management in its letter dated April 17, 2017, expressed its sincere appreciation of the favorable findings; assured to continuously adhere to the development of training modules; and committed to exceed the expected output.
ML p.8	Financial and Compliance Audit	Property, Plant and Equipment	The reported balance of Other Asset account is overstated by P1,544,808 and understated both the Property, Plant and Equipment and intangible assets accounts by P1,272,808.24 and P271,999.76, respectively, as the recorded items were not among those classified/ recognized as Other Asset pursuant to the Revised Chart of Accounts prescribed under the GAM, Volume III.	We recommend that the Management: a. require the Supply and/or Property Officer to prepare the Inventory and Inspection Report of Unserviceable Property (IIRUP) to facilitate disposal of the unserviceable properties;		NWPC-Main			Ongoing		Per COA recommendations, the following are Management's actions: a. The Supply and/or Property Officer has already prepared the Inventory and Inspection Report of Unserviceable Property (IIRUP) to facilitate disposal of the unserviceable properties;

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			<p>Moreover, the unserviceable PPE items were not disposed of and the intangible assets were not derecognized as these assets were already obsolete.</p>	<p>b. require the accountant to:</p> <ul style="list-style-type: none"> - reclassify the Other Assets account to the specific PPE or semi-expendable properties and Intangible assets accounts; and - derecognize the Intangible Assets in the books; <p>c. create a Disposal Committee to perform the following:</p> <ul style="list-style-type: none"> -inspect the unserviceable PPE items to determine their physical condition to justify disposal thereof; <p>- determine the appraised value of the property with due consideration of obsolescence, market demand, physical condition and result of previous bidding for similar property;</p> <ul style="list-style-type: none"> - recommend to the Head of the Agency for approval the manner of disposal; and - dispose promptly items that do not have economic values which are recommended for immediate condemnation or destruction. 						<p>b. the Accountant has prepared the adjusting journal entries for the reclassification and derecognition of Intangible Assets. However, for the reclassification of Other Assets to PPE or semi-expendable properties, the Accountant will make further evaluation, after which, adjusting entries will be submitted once finalized; and</p> <p>c. Management submitted a copy of Office Order No. 03 series of 2017 dated January 3, 2017 as to the reconstitution of the Disposal Committee for 2017.</p> <p>The Management issued Office Order No. 11 dated April 12, 2017 on the guidelines for the disposal of unserviceable property.</p> <p>The Disposal Committee issued Resolution No. 001 dated May 4, 2017 recommending to the NWPC Head the disposal of 28 items consisting of 21 tires and 7 car batteries (Annex "A").</p>	


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ML p.11	Financial and Compliance Audit	Due to BIR	<p>The validity and accuracy of the reported balance of Due to BIR account amounting to P1,089,274.16 could not be ascertained and established due to (i) negative balances in the subsidiary ledgers totaling P844,945.89, and (ii) unreconciled SL balance amounting to P130,771.94.</p>	<p>We recommend that the Accountant:</p> <ul style="list-style-type: none"> • Conduct a thorough review of the Subsidiary Ledger Balances and effect the necessary adjustments to reflect the true balances of the accounts. Prepare the necessary adjusting entries to set up the liabilities. • Exercise due care in recording transactions to avoid the incurrence of the noted errors. • Strictly adhere to the requirements of the Government Accounting Manual on the fair and faithful presentation of the balances on the Financial Statements. 		NWPC-Main			Ongoing	<p>Management submitted a letter to COA dated March 27, 2017 stating that:</p> <p>After verification with available accounting records thru the eNGAS (Electronic National Government Accounting System), it is found that the negative balances in the subsidiary ledgers existed as early as CY 2007 while the unreconciled Subsidiary Ledger balance of P130,771.94 was initially established as beginning balance on March 31, 2006. The transactions having been posted more or less ten (10) years ago, this Office needs an ample time to conduct a thorough review of the Subsidiary Ledger Balances to effect the necessary adjustments, if any. Once reconciled, we will be submitting a report on the matter.</p> <p>Based on the Management Letters issued by COA for the period covering CY 2011 to 2015, the observation was that NWPC had been faithfully adhering with the tax laws and appropriate taxes including the immediate remittance thereof. NWPC committed to continuously comply with the requirements of the Government Accounting Manual on the fair and faithful presentation of the balances on the financial statements.</p>	


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ML p.13		Due to Officers and Employees	Due to error in recording longevity pay twice instead of debiting the Account Due to Officers and Employees, the latter was overstated by P219,000.00 and understated Accumulated Surplus/Deficit by the same amount.	We recommend that the accountant prepare necessary journal entires to adjust the payable account and the expense account to Accumulated Surplus/Deficit.		NWPC-Main			Fully Implemented		The management had made the necessary adjusting journal entries as stated in the letter dated 29 March 2017 received by COA on 31 March 31, 2017 with an attached copy of the JEV made.
ML p.14		Gender and Development	While cognizant of the accomplishment of the agency to implement its targeted GAD plans and activities for the CY 2016, it was not able to submit an adjusted GPB to the PCW to conform with the five percent allocation of its approved Fiscal Year 2016 Budget as required under Item 8.8 of the PCW-ND-DBM Joint Circular 2012-01.	We recommended that the Management: - adhere with the five percent fund utilization of its appropriations for GAD activities; and - henceforth, re-submit to the PCW an adjusted GPB in accordance with item 8.8 of Joint Circular No. 2012-01.					Ongoing		Management submitted reply letter dated April 17, 2017 stating that the available/endorsed GAD documents thru the PCW Gender Mainstreaming Monitoring System (GMMS) would show that while the NWPC was not able to submit online its 2016 GPB due to some technicalities.in using the GMMS, yet the hardcopy of the 2016 GPB was submitted and received by the PCW on November 5, 2014. We were advised to use the said GPB and make the appropriate adjustments in the 2016 GAD Accomplishment Report. We were unable to re-submit the adjusted GPB since PCW has no chance of online validation of said report. Given the above circumstances, both agencies are still in the process of perfecting the implementation of the PCW-GMMS. Rest assured that Management will regularly coordinate with PCW to comply with online submission of GPBs and GAD ARs once the system is fully operationalized.

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ML p.17		Senior Citizens and Persons with Disability	The National Wages and Productivity Commission (NWPC)-Central Office implemented plans, programs and projects related to Senior Citizens and Persons with Disability amounting to P29,016.60 pursuant to Section 36 of the General Provisions of Republic Act No. 10717 or the General Appropriation Act for Fiscal Year 2016.	We commended the Management for strictly complying with the provisions of the GAA in addressing the concern of the Senior Citizens and Persons with Disability and we recommended that it continues to ensure the same.		NWPC-Main			POSITIVE AOM		Management submitted a letter dated April 17, 2017 extending sincere appreciation for the favorable findings and assured that it will continuously adhere to the provisions of R.A. No. 10717.
ML p.18		Compliance with Tax Laws	The agency withheld the appropriate taxes from payments to suppliers or contractors and employees and promptly remitted the same to the BIR through Tax Remittance Advices in compliance with E.O. No. 651 and related rules and regulations.	We commended the Management for strictly complying with the provisions of E.O. No. 651 and we recommend that it continues to ensure the same.		NWPC-Main			POSITIVE AOM		Management extended earnest appreciation for the favorable findings and assured that it will continuously adhere to the prescribed rules and regulations affecting the tax laws and regulations.
ML p.19		GSIS premium	The GSIS premium contribution and loan amortization of NWPC employees have been deducted and remitted promptly together with the corresponding government share amounting to P9,300,008.44 in accordance with the provisions of Republic Act No. 8291.	We commended the Management for complying strictly with the provisions of R.A. No. 8291 and we recommended that it continues to ensure the same.		NWPC-Main			POSITIVE AOM		Management submitted a letter dated March 24, 2017 extending its sincere appreciation for the above favorable findings with the assurance of continuous adherence to the provisions of R.A. No. 8291.

Prepared by:


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Certified Correct by:


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