

PHILIPPINE HEALTH INSURANCE CORPORATION
STATUS OF AUDIT OBSERVATION MEMORANDA
As of December 31, 2016

PRO	AOM NO.	AOM DATE	DATE RCVD by ORVP	SUBJECT	CONCERNED SECTOR / DEPARTMENT / OFFICE	COA RECOMMENDATION	ACTION TAKEN	STATUS	DATE SUBMITTED TO COA
HO	HO 2016-001(15)	1/8/2016		Inventory and Custody of Software / Unrestricted users access from running	CIO and FMS	No annual inventory and central repository for computer media were established and PHIC users were not	Due Jan 22, 2016. Ext to Feb 9, 2016. Ext to Feb 22, 2016.		2/19/2016
HO	HO 2016-002(15)	1/25/2016		Provisions of PhilHealth Office Order No. 0078-2015 on Travel Related	FMS	Certain provisions of PhilHealth Office Order No. 0078-2015 dated Sept 16, 2015 are inconsistent with the provisions	Due on Feb 10, 2016. Ext to Feb 22, 2016.		2/11/2016
HO	HO 2016-003(15)	1/29/2016		Partial Results of Gap and Duplicate Tests	FMS	<p>1. Duplicate test is used to detect any duplicate transactions such as payments, claims or expense report items while gap testing is to identify missing values in sequential data where there should be none.</p> <p>2. After performing duplicate and gap tests based on DVs and GJs to account for its completeness, the result of the gap test showed that there were 13 DVs and 54,312 GJs for regular transactions, cash advances and bank recon that could not be accounted.</p> <p>3. The foregoing information indicates weakness in accounting controls. There shall be doubts on the completeness of the recording of transactions presented in the FS if these documents remained unaccounted for.</p>	Due on Feb 17, 2016. Ext to Feb 29, 2016		2/26/2016

HO	HO 2016-004(15)	1/29/2016		Absence of linkage between the FARU and the Check Payment System	CIO and FMS	<p>1. The AICD is using FARU in recording of PHIC transactions while Treasury Dept utilizes a separate and distinct system in the accounting and monitoring of payment through checks.</p> <p>2. Results of Gap and Duplicate tests disclosed a number of checks could not be accounted due to errors in the annual encoding of the check numbers.</p> <p>3. The procedures were tedious and prone to error as shown in the results of the tests conducted. Further, there is always uncertainty on the accuracy and correctness of information contained in the FARU database. It was Management's comment that this issue would be incorporated in the implementation of the new system but to date remained unresolved.</p>	Due on Feb 17, 2016. Ext to Feb 29, 2016 Feb 19-sub to OCM		2/26/2016
HO	HO 2016-005(15)	3/14/2016	3/14/2016	Due from Collecting Banks-Accrued Fines and Penalties accoun (125-90) as of Dec 31, 2015	Treasury	<p>Union Bank incurred a delay in the submission of RF2, RF2A and other documents ranging from four (4) to Three Hundred Ninety-one (391) days for the period Dec 31, 2013 to Feb 1-15, 2015 resulting to P1,777,113.80 amount of Fines and Penalties as of Dec 31, 2015 contrary to Article III Par. 4 of the Collection and Remittance Agreement. Thus, timely posting of members'contributions in the total amount of P36,516,377.50 and processing of members benefit payments are effected to the detriment of the members.</p>	Due on March 29, 2016. Ext to Apr 15, 2016		4/8/2016

HO	HO 2016-006(15)	3/14/2016		Cash Examination on the Accountable Officers of PhilHealth HO on Nov 9-10, 2015 per OO No. 2015-002	various (due April 8, 2016)	<p>1. Cash advances of Ms. Aquino and RVP Bacareza in the amount of P477,750 and P500,000, respectively were liquidated 9 months to almost 2 years after the purpose of the cash advances have been served while the cash advance of Ms. Leones remained unliquidated contrary to Section 4.1.3 (iii) of COA Circular No. 2009-002.</p> <p>2. Cash advance granted to the 3 accountable officers in the total amount of P68,900 were not supported with Estimate of Expenses when the cash advances were granted.</p> <p>3. Cash examination of accountable officer Mr. Roderick J. Velasco disclosed 4 deficiencies involving erroneous recording, delay liquidation, cash advances not refunded by driver for cancelled trips and cash advance to driver no longer in the service.</p> <p>4. 2 SDOs did not conform with the proper handling of the cash book resulting to non-compliance with the footing and closing and affixing of certification of the Accountable Officers in the books at the end of each month.</p> <p>5. The bond of Ms. Medina in the amount of P3.5 million is inadequate considering that her collections ranges from more than P100M to P1.6B.</p>			
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HO	HO 2016-007(15)	3/31/2016		Due from National Govt Agencies (147-00) and the Premium Subsidy-Senior Citizens (633-10)	MMG	<p>1. Partial validation thru duplicate test of the enrolles members under the New Senior Citizen Program with the NHTS-PR and Sajahatra Bangsamoro Program of ARMM, PROs IX and XII revealed that 8,466 Senior Citizen members were with duplicate records. Thus, it resulted to overbilling to DBM for the health insurance premium of SCs and overstatement of accounts Due from NGA-DBM and Premium Subsidy-SC in the total amount of P20,318,400 contrary to PhilHealth Cir. no. 006-2015 and Par. 13 of PAS 1.</p> <p>2. A discrepancy of P3,503,899,200 between the Due from NGA-DBM account (147-00) and the billing of PhilHealth to DBM for the enrolled SCs for the period October 2014 to December 2015 contrary to Par 13 of PAS 1. T Thus, the account Due from NGA-DBM is doubtful.</p>	Due on Apr 15, 2016. Ext to May 2, 2016.		4/26/2016
HO	HO 2016-008(15)	4/5/2016		Unavailability /Inadequate storage area and limited physical security	PRID	Inadequate space and limited number of storage racks for HO and NCR; inadequate storage facility and limited physical security, and damage ceilings for PRO XI; and no bodega was allotted for PRO IVA, contrary to Section 20(1) of PD 1445. Thus, our mandated duty to be responsible for the safekeeping and preservation of paid expense vouchers, journal vouchers and other documents may be compromised.	Due on April 20, 2016.		4/20/2016
HO	HO 2016-009(15)	4/13/2016	4/15/2016	Value for Money	MSS	<p>1. Lease of Office spaces for HO, PRO NCR, PRO I, PRO III including its LHIOS</p> <p>2. Utilization and management of lot in QC and Bonifacio Global City in Taguig</p>	Due on April 28, 2016 Ext to May 13, 2016		5/12/2016
HO	HO 2016-010(15)	4/19/2016		Unreconciled balance of Office Supplies Inventory between Accounting and PRID	Compro ITMD SBAC PRID	Audit disclosed discrepancy between AD and PRID records, thus, casting doubt on the balance sheet of the Supplies Inventory account.	Due on May 4, 2016. Ext to May 20, 2016		5/12/2016

HO	HO 2016-011(15)	4/26/2016		Inaccurate depreciation expenses and accumulated depreciation	PRID FMS Comptro PROs	<p>1. 95 properties of PRO CAR were depreciated without considering residual value, thus, overstating the depr. expense and accum. depr. And understatement of property balances</p> <p>2. Depr. of 8 sample PPE were computed erroneously, thus resulted to over/understatement of depr. Expense and accum. Depr. and under/overstatement of the book value of the asset account</p> <p>3. 165 ofc eqpts. under HO account 238-10 has no "Acquisition Date" indicated in the LSPPE while erroneous date were observed for PRO CAR and PRO IX, thus, computation as well as review of the accuracy of the depr. expense and accum. depr. become burdensome</p> <p>4. Acquisition costs of some IT equipment were recoded by lot instead of by item, thus, computation of depreciation for each item is not possible</p> <p>5. 1,162 fully depreciated PPE were not appropriately disclosed, as consequence, stakeholders may not be properly informed which may affect in making their decision</p> <p>6. Audit disclosed variance between GL and PLC and variance between PLC and ARPC which represents missing properties, thus, the GL balance is</p>	Due on May 11, 2016. Ext to May 20, 2016	5/18/2016
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PRO CAR	2016-001	1/22/2016	1/29/2016	Case Rate Disbursement Vouchers covering the period January 2015	HCDMD BAS	Management consider revisiting the policy on case rate taking into consideration the primary purpose / intention of the corporation to grant members the most advantageous financial risk protection through consistent and fixed benefit package and consider limiting the payment / reimbursement to health facilities to the actual charges to avoid excess payments to Health Care Institutions	Done.	Not Implemented.	2/15/2016
PRO CAR	2016-002	2/1/2016	2/9/2016	Financial Reports of PRO CAR covering the period January to November 30, 2015	MSD FMS	Recommend the Management submit the required financial reports following the timeliness set by regulations.	Done.	Implemented.	2/24/2016
PRO CAR	2016-003	2/1/2016	2/9/2016	Accumulated Depreciation of Property, Plant and Equipment of PRO CAR as of November 30, 2016	MSD ASS FMS	Recommend the Management to instruct the accounting section to make necessary accounting adjustments in the corporate books so that accurate balances shall be reflected in the PRO CAR's financial statements and review and adjust its lapsing schedule so that it shall comply with the parameters provided by regulation and come up with correct computation of depreciation expense which shall be applied in the succeeding period.	Done.	Implemented.	2/24/2016
PRO CAR	2016-004	2/2/2016	2/10/2016	PFPR covering payments made for the 1st semester of 2015	HCDMD BAS	Recommend management to a. Strictly implement the provisions of PhilHealth Circular No. 015, s. 2014 in the release/payment of PFPR to indigent members which is 30 days upon submission during the 60 days prescribed period of submission; b. Monitor submission of reports through the respective LHIOs; and c. Recommend other measures to higher authorities where reports could be submitted without using electronic data, especially to places where internet connection is not possible.	Not Implemented.		6/7/2016

PRO CAR	2016-005	2/18/2016	2/19/2016	Provisions of PhilHealth Office Order No. 0078-2015 on Travel Related Expenses	MSD ASS FMS	Recommend taking into account the submission of the following: a. For local travel that the expenses / reimbursement exceeds P800.00, secure certification from the Head of the Agency that the expenses are necessary in the performance of an assignment; and b. For travel abroad that the expenses / reimbursements are absolutely necessary in the performance of the assignment thereafter, the approval of the President.	Done.	Implemented.	3/21/16 4/12/16
PRO CAR	2016-006	8/16/2016	8/25/2016	SDOs of four (4) LHIOs and PBC did not maintain cash books to properly account for the monetary reward received from the Civil Service Commission, contrary to Section 181, Volume 1 of the GAAM	MSD LHIO PBC	Recommend management to advise the Special Disbursing Officers concerned to maintain cash book for the CSC-SEA cash reward and periodically account the same in accordance with the guidelines set forth under Section 181 of GAAM Volume 1.	Done.		9/13/2016
PRO CAR	2016-007	8/22/2016	8/25/2016	Collecting Officers of four (4) LHIOs and PBC failed to issue official receipts for the cash reward granted by the Civil Service Commission contrary to Section 63 and 68 of PD No. 1445.	MSD LHIO PBC	Require accountable officers concerned to promptly issue an official receipt to acknowledge all collections officially received by them pursuant to Sections 63 and 68 of PD No. 1445, in order to avoid committing possible infractions that may be detrimental to the interest of the agency.	Done.		9/13/2016
PRO CAR	2016-008	10/27/2016	11/2/2016	The Petty Cash Replenishment of the SDO were not recorded chronologically in the cash book thus balances appearing therein were not accurately presented in the order they occur. Likewise, the cash book was not regularly closed at the end of each month contrary to Section 181, Volume 1 of the GAAM.	LHIO-Ifugao	Require the accountable officer to do the following courses of action: 1. Ensure that all supporting documents are in order to avoid them being returned and cause unnecessary delay; 2. Prepare Petty Cash Voucher only when there are available funds to disburse; and 3. Close and certify his cash book at end of each month.	Done.		11/16/2016

PRO CAR	2016-009	11/23/2016	12/1/2016	Accounts Payable Vouchers on Benefit Claims Payment were not submitted within the reglementary period thus, preventing the timely verification of transactions contrary to Section 100 of Presidential Decree No.	MSD FMS	To devise a work plan on how to submit APVs in compliance with the provisions of PD 1445	Done.		12/13/2016
PRO CAR	2016-010	11/15/2016	12/12/2016	The fidelity bonds provided for the total accountabilities of the PHIC-LHIO, Ifugao and Kalinga Accountable Officers were short of the required premium rates stated in Terasury Circular No. 02-009, thereby denying ample time protection necessary to safeguard the agency's resources.	MSD FMS	To require the Accountable Officers of PHIC-LHIO, Ifugao and Kalinga to apply for increase in the coverage of their Fidelity Bonds corresponding to their maximum cash accountabilities with the Bureau of Treasury pursuant to Treasury Circular No. 02-2009.	Done.		2/13/2017
PRO 1	AOM No. PRO1 - 2016-001 (15)	1/22/2016	2/12/2016	Subsidiary Ledgers for each Collecting Officer	FMS	We recommend: a. Management complies with Sections 111 and 114 of PD 1445 and require the maintenance of subsidiary ledger for each collecting officer and transactions be recorded in details to avoid difficulty in the verification and reconciliation of their accounts	FMS is currently maintaining a subsidiary ledger per Collecting Office (LHIO). FMS-Comptrollership Unit has assigned a personnel who maintains a subsidiary ledger for each Collecting Officer.	Fully Implemented.	2/23/2016
PRO 1	AOM No. PRO1 - 2016-002 (15)	1/22/2016	2/11/2016	Monthly Report of Accountability of Accountable Forms and Report of Fuel Consumption	GSU / CMU	We recommend management to: Submit the Monthly Report of Accountable Forms and the Report of Fuel Consumption regularly, on or before the fifth (5th) or tenth (10th) of the ensuing month.	All unsubmitted reports (October, November, and December 2015) were submitted in February 2016. Monthly Report of Accountability for Accountable Forms (MRAAF) for CY 2016 have been submitted regularly.	Fully Implemented.	2/23/2016
PRO 1	AOM No. PRO1 - 2016-003 (15)	1/25/2016	2/12/2016	Disposal of Unserviceable	AdSS / GSU	We recommend management to:			

	2016-003 (15)			properties		<p>a. Drop from the books these unserviceable properties and reclassify to Other Assets as recommended in our previous year's audit finding; and</p> <p>b. Require the Disposal Committee to dispose immediately these unserviceable properties using appropriate mode of disposal, as determined and recommended by the Committee, to avoid further deterioration in order to generate additional income or more in terms of high appraised value from their sale , if warranted, and make use of the storage spaces occupied by these items.</p>	<p>BACD: The Disposal Committee had already disposed empty ink cartridges. The committee has programmed several bidding schedules and has been conducting bidding activities this year for the disposal of various unserviceable properties covering inventory and inspection of Unserviceable Property (IIRUP) Nos. 2013-002, 2015-001-006, and 2016-001.</p> <p>GSU: GSU issued Corporate Memo PRO1 No. 2016-0019 requesting submission of unserviceable equipment to all Admin Designates (see Annex A). The List of Unserviceable Equipment was already submitted to FMS for reclassification to Other Assets. GSU currently prepares the IIRUP to be forwarded to BACD for disposal of unserviceable PPEs.</p>	<p>Partially implemented / ongoing</p> <p>Ongoing</p>	2/23/2016
PRO 1	AOM No. PRO1 - 2016-004 (15)	1/29/2016	2/12/2016	Over the Counter Collection System (OTCCS) User Accounts	LHIOs / FMS	<p>We recommend management to:</p> <p>a. Strictly follow what is embodied in the OTCCS Manual, prohibit the sharing of Uer's ID and password;</p> <p>b. Deactivate user accounts with known to others and provide a new one;</p> <p>c. Log-off if it standby for several minutes, in order to prevent unauthorized use</p>	<p>LHIOs: The LHIOs have been strictly implementing the policies prescribed by the OTCCS Manual and the recommendations of the COA Audit Team.</p>	Fully Implemented.	2/23/2016

							FMS: Corporate Memo No. PRO1-2016-0020 dated February 16, 2016 was issued to remind all Accountable Personnel of their roles and responsibilities and reiterate policies on User Accounts Management. A Training on the Processing of Financial Transactions was also conducted last April 26, 2016 to Accountable Officers in the PRO and LHIOs, including PhilHealth Satellite Offices (PSOs) to inform and remind them of their responsibilities as user account holders.	Fully Implemented.	
PRO 1	AOM No. PRO1 - 2016-005 (15)	1/29/2016	2/11/2016	Installation of CCTV in Warehouse	GSU	We recommend the Management to install additional high definition CCTV and replace the defective ones in order to maximize the security in the warehouse premises to safeguard its assets. Continuous monitoring and surveillance of these gadgets is also encouraged to ensure that the purpose of installing them is attained.	Upon reporting to the Urduja Security Services, the CCTV was repaired immediately on February 16, 2016. However, only two (2) units CCTV were included in the contract for the warehouse this year. We shall be recommending additional allocation of CCTV units for the warehouse and other PhilHealth offices as applicable for the public bidding of security services for CY 2017.	Fully Implemented.	2/23/2016
PRO 1	AOM No. PRO1 - 2016-006 (15)	1/29/2016	3/1/2016	Submission of Paid Disbursement Vouchers for Maintenance and Other Operating Expenses (MOOE) and Per Family Payment Rate (PFPR) to COA	FMS / LHIOs	We recommend management to: Adhere to the provisions of Section 7.2.1 (a) of COA Circular No. 2009-006 with regards to their submission of their MOOE accounts. Require each LHIO to promptly return the paid disbursement vouchers to PRO within thirty (30) days upon release of checks to payees in consonance with the Regional Office Memorandum for PFPR checks. Prescribe sanctions, as the case may be, for failure of the responsible persons to comply with the guidelines.	Strict compliance of LHIOs to ROM No. 0054-2015 is being monitored. A Monthly Report of Unsubmitted Disbursement Vouchers (DVs) is being prepared by the PRO Cashier for monitoring purposes. LHIOs will be furnished with the said report for their information and appropriate action. NCPAR will be issued to LHIOs who have not complied with the required submission of vouchers. All the remaining unsubmitted DVs for the year 2015 will be submitted until completed.	97% impemented (21 unreturned DVs for compliance)	3/11/2016

PRO 1	AOM No. PRO1 - 2016-007 (15)	1/29/2016	3/1/2016	Inventory and Property, Plant and Equipment (PPE)	AdSS / FMS	We recommend management to reconcile their property and accounting records on these affected Inventory and PPE accounts in a monthly basis or after inventory reports have been made as required to avoid accumulation of the discrepancy.	PRO 1 will comply with the provisions of Office Order No. 0026 s. 2007. The consolidated report of unserviceable items submitted by the GSU to FMS-CU will be the basis for the transfer of items covered by the said report from PPE account to Other Assets account. Monthly Reconciliation Statement will be performed by FMS-CU once the PPE account for CY 2015 has been reconciled. A Reconciliation Statement will be submitted to the COA Auditor after the reconciliation process has been made and finalized. As of April 30, 2016 an amount of P12,509,100.35 was already reclassified from PPE to Other Assets.	Ongoing	3/11/2016
PRO 1	AOM No. PRO1 - 2016-008 (15)	2/5/2016	2/12/2016	PhilHealth Office Order No. 0078-2015	FMS	In view of the foregoing and in compliance with EO 298 and to facilitate the liquidation of cash advances and/or reimbursement of travel-related expenses, revisiting/amending Office Order No. 0078-2015 is recommended taking into account the submission of the following: a. For local travel that the expenses/reimbursement exceeds P800.00 secure certification from the Head of the Agency that the expenses are necessary in the performance of an assignment; and b. For travel abroad that expenses/reimbursement exceeds the applicable DSA rate, secure certification from the Head of the Agency that the expenses/reimbursement are absolutely necessary in the performance of the assignment and thereafter, the approval of the President.	This AOM was forwarded to PHIC Central Office for their appropriate action. As per reply memo from the Fund Management Sector dated March 2, 2016, the COA recommendation will be included in Revision 1 of Office Order No. 0078-2015. Pending the revision, PRO 1 came up with CM No. PRO1-2016-0017 requiring the submission of a certification as additional document in the reimbursement of travel-related expenses, in compliance to COAs recommendation. Corporate Order No. 2016-0044 (see Annex C) was issued on May 19, 2016 revising OO No. 0078-2015 which included COA's recommendation to require a certification from the RVP for local reimbursements exceeding Php800.00 (Item IV, No. 1.2.6)	Fully Implemented.	2/23/2016
PRO 1	AOM No. PRO1 - 2016-009 (14)	2/5/2016	3/1/2016	Cash Collection	FMS / LHIOs	We recommend management to:	LHIO Ilocos Norte ha been religiously complying with the	Implemented / Ongoing	3/11/2016

						<p>a. Strictly monitor all the deposits as well as collection activity of the collecting officer and/or alternate collecting officer.</p> <p>b. Adhere with the proper rules and regulations pertaining to deposited of</p>	<p>regularly complying with the COA Auditor's recommendation in monitoring all deposits as well as collection activities of the collecting officer and/or alternate cashier as follows:</p> <ol style="list-style-type: none"> 1. Cash count after end of the day 2. Checking and reconciliation of cash tape, reports of collection and deposit 3. Timely deposit of collection 4. Recording of transaction in cash book 5. Verification/reconciliation of deposit slips and record transaction in cash book. 		
					FMS / LHIOs		<p>Measures such as daily cash count, regular updating of cashbook and verification by the LHIO Head were implemented in LHIO Ilocos Norte beginning July 1, 2015. A training on the Processing of Financial Transactions was conducted last April 26, 2016 to Accountable Officers in the PRO and LHIOs to inform and remind them of their responsibilities as Accountable Officers. CPO No. PRO1-2016-0238 was issued authorizing FMS-Comptrollership Unit personnel to conduct Cash Examination to determine whether all monies received had been correctly recorded and fully accounted for in accordance with existing policies and guidelines. The schedule of cash examination for CY 2016 to cover Designated Collecting Officers is still being prepared.</p>	Ongoing	
PRO 1	AOM No. PRO1 -	2/23/2016	3/1/2016	Full Access of COA to	GSU / FMS	We recommend the Management to:	FMS-Cashier and Records Unit	Partial Implementation	3/11/2016

	2016-010 (15)			Nclaims and data extraction		a. Grant the audit team to full access on N-CLAIMS and data extraction and submit the necessary documents on Benefit Payment b. Implement/adopt the sanction on the failure of the submission thereof pursuant to existing rules and regulations	have worked jointly in providing the records on benefit payment that were requested by the COA Audit Team. N-Claims data requests were endorsed to the Corporate Planning Department for clearance as prescribed by Office Order No. 0042, s. 2014, and subsequently were submitted by PRO1 to COA.		
PRO 1	AOM No. PRO1-2016-011 (15)	2/23/2016	3/1/2016	Accrual of Benefit Claims	FMS	We recommend that Management strictly adhere to the PhilHealth Corporate Order No. 2015-0017 in the recording of Accrued Benefit Claims	PRO1 has already made the recording of the accrual of benefit claims by Journal Voucher using the Average Value Per Claim (AVPC) based on the Monthly Operations Report (MOR) prepared by the Benefit Administration Section (BAS). The recording of the benefit claims processed and paid were also made in the Journal of Benefit Payment. The Comptrollership Department in the Head Office (HO) made the recording of the Incurred But Not Yet Received (IBNR) benefit claims.	Fully Implemented.	3/11/2016
PRO 1	AOM No. PRO1 - 2016-012 (15)	2/24/2016	3/4/2016	Under utilization of GAD budget	HRU	We recommend management to adhere to the provisions of PCW-NEDA-DBM Joint Circular No. 2012-01 in planning and budgeting of GAD related activities	PRO1 submitted a memo to PHIC Central Office requesting for the list of GAD decentralized activities for CY 2015 and 2016. Same issue was raised by the PRO1 HRU Head during the Training of Trainers for GAD on May 17, 2017 and was told that the Central Office will be issuing the list of attributes that are already being conducted in PROs on June 22, 2016	Ongoing	3/11/2016
PRO 1	AOM No. PRO1 - 2016-013 (15)	2/24/2016	3/10/2016	Deviation from RA 9184	GSU	We recommend the Management to: Adhere to the provisions of the Revised IRR of R.A. 9184 about their small value procurements strictly to avoid penalty	PRO1 immediately complied on the recommendations of the COA Audit Team by executing the following actions.		

						and to give equal opportunity among the bidders. Submit the proof of posting of request and the Job Order Contract to the PhilGEPS website or website of the agency to avoid suspension.	1. All prospective bidders/suppliers were given letter informing them of our requirement of PhilGEPS registration 2. Meeting and reminding all cocnerned to abide with the provisions of RA 9184 especially in giving equal opportunities among bidders.		
PRO 1	AOM No. PRO1 - 2016-014 (15)	2/24/2016	3/3/2016	Property, Palnt and Equipment (PPE)	FMS / GSU	We recommend management to: Require the Accounting Section to record these erroneously reclassified items to the affected PPE accounts and provide depreciation Require the Property Custodian to include these items in their RCPPE and issue corresponding Property Acknowledgement Receipt (PAR) ro supersede the ICS issued on these erroneously reclassified items.	FMS: GSU is verifying the items as to their location and condition (serviceable or unsrviceable). After verification, a list will be prepared as basis of recording. After verification of the list by FMS-CU, PPEs which were treated as supplies shall be recorded as PPE and corresponding depreciation will be provided. Some of these items which are already unserviceable will be reclassified into Other Assets. Upon recording, corresponding PAR will be issued by the GSU.	Ongoing	3/11/2016
PRO 2	2016-001(2015)	3/11/2016	3/16/2016	Failure to monitor claims particularly of the Ambulatory Hospitals	HCDMD	Strictly monitor and evaluate system	Endoresed to HDMD head for her comment on March 15, 2016		3/28/2016
PRO 2	2016-002(2015)	3/1/2016	3/15/2016	RATA exceeds the allowable limit	Legal Unit	Adopt the RATA rate prescribed in the 2014 and 2015 GAA	Endorsed to Legal		3/28/2016
PRO 2	2016-003(2015)	3/1/2016	3/15/2016	The PFPR/PCB were recorded as expense should be receivable to LGUs	Fund Mangement Section	Treated as Cash transfers or cash advances	Endorsed to Central		3/28/2016
PRO 2	2016-004(2015)	1/27/2016	2/1/2016	Collecting Officers were not suffcient ly bonded	Cashiering Unit	Management post the correct ammount	paid the correct amount	done	2/27/2016

PRO 3	2016-10	8/24/2016	8/25/2016	Accrued Premium Receivables	FMS	<p>Unrecorded accrued premium receivables amounting to P490,700.00 were not recorded as of June 30, 2016 contrary to Par. 27 of the Philippine Accounting Standards (PAS) 1 and Item III of the General Guidelines of PhilHealth Office Order No. 0110, series of 2012</p>	<p>As per Under Office Order No.0028-2015 which is the Specific Guidelines states that "based on summary of billing notices/demand letters issued for the month, the Fund Management Section of the PRO shall record the amount as receivables." The P493,700.00 amount of Premium Receivables stated in the said AOM which was reported by our Collections Section was forwarded to the Comptrollership Unit without the required supporting documents provided in the same office order. As such, following the provision of the said Office Order, the Comptrollership Unit cannot record the said receivables due to lack of the necessary supporting document that will serve as the basis for recording.</p>	<p>Not Implemented. Recording of Premium Contributions from the Formal Economy was suspended as per Memorandum issued by the Central Office dated September 2, 2016.</p>	<p>9/9/2016</p>
							<p>The concerned offices were already informed through a memorandum dated July 27, 2016 issued by the Comptrollership Unit regarding the matter and were requested to comply with the said office order</p>		

PRO 3	2016-09	July 13,2016	July 20,2016	Unwarranted Claims and Un-remitted premium contributions from employers of PHIC PRO III		The Unwarranted claims of or payment of PHIC benefits without sufficient qualifying contributions of members amounting to P678,620.00 and the unremitted employee's contributions from employers were not reported to the Comptrollership Unit and remained unrecorded in the books of accounts contrary to Quality Procedure of PhilHealth Office Order No. 0028-2015 dated March 11, 2015.	Memo has already been issued to all concerned offices informing and requesting their compliance with the Quality Procedures stated in Office Order No. 0028-2015. Consequently, proper recording in the books cannot be made by the Comptrollership Unit unless corresponding reports are submitted and proper reconciliation of accounts is finished. However, rest assured that copy of the reconciled accounts reflecting the corresponding adjustments will be furnished to your esteemed office once proper reconciliation is done.	Implemented. A memo was already issued to all concerned offices informing and requesting their compliance with the Quality Procedures stated in Office Order No. 0028-2015. Comptrollership Unit records unwarranted claims based on the reports being submitted of both COLSEC A & B.	7/25/2016
PRO 3	2016-008	4/25/2016	4/26/2016	Collective Negotiation Agreement (CNA) Incentive		The payment transaction on the grant of Philhealth Region III Collective Negotiation Agreement (CNA) Incentive of P25,000.00 per employee totalling P3,450,000.00 for the period December 1, 2014 to November 30, 2015 was not adequately supported by the required documents; thus, it was not in compliance with COA Circular No. 2012-01 dated June 14, 2012 on the mandatory requirements in the Grant of CNA and DBM Circular No. 2006-01 dated February 1, 2006 (updated under DBM Circular No. 2012-4 dated December 17, 2012) and PSLMC Resolution No. 01, series of 2002.	> Request for extension to COA > Endorsed to Legal > Request for another 10 days to COA PRO III Legal Office had submitted a reply to the said AOM and provided the needed documents as stated in the recommendations of COA as such: PhilHealth Board resolution No. 1784 s. 2013 which confirms the renewal of the CAN between PHICEA and PhilHealth for the period of April 17 - April 16, 2016	Implemented.	4/26/2016 4/27/2016 6/2/2016 6/3/16
PRO 3	2016-07	3/1/2016	3/3/2016	The PhilHealth (PHIC) Provident Fund was established under Special Order No. 0411-2015 dated 02 March 2015 and was implemented without the approval of the Governance Commission for the Government Owned and/or Controlled		Secure authority/approval from the GCG on the PPF; (b) comply with EO No. 641 as implemented by DBM Budget Circular No. 2008-3on fund sourcing; and (c) stop/refrain from paying the 30% employer's contribution without the prior approval of the GCG and the DBM	> Request for extension to COA (10 calendar days) > Endorsed to Legal > Request for extension to COA (30 calendar days) > Request for extension to COA (15 calendar days)		3/3/16 3/3/16 3/29/16 4/29/16

			<p>Corporation (GCG) and the DBM; hence, the PHIC Region III disbursements on its share totaling P7,390,206.71 or 30% of the employees-members' monthly salary for 2015 lacked legal basis and may be disallowed in audit</p>		<p>The PRO III Legal Office has already informed the Office of the Senior Vice President Ruben John A. Basa, Chairman of the PPF, through a letter dated March 7, 2016 regarding the issued AOM and your corresponding recommendations. However, PRO III has yet to receive response from his office but rest assured that we will inform you of any significant development. In addition, office orders released by the management are presumed to be regular and the PROs release corresponding funds in good faith. These should be addressed by COA directly to the management</p> <p>PRO III has already referred the matter to our Head Office. An official reply has already been issued by our internal Legal Department citing the justifications and legal basis for the establishment of the PPF. The official reply dated April 1, 2016 has already been</p> <p>forwarded to the office of the OIC-Regional Supervising Auditor of COA Regional Office III.</p>	<p>Not Implemented. An official reply has already been issued by our Internal Legal Department citing the justifications and legal basis for the establishment of the PPF.</p> <p>The official reply dated April 1, 2016 has already been forwarded to the office of the OIC-Regional Supervising Auditor of COA Regional Office III.</p>	5/11/2016
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PRO 3	2016-06	2/23/2016	2/24/2016	Deficiencies of Capitation Fund/Primary Care Benefit 1 as of December 31, 2015		The PCB1 also known as Capitation Funds releases to LGU for CY 2015 totaling P298,355,053.94 were not properly/adequately supported with the documents required under item 3.0 of COA Circular 2012-001 dated June 14, 2012, prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions.	Request for extension to COA (10 calendar days) During the implementation of the PhilHealth Capitation Fund (PCF), liquidation of the utilization of the PCF allotted to Rural Health Centers was needed so that subsequent benefits will be released. However, with the existence of PhilHealth per Family Payment (PFP) which replaced the PCF, utilization reports for the PFP benefits of PCB1 Providers are not required to be attached to their Disbursement Vouchers following the "Guidelines for Payment of Primary Care Benefit 1 (PCB1) per Family Payment (PFP)" under Philhelath Circular No. 0007, s-2013.	Implemented. As per agreement during the last exit conference, the PRO III COA resident auditor agreed to accept the documents showing the basis for computation used by LHIOs as attachment to the funds released to LGUs.	2/24/16 3/9/16
PRO 3	2016-05	2/11/2016	2/15/2016	Deficiencies of Office Supplies Account as of December 31, 2015		Office Supplies account reflected a balance of P 8,248,568.85 as of Dec. 31, 2015 included expired/outmoded and unaccounted/missing inventory items amounting to P 1,177,734.93 and P 1,060,051.04, respectively contrary to Par. 57 of PAS 1 Volume II; hence, the balance of the account was overstated by P 2,237,785.97.	Request for extension to COA (10 calendar days) In compliance to the acceptable accounting standards (PAS I) and following your recommendation, the amount of expired/outmoded and unaccounted/missing inventory items as stated above will be properly reclassified into "Other Assets" account.	Implemented. Following the recommendations of COA, these expired / outmoded and missing items were already excluded from the supplies inventory. Appropriate adjustments were already made and the said items were properly reported as "Other Assets" in the Balance Sheet as of February 29, 2016	2/17/2016 2/24/16

PRO 3	2016-04	2/4/2016	2/5/2016	Inter-Agency Receivables - Due from LGUs as of December 31, 2015		The accounting procedure on the Inter-Agency Receivables - Due from LGUs account w/c reflected a balance of P 17,433,500 as of December 31, 2015 was not in conformity with per.7 of IPSAS or par. 22 Volume 5 of PAS,; hence, the balance of this account and the Business Income - Premium Contribution Counterpart Sponsored Account were overstated by P 11,590,300 and 3,888,200, respectively. Besides, the Other Assets - LGU receivable and the Deferred Credits - LGU Premium Contribution accounts were understated by P 767,900.00 and P 6,934,200.00 respectively.	A copy of the PhilHealth Standard Operating Procedure (SOP)-02-01-004 on Reporting, Recording and Monitoring of receivables of Sponsored Members of LGUs has been forwarded to us by our resident auditor and sent to us through our official outlook accounts and we will be implementing reconciliation using the said document as reference. While we will need some time to prepare the reconciliation, rest assured that a copy of the reconciled accounts reflecting the adjusted balances will be furnished to your esteemed office at the soonest possible time.	Implemented. Checked and verified LGUs with their payments versus total no. of IDs / enrollment processed as certified by LGU and membership section. Comptrollership Unit already processed request of Membership Section for adjustment on the issued billing statements to the concerned LGU.	2/10/2016
PRO 3	2016-03	1/25/2016	1/28/2016	PRO3 granted bonuses, allowances and other benefits without legal basis contrary to Section 2 of Administrative Order No. 365 series of 2007...		Stop the grant of the said bonuses, allowances and other benefits and strictly comply with Section 2 of the AO No. 365 etc...	Apart from the AOM, ND have already been issued and are continuously issued for the grant of the said bonuses, allowances and benefits. Accordingly, appeals for the said NDs were already filed and are being filed to the Commission Proper for Final Decision. This being the case, unless and until a final decision has been reached and made executory, we are constrained to follow corresponding Office Order as directed by PHIC Central Office.	Not Implemented. PRO III is constrained to follow office orders pertaining to the grant / payment of the aforementioned bonuses, allowances and other benefits to its employees as per instruction of Head Office.	2/5/2016
PRO 3	2016-02	1/12/2016	6/27/2016	PRO3 was unable to comply with proper application/request for relief from records and property accountability arising from the fire on Sta. Maria Warehouse contrary to Section 73 of PD 1445...		Require for the proper application on the request for relief from records, property and accountability...(b) Ensure that the accountable Officer shall not be relieved of any accountability for any loss in the settlement of his accounts © make certain that all transactions are in accordance with existing laws, rules and regulations.	Request extension to COA (10 calendar days) Accountable Officer will again endorse to the Office of the Vice President the request for relief of accountability for proper disposition.	Implemented. Application for relief of accountability has been approved by the Central Office. Copy of the approved request was already provided to the office of the COA	2/17/2016

PRO 3	2016-01	1/12/2016	1/28/2016	Donation to PhilHealth Run 2015 Beneficiaries were not supported w/ the required documents indicated in the MOA		comply with the requirements of the signed MOA and submit the documents to COA for audit purposes	Follow up letters were already sent by Legal Unit to the beneficiaries requiring their submission of corresponding documentary requirements as stated in the MOA. Documents will be submitted to COA upon compliance of the beneficiaries	Implemented. Corresponding documents were already submitted. Please note that during the exit conference last March 11, 2016, Auditor Darwin decided to forgo the remaining lacking documents due to the immateriality of their amount and the reality of the field wherein some sponsors, after being asked, still refuse to sign the EAs.	2/9/2016
PRO NCR	NCR 2016-008 (14 & 15))	4/5/2016	4/7/2016	Cataract Claims and other eye related procedures under case rate	NCR BRANCHES, HCDMD, BENEFIT MONITORING UNIT	a. Verify, though the accreditation process, the qualifications and capabilities of health care providers for the purpose of conferring upon the privilege of participating in the program and assuring that the health care services they render meet the desired and expected quality; b. Monitor on periodic basis, the services rendered to members by health care providers through surveys, utilization review, peer review and patient satisfaction review or index; c. Monitor and review, though outcomes assessment, the outcomes resulting from the health care services rendered by health care providers both from the standpoint of effects on health and member satisfaction; d. initiate and impose changes and corrective actions based on the results of performance monitoring and outcome assessment to ensure quality health service by using feedback mechanisms for feedback; e. Continue to formulate and review program policies on health insurance based on the data gathered from the conduct of the above activities; f. Translate and implement quality assurance standards in the medical evaluation of claims applications for	No update yet from the Head office.	Partially complied	4/18/2016

PRO NCR	NCR 2016-007 (15)	4/5/2016	4/6/2016	Accountable Officers in the OVP PRO NCR	Fund Management Section	a. Require the special disbursing officer to restate the shortage of P1,268.75; b. Post the necessary adjusting entries in the cash book; c. Prepare a justification in a letter of request to liquidate the disbursements made in September 2014; d. Ensure strict compliance to COA Circular 97-002 dated February 10, 1997 and PHIC Office Order No. 116, s2005	a. A memo was already sent to Ms. Bella Yabut for her immediate compliance; b. The cash shortage was already instituted; 3. Cash book was already updated with recommended minor revisions in entries 4. To ensure that the same incident will not happen again. the updating of cash book and timely replenishment of disbursements shall be incorporated in her IPS.	Complied	4/13/2016
PRO NCR	NCR 2016-006 (15)	4/5/2016		Records Management and Safekeeping of Documents relating to collections and disbursements	General Services Unit/Admin Unit, NCR Branches	a. Look for a more spacious storage area and warehouse that can accommodate all non-current records, documents and files both for storage and disposal of PhilHealth branches and offices. The warehouse will serve as a records center in which documents shall be stored, classified, preserved and has to be manned by a competent records personnel so that proper classifying, indexing, monitoring, retrieval and disposal could be done with greater efficiency and economy; b. Require all branches and offices under PRO NCR to strictly adhere with the proper labeling, filing and storing of non-current records and documents; and c. Expedite the disposal of valueless records with disposal schedule based on RDS and GRDS to have an available storage space for documents of PhilHealth PRO NCR Branches and offices	a. Currently finalizing a contract of lease with the Tandang Sora warehouse for the immediate issuance of Notice to Proceed. After which we will start accommodating the request of the branches to temporarily transfer their non current documents into the said warehouse until they have procured their respective warehouses. Unserviceable equipments and boxes stored at the stockroom at the office of the Vice President are likewise be hoarded.	Partially complied	4/15/2016

PRO NCR	NCR 2016-005 (150)	4/5/2016		Procurement of Goods and Services	BAC, Procurement Unit & Property and Supply Unit	a. Requeie the concerned offices/unit to submit to this Office the copy of the contracts and purchase orders and all its supporting documents in accordance with COA Circular No. 2009-001; and b. Ensure that the Office of the Auditor will be notified of the receipt of deliveries within twenty four (24) hours from acceptance of goods and delivered in conformity with COA Circular No. 95-006 dated May 18, 1995.	We are please to inform you that the issues and concerns were raised in the MSD and Administrative Officers Forum that was conducted last April 14 and 15 and End-Users were reminded about the Turn Around Time for the completion of documents for activities being conducted. Likewise, concerned employees will be required to include this on their Individual Performance Commitment.	Complied	4/25/2016
PRO NCR	NCR 2016- 004(15)	3/29/2016	3/31/2016	Property and Equipment- Accumulated Depreciation	Fund Management Section	We recommend that Management recognized the accumulated amortization of the Intangible asset account amounting to P 604,148.47 by adjusting the affected accounts	Complied as recommended. Please see attached Journal Voucher No. 2141872 and 2141872 dated April 30, 2016	Complied	4/13/2016

PRO NCR	NCR 2016-003(15)	3/21/2016		Fuel Consumption of Motor Vehicles	General Services Unit/Admin Unit, NCR Branches	<p>a. Submit the Monthly Reports of Official Travels and Fuel Consumption within the first ten (10) days of the succeeding month to the Audit Team for proper review, control and monitoring; b. Monitor and control the use of government vehicles through the use of trip tickets to avoid unnecessary/excessive consumption of fuel; c. For each trip, the driver must see to it that the trip ticket is duly approved by the Head of the ASS or its equivalent to avoid unauthorized use of government vehicles. The driver should also secure the name and signature of all the passengers including its co-passengers and to fill out properly and completely all the necessary data in the trip ticket such as places visited, distance travelled and balance of gasoline in tank for complete and proper review of transactions; d. Adhere strictly to the mandated use of markings on government motor vehicles; and e. Henceforth, ensure strict compliance with the provisions of COA Circular No. 77-61</p>	<p>Management will take actions based on your recommendations. To ensure compliance to your requirements, PRO NCR, aside from the abovementioned memorandum will incorporate this audit observation in our upcoming Administrative Officers Forum. Likewise, concerned employees will be required to include these in their Individual Performance Commitment. Rest assured that Management shall comply with the provisions of COA Circular No. 77-61</p>	Complied	April 12, 2016
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PRO NCR	NCR 2016-002 (15)	3/15/2016	3/16/2016	Property and Equipment Account	Fund Management Section & Property and Supplies Unit	<p>a. Reconcile the variance noted in the amount of P1.399 million. Identify the causes of discrepancies and institute measures to address the discrepancies noted;</p> <p>b. Once the reconciliation is finished, prepare necessary adjusting entries to correct the affected accounts;</p> <p>c. Determine the persons liable for the items that were not located during the conduct of inventory in the total amount of P39,440,392.04; and</p> <p>d. Issue memorandum to the persons liable to produce immediately the item under their accountability. In case of failure to produce, require a written explanation. If from the explanation, it</p>	<p>The reconciliation report of P1.399,377.25 discrepancy was already submitted to COA on May 6, 2016. The second physical count of inventory is being conducted to reconcile the P39,440,392.04 discrepancy which we commit to submit on July 15, 2016.</p>	<p>a. The 1.399 million discrepancies were already reduced to P225,813.96</p> <p>b. Adjusted accordingly. Awaiting Inventory Receipt of Property from Head Office for the difference.</p> <p>C. Partially Complied. The 39M was already reduced to only P577,293.55. The amount of P4,884.30(with P1,132.65 depreciated cost) already settled, the amount of P398,880.00 referring to wireless antenna is being investigated. While the remaining P173,529.25 (with P37,778.32 depreciated cost) will be paid through salary deduction.</p>	4/1/2016
PRO NCR	NCR 2016-001(15)	3/11/2016	3/16/2016	Representation and Travel Allowance	Fund Management Section	<p>a. Require the recipient officers to refund immediately the excess RATA; and Henceforth, adopt the RATA rates prescribed in the National Budget Circular No. 548 dated May 15, 2013.</p>	<p>The level / rank and corresponding rates of RATA were prescribed by the PhilHealth Board in pursuant to Section 16(n) of the Revised Implementing Rules and Regulations of the National Health Insurance Act of 2013 (RA 7875 as amended by RA 9241 and RA 10606)</p>	Not Implemented.	3/28/2016

PRO 4A	2016-001 (2015)	2/11/2016	2/12/2016	The Agency's "FAMILY DAY", celebrated last November 28, 2015 and financed using GAD Funds, was not among the activities included in the GAD guidelines, thus, rendering the expenses incurred totaling P150,976.27, irregular.		Recommend that the OIC - Regional Vice President: require the persons responsible for the payment to refund the amount of P 150,976.27, to avoid audit disallowance; and henceforth, ensure that all expenses charged against the GAD funds are solely for the implementation of GAD related activities.	Already sent to Central Office, coordinated by Jay A. Alladel.		2/18/2016
PRO 4A	2016-002 (2015)	2/11/2016	2/24/2016	A number of claims were Returned to Hospitals (RTH) due to incomplete documentary requirements in spite of the seminars conducted by PhilHealth PRO IVA for various Health Care Providers' (HCPs) officers and staff, resulting in additional postage expenses and man-hour losses and in hampering the smooth processing of hospital claims.	HCDMD	Instruct Accreditation and Quality Assurance Section to conduct a meeting with the Health Care Providers (HCPs), discuss with them the specific problems they encountered in accomplishing the Claim Forms and the reasons for their failure to promptly submit other documentary requirements: and Revisit the existing policies and procedures for the possible inclusion therein of the requirement that submitted claims for reimbursements be supported with HCP's certification that claims being submitted are substantiated with properly/completely accomplished CF Forms and other required documents/medical requirements, and a statement to the effect that they will shoulder the handling and all other incidental costs for returned claims, and claims found not compliant, will no longer be processed/reimbursed.	Accreditation and Quality Assurance Section (AQAS) together with Benefits Administration Section (BAS) continuously hold quarterly dialogues with all the facilities to address policy issues and concerns. Specifically, reasons for RTH and ways on how they can be avoided are discussed again and again to lessen those that are returned to facilities. Moreover, BAS accommodates facility requests for further reorientation of staff to assist HCIs in correct and proper claims filing.		3/28/2016
PRO 4B	AOM No. 2016-001 (2015)	4/4/2016	4/5/2016	Primary Care Benefits (PCB-1) CY 2015	HCDMD	The PRO IV-B make representation with the PhilHealth Head Office to revisit the program guidelines and consider the inclusion of the PFP Disposition and Allocation Form (Annex D) as one of the requirements for the processing of PFP for each quarter. Also, ensure that the submitted Annex D should be reviewed / audited by the concerned local auditor in order to ascertain compliance with the 40-40-20 allocation requirement.	Comment filed before the Regional Supervising Auditor		4/11/2016

PRO 4B	AOM No. 2016-002 (2015)	4/4/2016	4/5/2016	GAD Funds for CY 2015	Gender and Development (GAD) Committee	The PRO IV-B Management allocate 5% of the annual budget for the Annual GAD Plan which should include activities that are either client-focused or organization-focused pursuant to RA No. 9710, DBM-NEDA -NCRFW Joint Circular No.2004-1and EO No.273.	Comment filed before the Regional Supervising Auditor	No response from Regional Supervising Auditor	4/14/2016
PRO 4B	AOM No. 2016-003 (2015)	4/7/2016	4/8/2016	Unreconciled discrepancy between the GL controlling account and the Report on the Physical Count of PPE Immediate disposal of unserviceable properties	Fund Management Section (FMS) General Services Unit	1. Accountant and Property Officer reconcile the discrepancy between the RCPPE and GL controlling account. Any discrepancy shall be investigated, cleared and adjusted immediately, and 2. Management create a Disposal Committee to conduct disposal of the assets in accordance with Section 79 of PD 1445 to decongest the storeroom, prevent further deterioration of the unserviceable property and realize additional revenue for the sale of unserviceable property.	Comment filed before the Regional Supervising Auditor	No response from Regional Supervising Auditor	4/13/2016
PRO 4B	AOM No. 2016-004 (2016)	9/13/2016	9/14/2016	Procurement of IT Equipment exceeding the maximum allowable time of 124 calendar days for procurement of goods contrary to the express requirement of RA 9184 and its Revised IRR	Bids and Awards Committee	1. Explain / justify why the procurement process took 225 calendar days, which exceeds the maximum allowable time of 124 CDs for the procurement of goods, specifically on the issuance of Notice of Award to the winning bidder and the approval of the contract by the highest authority; 2. Remind future winning bidders to take into consideration before posting the performance security that contracts entered into by PRO IV-B are subject to the approval of higher authority and the time required to obtain said approval. 3. Henceforth, review and revise the prevailing procurement process to take into account the maximum allowable time for every stage of the procurement process, as provided by RA 9184 and its RIRR	Request for extension of 10 working days to submit comment was granted by the RSA of PRO IV-B Comment filed before the Regional Supervising Auditor	No response from Regional Supervising Auditor	9/29/2016

PRO 4B	AOM No. 16-005 (2016)	10/25/2016	10/28/2016	Additional Cash Advance (CA) for travel and other activities were granted despite the outstanding cash advance of the concerned officer or employee	Management Services Division (MSD)	1. Refrain from granting a second CA unless the previous CA is first settled or properly accounted for by the concerned officer / employee; 2. Grant one CA for one office / travel order issued by PRO IV-B even if it covers multiple travel; and 3. Communicate with PhilHealth Central Office as to the issuance of office / travel order for the purpose of consolidating the same with the office / travel order that the PRO IV-B may issue.	Comment filed before the Regional Supervising Auditor	No response from Regional Supervising Auditor	11/10/2016
PRO 5	AOM No. 2016-001	1/21/2016	2/5/2016	CNA Incentive for 2015		Management submit the required supporting documents for the grant of CAN in compliance with Sec. 4.0 of DBM Budget Circular 2014-2 dated 12/2/14	Replied	With Notice of Disallowance under appeal	2/17/2016
PRO 5	AOM No. 2016-002	2/15/2016	3/1/2016	RATA for July to December 2015		Management discontinue the payment of excess RATA; pay only the authorized rate of RATA; require those concerned to refund the excess amount	Replied	With Notice of Disallowance under appeal	3/15/2016
PRO 5	AOM No. 2016-003	2/15/2016	3/1/2016	Gender and Development		PRO V prepare its annual GAD Plan and Budget for the approval of Central Office in accordance with the provision of the Joint Circular 2012-01 of the PCW, NEDA and DBM	Replied		3/4/2016
PRO 5	AOM No. 2016-004 (15)	2/17/2016	3/1/2016	Collective Negotiation Agreement 2015		Management refund the excess amount granted as payment of CNA Incentive and to comply with the provisions of Section 4.2.3 of DBM Budget Circular 2014-2	Replied	With Notice of Disallowance under appeal	3/23/2016
PRO 5	AOM No. 2016-005	3/2/2016	3/11/2016	Hazard Pay, Anniversary Bonus, Educ. Assistance, Shuttle Service Allow., LMRG, Birthday Gift		Management discontinue the payment of bonuses, allowances and other benefits without legal basis	Replied	With Notice of Disallowance under appeal	3/23/2016
PRO 5	AOM No. 2016-006	3/7/2016	3/15/2016	PS We Care Benefits		Management stop granting PS We Care to its personnel in compliance with RA 6758 and AO 103	Replied	With Notice of Disallowance under appeal	3/23/2016
PRO 5	AOM No. 2016-007 (15)	3/8/2016	3/15/2016	PBB for CY 2015		Management refund the excess amount granted as payment of productivity-based bonus (PBB) in compliance to EO 80 series of 2012	Replied	With Notice of Disallowance under appeal	3/23/2016

PRO 5	AOM No. 2016-008	3/11/2016	3/23/2016	Transpo Allow, Sustenance Gift, Anniv Gift, Project Completion Incentive, efficiency gift and Gratuity Gift		Strictly adhere to the provisions of CSC resolution no. 020790 dated June 5, 2002; discontinue the grant of bonuses, allowances and other benefits to Job Order contractors and Pbased personnel for lack of legal basis; demand a refund to those personnel responsible	Replied	With Notice of Disallowance under appeal	4/8/2016
PRO 5	AOM No. 2016-009	3/15/2016	3/28/2016	Storage Space		PRO V provide the COA Audit Team sufficient office space to be used as stock room in accordance with section 20 of PD 1445	Replied		3/29/2016
PRO 5	AOM No. 2016-010	3/16/2016	3/26/2016	Taxes withheld and remittance		We commend the management for their observance of the above cited regulations thereby providing the government the immediate use of funds for its various programs and projects	Replied	With AOM commendation this year	3/29/2016
PRO 5	AOM No. 2016-011	3/15/2016	3/28/2016	Mandatory deductions for remittance to GSIS and HDMF		Accountable Officer remit within the reglamentary period the amount withheld from GSIS and PAG-IBIG payments to avoid penalties that may be charged	Replied	Remitted intact with AOM commendation this year	3/29/2016
PRO 5	2016-012	10/4/2016	11/2/2016	Insuffecient bond of accountable Officers		Ensure that officers/employees who perform duties requiring control, custody or possession of government funds or property beappropriately bonded in accordance with law	Replied	Implemented.	11/10/2016
PRO 5	2016-013	10/4/2016	11/2/2016	Cashbook maintenance		LHIO head direct the concerned Accountable Officers to maintain a cashbook to record their cash advances received and payment thereof. The AO shall record herein his transaction daily. At the end of each month he shall rule and foot the cashbook and show the ending balance of his accountability. Further, the AO shall certify on the correctness and completeness of the entries in the cashbook.	Replied	Implemented.	11/10/2016
PRO 5	2016-014	10/28/2016	11/15/2016	Logbook of Accountable Forms		The Accountable officers of PHIC-ROV and LHIOs should maintain a logbook for the Accountable forms received and issued as part of the monitoring and control measures, as well as to safeguard the accountable forms against its possible misuse.	Replied	Implemented	11/22/2016

PRO 6	2016-001 (15)	1/11/2016	1/15/2016	Non-reconciliation of the cashbook maintained by the LHIO Special Collecting Officer / Special Disbursing Officer and Subsidiary ledger resulted to a net discrepancy of P5,424.98 thus, rendered the cash balance in the financial statements unreliable.	MSD, Comptrollership, LHIO Antique	<p>a. The Accountant and the Accountable Officer reconcile their records regularly to ensure the reliability of the cash balance in the financial statements.</p> <p>b. The Accountable Officer take up in the cashbook the understatement of P5,424.98.</p> <p>c. The Accountable Officer maintain the cashbook properly by posting entries legibly, correctly foot the total collections and deposits and double rule the same monthly after the last entry before certifying as to the correctness and completeness of the recorded transactions.</p> <p>d. Observe proper recording and reporting of dishonored check as provided in Section 88 of the GAAM Volume I.</p> <p>e. The Accountable Officer to consistently prepare and submit copy of Report of Dishonored Checks in order that the auditor could monitor if proper action is taken on such.</p>	Filed comment on the AOM		2/16/2016 *Motion for extension filed on February 1, 2016
PRO 6	2016-002 (15)	1/11/2016	1/15/2016	Non-reconciliation of the cashbook maintained by the LHIO Special Collecting Officer / Special Disbursing Officer and Subsidiary ledger resulted to a net discrepancy of P32,549.97 thus, rendered the cash balance in the financial statements unreliable.	MSD, Comptrollership, LHIO Paasi	<p>a. The Accountant and the Accountable Officer reconcile their records regularly to ensure the reliability of the cash balance in the financial statements.</p> <p>b. The Accountant and the Accountable Officer take up on their respective books of accounts the necessary adjusting entries for the deficiencies enumerated above.</p> <p>c. The Accountable Officer maintain the cashbook properly by posting entries legibly, correctly foot the total collections and deposits and double rule the same monthly after the last entry before certifying as to the correctness and completeness of the recorded transactions.</p>	Filed comment on the AOM		2/16/2016 *Motion for extension filed on February 1, 2016

PRO 6	2016-003 (15)	1/11/2016	1/15/2016	The management's policy of designating casual employees as collecting officer/disbursing officer is contrary to Section 65 of the Government Accounting and Auditing Manual (GAAM), Vol. 1 and Section 4.1.4 of COA Circular No. 97-002 dated February 10, 1997	MSD, LHIO Aklan, LHIO Capiz	Management stop the practice of assigning tasks of collecting casual employee and instead appoint a regular employee in pursuance to Section 65 of the GAAM, Vol. 1.	Filed comment on the AOM		2/16/2016 *Motion for extension filed on February 1, 2016
PRO 6	2016-004 (2015)	1/28/2016	2/5/2016	Payments received by PhilHealth PRO VI from Health Care Providers (HCPs) from 2008 until 2013 for unclaimed benefits amounting to P15,266,421.23 were not refunded by management to member-beneficiaries contrary to Section 3 of PhilHealth Office Order No. 9, s. 2008	MSD, Comptrollership	Management will send written communication to members in their last known address, utilize the radio time slot "Dear PhilHealth" to call the attention of all member-beneficiaries who have refunds from PhilHealth and post in conspicuous places in the region and LHIOs the names of member-beneficiaries to facilitate refunds as soon as possible.	Filed comment on the AOM		2/29/16 *Motion for extension filed on February 12, 2016
PRO 6	2016-005 (2015)	2/1/2016	2/5/2016	Management made no additional effort to inform member-beneficiaries who have not claimed their refunds after their names were published in the newspaper. Results showed that out of 612 member-beneficiaries listed in the newspaper only 22 or 3.6% responded and claimed	MSD, Comptrollership	Management will prioritize the refund of unclaimed benefits to rightful claimants.	Filed comment on the AOM		2/29/16 *Motion for extension filed on February 12, 2016
PRO 6	2016-006 (2015)	2/9/2016	2/19/2016	Certain provisions of Philhealth Officer Order No. 0078-2015 dated September 16, 2015 are inconsistent with the provisions of Executive Order (EO) No. 298.	MSD, Comptrollership	Certain provisions of Philhealth Officer Order No. 0078-2015 dated September 16, 2015 are inconsistent with the provisions of Executive Order (EO) No. 298.	Filed comment on the AOM		3/7/2016

PRO 6	2016-007 (2015)	2/29/2016	3/28/2016	Disbursement / Liquidation of cash advances of P84,293.00 were not adequately supported with required documentation contrary to Section 4 of PD 1445 and Section 9.2 of COA Circular No. 2012-001	MSD Comptrollership	We require that the accountable officers submit the necessary documents for the liquidation of cash advances of P84,293.00. Otherwise, the said amount shall be disallowed in audit.	Filed comment on the AOM		4/13/16 *Motion for extension filed on April 4 and 11, 2016
PRO 6	2016-008 (2015)	2/29/2016	3/28/2016	The Agency's 2015 GAD Plan and Budget and Accomplishment Report did not conform to the specified forms and prescribed guidelines, contrary to the provisions of PCW-NEDA-DBM Joint Circular No. 2012-01.	MSD Planning Unit Comptrollership	We recommend that the Planning Officer conform to the prescribed format of the annual GPB to provide a more realistic budget by costing each activity according to the object of expenditure (PS, MOOE, and CO) under its budget column. Accordingly, the GAD Accomplishment Report should likewise follow the specified format in the same JMC under its Annex B, to facilitate easier monitoring of the PPAs indicated in the GPB and fast track the measuring / gauging of impact of the implemented PPAs. We also recommend that the HGDG scorecard be fully utilized by the Agency to accurately determine the portion of the project that is attributed to GAD.	Filed comment on the AOM		4/13/16 *Motion for extension filed on April 4 and 11, 2016
PRO 6	2016-009 (2015)	2/29/2016	3/28/2016	Disbursement amounting to P108,300.00 were incurred by the Agency in payment of move gift certificated which were given to PRO VI officers and employees for free during the Family Day celebration, contrary to Section 4 of COA Circular No. 2012-003 and the provisions of Philippine Commission on Women (PCW)-NEDA-DBM Joint Circular No. 2012-01, thus GAD funds were unnecessarily spent.	MSD Comptrollership Planning Unit	We recommend that Management strictly adhere to the provisions of Section 4.0 of COA Circular No. 2012-003, otherwise such transactions will be disallowed in audit.	Filed comment on the AOM		4/13/16 *Motion for extension filed on April 4 and 11, 2016

PRO 6	2016-010 (2015)	2/29/2016	3/28/2016	Liquidation of cash advance granted in 2014 in the amount of P5,685.15 were not taken up in the books in CY 2014 but instead were recorded as expenses in 2015 under Gender and Development (GAD) program contrary to Section 119 of PD 1445 and the provisions of the New Government Accounting System (NGAS), which renders the reliability and accuracy of financial statements doubtful.	MSD Comptrollership	We recommend that Management instruct the Regional Accountant to take up in the books of accounts as accrued items the liability / expense which already existed at the end of the accounting period but are not yet recorded and strictly adhere to Section 119 of PD 1445.	Filed comment on the AOM		4/13/16 *Motion for extension filed on April 4 and 11, 2016
PRO 6	2016-011 (2015)	2/29/2016	4/6/2016	For calendar year 2015, the Agency incurred benefit claims expenditures of P6,991,107,685.05 against approved budget of P6,445,533,882.00 resulting to an overdraft of P545,573,803.05, contrary to Section 47 of Presidential Decree No. 117, which renders the reliability and accuracy of financial statements doubtful.	MSD Comptrollership	We recommend that management require the Regional Accountant and the Budget Officer to reconcile their records at year end to determine how much of the remaining funds are available for obligations.	Filed comment on the AOM		4/18/2016

PRO 6	2016-012 (2016)	10/5/2016	10/14/2016	Payments of Service Fees to Local Government Units (LGUs) acting as Accredited Collecting Agents amounting to P67,301.56 are made without the Monthly Inventory of PhilHealth Agents Receipt (PAR) contrary to Article IV Part B Section 1.3 of PhilHealth Office Order No. 36 series of 2008 dated May 30, 2008 as amended by Office Order No. 0129 series of 2012 dated October 17, 2012, thus, their validity, verifiability and reasonableness is affected.	MSD Comptrollership	We recommend that management strictly comply with the provisions of PhilHealth Office Order No. 36 series of 2008 and require that all disbursements to LGUs on their claims for service fees shall be completely supported with the necessary supporting documents.	Filed comment on the AOM		11/16/2016
PRO 6	2016-013 (2016)	10/5/2016	10/14/2016	Service fees amounting to P277,445.28 covering the period 3rd and 4th quarter of 2015 and 1st quarter of 2016 due to different Local Government Units (LGUs) representing as collecting agents are still unpaid as of June 30, 2016 contrary to the provisions of Article IV Part C Section 2.2 of PhilHealth Office Order No. 36 Series of 2008 dated May 30, 2008 as amended by Office Order No. 130 series of 2009 dated November 25, 2009 and Office Order No. 0129 series of 2012 dated October 17, 2012.	MSD Comptrollership	a. Facilitate payment of the service fees due to respective LGUs as soon as possible. b. Render justification why said payments were delayed.	Filed comment on the AOM		11/16/2016

PRO 6	2016-014 (2016)	10/25/2016	11/18/2016	Contract Agreements amounting to P1,889,515.00 for the lease of venue and accommodation with meals for various PhilHealth seminars, trainings, conferences, programs and activities were prepared and facilitated by privately-owned establishments (Lessors) instead of PhilHealth Regional Office VI (Lessee) contrary to Sections 4.5 and 8.2 of Government Procurement Policy Board (GPPB) Resolution No. 08-2009 dated November 3, 2009, thereby depriving the agency the most advantageous terms and conditions.	MSD	We recommend that management strictly adhere to the provisions of GPPB Resolution No. 08-2009 dated November 3, 2009 and PhilHealth Office Order No. 0044-2015 dated March 30, 2015 and ensure that all contracts entered into are prepared, and the most advantageous terms and conditions are set by the management. We further recommend that management render justifications why said contract agreements entered into by PhilHealth Regional Office VI are contrary to the above mentioned provisions.	Filed comment on the AOM		12/5/2016
PRO 7	2016-01 (2015)	3/10/2016	3/11/2016	Provisions of PhilHealth Office Order on local travel expenses.	MSD	Revisit for amendment of OO No. 0078-2015 dated 9-16-15.	MSD issued memo that certification from the Head Office /RVP for actual expenses is a requirement.	Fully Implemented.	3/23/2016
PRO 7	2016-001 (2016)	3/15/2016	3/16/2016	Office Rental Expenditures has accumulated in the amount of P98,518,757.05 for 18 years.	MSD	Recommend that the Corporation shall procure a lot and build office thereon.	Brought up the matter to Central Office for consideration.	For CO to consider.	3/27/2016
PRO 7	2016-02 (2014-2015)	3/10/2016	3/21/2016	Payment of Extraordinary and Miscellaneous Expense (EME)	MSD	Stop immediately the practice of paying EME above the authorized rate.	Justified that the payment is on the basis of PHIC Office Order No. 103 s. 2007.	For CO to consider.	3/31/2016
PRO 7	2016-03 (2015)	3/10/2016	3/21/2016	Unreleased Proceeds from Cash Donations for PhilHealth Run 2015 to PRO 7 Beneficiary	MSD	Immediately release the amount to the beneficiary Rotary Club of Cebu District 3860.	The retention has on the basis of item 11 of PhilHealth Office Order No. 113-2014. The retained money was eventually released after the COA audit has been completed.	Fully Implemented.	3/31/2016

PRO 7	2016-04 (2015)	4/8/2016	4/11/2016	Payment of Honoraria to chairpersons and members of BAC and TWG on not successfully completed projects and to non-participation in bidding conferences by a provisional member of BAC or the end-user	MSD	Observe provisions of Budget Circular No. 2004-5A dated 10-07-2005.	The BAC has been observing provision of the Budget Circular no. 2004-5A.	Fully Implemented.	4/28/2016
PRO 7	2016-05 (2015)	4/8/2016	4/11/2016	Balances of certain sub-accounts of Due to BIR and Due to PhilHealth could not be ascertained and not in conformity with Section 111 PD 1445	MSD	Prepare and effect immediately all accounts needing adjustments.	The necessary adjustment in the book of accounts is still on going.	Partially Implemented.	4/25/2016
PRO 7	2016-06 (2015)	4/8/2016	4/11/2016	Insufficient Office Space for COA documents	MSD	Management shall provide storage to the COA Audit Team.	Additional space has been provided.	Fully Implemented.	4/25/2016
PRO 7	2016-001 (2016)	3/15/2016	3/16/2016	Office Rental Expenditures has accumulated in the amount of P98,518,757.05 for 18 years	MSD	Recommend that the Corporation shall procure a lot and build office thereon.	Brought up the matter to Central Office for consideration.	For CO to consider.	3/27/2017
PRO 8	2016-001 (15)	5/11/2016	5/23/2016	Actual travelling expenses amounting to P984,661.15 were claimed despite the absence of certification from the Head of the Agency that the expenses were necessary in the performance of an assignment contrary to COA Cir. 2012-001 dated June 14, 2012 and Section 6 of EO 298 dated March 23, 2004, thereby resulting to inadequacy of supporting documents.	FMS	We recommend that Management should submit the required certification from the Head of the Agency that the claims for actual travel expenses exceeding P800.00/day were necessary in the performance of an assignment. Also, consider revisiting/amending Office Order No. 078-2015 to be compliant with EO 298.	Management had already complied with the COA recommendation.	Fully Implemented. Amendment of Office Order No. 0078-2015 with Corporate Order No. 2016-004 and the submission of subject certification dated 11/10/2016 as required in the said AOM.	11/10/2016

PRO 8	2016-002 (15)	5/12/2016	6/3/2016	The accuracy and reliability of the inventory account balances totaling P5,085,697.40 cannot be ascertained due to discrepancy between the balances per books and per physical count amounting to P2,188,311.92 and non-maintenance of Supplies Ledger Cards and Stock Cards contrary to Sec. 43 of the new New Government Accounting System Manual and PHIC Office Order No. 15 s. 2007 dated January 22, 2007	ASS FMS	We recommend that the Fiscal Controller IV should undertake a thorough analysis of the inventory transactions to determine the required adjustments. Also, require the Accounting and the Supply Sections to maintain Supplies Ledger Cards and Stock Cards, respectively, and to conduct periodic reconciliation of the inventory accounts. Further, the Supply Section should ensure that, all issuances of inventories are supported with Requisition and Issue Slips and should prepare and submit the report of Supplies and Materials issued to the Accounting Section.	Conducted periodic physical inventory of supplies and equipment, implement the maintenance of Supplies Ledger and Stock Cards in the Comptrolleship and Administrative Section respectively.	Fully Implemented. As of December 31, 2016, unreconciled inventory balances of Supply Ledger Card against Stock Cards were as follows: Office Supplies 54.03 IT Supplies (P3.03), ICS P60.00 and Other Supplies P0.00 or net amount of P111.00, the Comptrollership Unit will make the necessary adjustment in our books. Implemented the maintenance of Supplies Ledger and Stock Cards as early as July of 2016.	1/15/2017
PRO 8	2016-003 (15)	5/17/2016	6/3/2016	Funds released to the Local Government Units for the implementation of PCB1 for CY 2014 and 2015 amounting to P14,848,125.00 and P71,518,202.82, respectively, were not supported with Official Receipts. Contrary to Section 4(6) and 68(1) of PD 1445 thereby casting doubt on the actual receipt of the receipt of funds by the receipt LGUs	FMS FOD LHIOs	We recommend that management should submit immediately the required Official Receipt. Henceforth, all disbursements should be supported with complete documentation pursuant to Sec. 4(6) of PD 1445.	FMS will provide to LHIOs, office concerned, list of LGUs that have not yet submitted Official Receipts included in the said AOM for retrieval/compliance.	Partially Implemented. As of December 31, 2016, Official Receipts for fund released to LGUs amounting to P77,259,747.82 were already submitted to COA while P4,298,500.00 of the said check payments to LGUs was recently replaced by PRO.	

PRO 8	2016-004 (15)	5/23/2016	6/9/2016	The accuracy and reliability of the Cash in the Cash in Bank account with a book balance of P31,176,921.22 cannot be ascertained due to unrecorded to reconciling with a net amount of P973,619.37 contrary to Sec. 11(1) of PD 1445 and par. 31 of the FPPFS.	FMS Comptrollership Unit	We recommend that management should conduct review and analysis of the reconciling items to facilitate the preparation of appropriate adjusting entries to correct the Cash in the bank and other related accounts.	FMS will conduct review and analysis of the reconciling items to support the preparation of appropriate adjusting entries to correct the Cash in Bank Account.	Partially Implemented. The Comptrollership Unit already made an adjustment in its books for the period January-December 2016. Giving a balance of 1. Unrecorded deposit P43,377.00 2. Unrecorded Fund Transfer P0.00 3. Unrecorded Returned Checks P71,875.00 4. Other Reconciling Items P118,658.42.	1/15/2017
				MANagement failed to provide the Audit Team with adequate storage space for paid expense vouchers, journal vouchers and other financial documents contrary to Section 20(1) 26 and 43(4) of PD No. 1445	MSD ASS	We recommend that management provide the Audit Team with adequate storage space to properly preserve and safeguard the paid expense vouchers, journal vouchers and other documents received from the auditee.	Included budgetary requirement for storage area of COA documents in the CY 2017 budget.	Fully Implemented. The Management Services Division (MSD) have already provided additional storage space for COA documents.	3/31/17

PRO 9	2016-01(14)	2/5/2016	2/16/2016	<p>Certain provision of Philhealth Office Order No. 0078-2016 dated September 16, 2015 are inconsistent with the provisions of Executive Order 298.</p> <p>9. In compliance with EO 298 and to facilitate the liquidation of cash advance and/or reimbursement of travel-related expenses, revisiting/amending Office Order No. 0078-2015 is recommended taking into account the submission of the following:</p> <p>1. For Local travel that the expenses/reimbursement exceeds P800.00, secure certification from the Head of the Agency that the expenses are necessary in the performance of an assignment; and</p> <p>Travel abroad that expenses/reimbursement exceeds the applicable DSA rate, secure certification from the Head of the Agency that the expense/reimbursement are absolutely necessary in the performance of the assignment and thereafter, the approval of the President</p>	All Offices	<p>We recommend revisiting/amending Office Order No. 0078-2015, in compliance with EO 298, taking into account the submission of the following:</p> <p>a. For local travel that the expenses/reimbursement exceeds P800.00, secure certification from the Head of Agency that the expenses are necessary in the performance of an assignment; and</p> <p>b. For travel abroad that expenses/reimbursement exceeds the applicable DSA rate, secure certification from the Head of Agency that the expense/reimbursement are absolutely necessary in the performance of an assignment and thereafter, the approval of the President.</p>	<p>As of this date, Office Order 78 series of 2015 is revised and made obsolete by Corporate Order 2016-044 Re: Omnibus guidelines on the Grant, Utilization and Liquidation of Cash Advance and Reimbursement of travel-related expenses. As enumerated under paragraph 1.2.6 and 4.2. The abovementioned Corporate Order is already effective as of June 1, 2016.</p>	Implemented	2/23/2016
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PRO 9	2016-05(15)	3/21/2016	3/31/2016	Depreciation of Property, Plant and Equipment (PPE) of PRO IX was not computed in accordance with COA Circular Nos. 2003-007 and 2004-003 thereby understating Total Accumulated Depreciation by P170,670.75 and overstating the net book value of PPE and total assets in the financial statement as of December 31, 2015.	FMS-Comptrollership unit	We recommended that the Comptrollership Division adjusts the affected accounts and henceforth compute the depreciation of PPE in accordance with the provisions of COA Circular Nos. 2003-007 and 2004-003 for an accurate and fair representation of the financial statements.	The amounts of depreciation were adjusted accordingly.	Implemented	4/7/2016
PRO 9	2016-005(15)	3/21/2016	3/31/2016	Payments of 44,380 benefit claims were not supported with Official Receipts (ORs) totaling P734,650,526.78, casting doubt on whether or not payments were actually received by the intended claimants.	FMS-Cashiering unit	We recommended and Management agreed that the PRO IX require the submission of Official Receipts of unsupported benefit payments and come up with a mechanism to monitor and follow up faithful compliance of the regulation, thus ensuring that all disbursements for benefit claims are duly supported with proof of receipt by claimants/payees.	We went to our Local Health Insurance Offices in Zamboanga Sibugay, Zamboanga Del Norte and Zamboanga Del Sur to relay to them information about the Audit Observation Memorandum No.2016 – 005 dated March 21, 2016 and Audit Observation Memorandum No. 2016 – 008 dated March 31, 2016. While in the area, we also met with some Hospitals (Mostly the big ones, and those who have missing ORs)	Implemented	4/14/2016
							We made three advisories, particularly Advisory No. PRO XI 2016 – 001 dated April 19, 2016 Re: Strict Compliance to the Issuance of Official Receipts for PhilHealth Reimbursements by the Accredited Health Care Providers, Advisory No. PRO IX 2016 – 002 dated May 3, 2016 Re: PhilHealth Reimbursements (Check Payments) to be Released through PhilHealth Local Health Insurance Offices and Advisory No. PRO IX 2016 – 003 dated May 13, 2016 Re: Auto Credit Payment Vouchers and Auto Credit		

PRO 9	2016-007(15)	3/29/2016	4/7/2016	The year-end balances of Property, Plant and Equipment (PPE) accounts as reflected in the Financial Statements still do not reconcile with the Report/Schedule of PPE of the General Services Unit, showing a variance of 4,322,225.80 thus validity, accuracy and existence of these accounts are doubtful.	FMS-Comptrollership unit	We recommended management to require the Comptrollership and General Services Units to trace the differences and reconcile its records for a more reliable reporting in consonance with COA Circular 80-124 and NGAS Manual."	The PPE accounts are adjusted per Journal Voucher Number 0001391 dated 3/31/16. PPE is also reconciled per PPE Reconciliation Statements as of December 31, 2016 as submitted last April 22, 2016. Nonetheless, we will continue to reconcile the balances of PPE till such time that the Inventory Balances versus the Ledger Balances will be the same.	Partially Implemented	4/22/2016
PRO 9	2016-008(15)	3/31/2016	4/7/2016	Benefit Payments were continuously released to Health Care Institutions (HCIs) despite their non submission of Official Receipts (OR) for previous payments thereby increasing the risk that payments may not be received or duly acknowledged.	FMS-Cashiering unit	We recommended and management agreed that the PRO IX require the HCIs /payees to submit or issue ORs for payment received especially those with prior years accumulation of unsubmitted ORs. We likewise recommend that the Office strengthens the payment system of benefit claims by ensuring: a. subsequent payments be released/mailed only upon receipt of ORs of previous payments; b. establishment of monitoring tool or mechanism to determine and follow up those HCIs/payees with frequent unsubmitted ORs.		Partially Implemented (92% for 2014 and 95% for 2015) Implemented Implemented	4/14/2016
PRO 10	2016-001	2/16/2016	2/24/2016	Revised IRR of RA 9184		Adhere to RA 9184	Submitted reply to AOM		2/29/2016
PRO 10	2016-002	2/24/2016	3/3/2016	EO 298		Submit lacking supporting documents.	Submitted reply to AOM		3/8/2016
PRO 10	2016-003	3/2/2016	3/23/2016	COA Circular No. 2009-001		Submit comments/justification.	Submitted reply to AOM		4/6/2016
PRO 10	2016-004	3/22/2016	3/23/2016	PCW-NEDA-DBM Joint Circular No. 2012-001		Submit lacking supporting documents.	Submitted reply to AOM		4/6/2016
PRO 10	2016-009	10/19/2016	11/9/2016	COA Circular No. 2012-001		Submit a copy of the Souvenir Program.	Submitted reply to AOM		12/6/2016
PRO 10	2016-010	11/15/2016	12/19/2016	COA Circular No. 2012-003		Submit a valid justification as to the absolute necessity of the matter.	Submitted reply to AOM		1/4/2017

PRO 11	AOM No. 2016-01	2/10/2016	3/3/2016	PHIC Region XI failed to impose any liquidated damages totaling P167,237.21 from the billing/statement of accounts of various suppliers despite delay in the delivery of the supplies and equipment contrary to the provisions of Section 3.1 and 3.2, Annex D of the IRR of RA 9184.	FMS	Management to comply with Sections 3.1 and 3.2 of Annex D of IRR of RA 9184. Also, enjoin compliance by suppliers with the terms and conditions in the PO and to determine persons responsible/liable for the non-imposition of liquidated damages due to delayed delivery.	We have complied with the requirements on the imposition of penalties to the suppliers.	Fully implemented	4/26/2016
PRO 11	AOM No. 2016-02	2/12/2016	3/3/2016	Payments made for various expenses totaling P893,865.00 were supported by official receipts and cash invoices not duly authorized by the Bureau of Internal Revenue contrary to Revenue Memorandum Circular No. 44-2013 and Revenue Memorandum Order No. 12-2013, Item K, dated May 2, 2013.	FMS	1) Require the Accounting Division not to allow reimbursement of expenses who failed to submit Ors that are authorized or prescribed by the BIR; 2) Require the concerned employees/claimants to demand for authorized OR/SI/CI from the concerned supplier/establishment in replacement of the previously issued unauthorized one to avoid suspensions/disallowances in audit 3) Adhere strictly to the provisions of BIR Revenue Memorandum Circular 44-2013 and RMO No. 12-2014	We already ensure not to allow OR/CIs that are not prescribed by the BIR.	Fully implemented	4/26/2016

PRO 11	AOM No. 2016-03	2/15/2016	3/3/2016	Certain provisions of PhilHealth Office Order No. 0078-2015 dated September 16, 2015 are inconsistent with the provisions of Executive Order No. 298.	FMS	In compliance with EO 298 and to facilitate the liquidation of cash advances and/or reimbursement of travel-related expenses, revisiting/amending Office Order No. 0078-2015 is recommended taking into account the submission of the following: a) For local travel that the expenses/reimbursement exceed P800, secure certification from the Head of the Agency that the expenses are necessary in the performance of an assignment; and b) For travel abroad that expenses/reimbursements exceed the applicable DSA rate, secure certification from the Head of the Agency that the expenses/reimbursements are absolutely necessary in the performance of the assignment and thereafter, the approval of the President.	complied (ref. Corporate Order No. 2016-0044)	Fully implemented	4/26/2016
PRO 11	AOM No. 2016-04	3/11/2016	4/7/2016	1) The procurement process for alternative mode of procurement (shopping) totaling P11,614,124.44 were undertaken by personnel of the Management Services Division (MSD) and not by the BAC contrary to the provisions of Section 12.1 and 32.3 of the revised IRR of RA 9184. 2) Procurement thru shopping mode not supported with complete documentation.	BAC	1. a. Refrain from assigning personnel who are not members of the BAC from participating in the following procurement activities thru shopping mode - awarding of bids/quotation; approving/signing in the abstract of quotations/canvass b) ensure that all procurement process thru the use of Alternative Methods of Procurement provided for in Rule XVI of RA 9184 should pass thru the BAC c) Strictly comply with the provisions of RA 9184 and its IRR in all procurement activities to avoid suspensions/disallowances in audit 2) For Head of Agency to require the BAC to strictly comply with the requirements provided for under Sections 54.2 and 54.3 of the Revised IRR of RA 9184 and GPPB Resolution No. 09-2009 on the use of alternative mode of procurement	1) We adopted the recommendation to require all members of the BAC to sign the Abstract of Canvass. 2) Proof of posting to the PhilGeps are already attached to the DV for procurement of goods amounting to more than P50,000	Fully implemented	5/11/2016

PRO 11	AOM No. 2016-05	3/16/2016	3/23/2016	PHIC Region XI has no adequate storage facilities for COA to safely keep its disbursement vouchers and other documents, thus exposing these records to danger of loss and damage making the need for document reference in the future difficult.	MSD	For PRO XI management to allocate funds for the construction/rehabilitation of an adequate and suitable space to store documents submitted to COA, that would be adequate for the storage of ten years transactions as mandated by rules and regulations.	PRO XI has already transferred to a new and bigger warehouse. COA is allocated with bigger space for the storage of their files.	Fully implemented	4/27/2016
PRO 11	AOM No. 2016-06	3/22/2016	4/12/2016	Approved bond of the Collecting Officers are inadequate since they are handling average daily accountability that ranges from P127,000 to P900,000 which are higher than the applied maximum cash accountability of P100,000, contrary to the Bureau of Treasury Circular No. 02-2009 dated August 6, 2009. The inadequacy of the fidelity bond will affect the claim on insurance in the event there is loss in government fund.	FMS	For Management to evaluate the bond coverage of all accountable officers and whenever necessary, increase the amount of coverage of the fidelity bond proportionate to their actual accountabilities in accordance with the Revised Schedule of Bonds provided under BTr Treasury Circular No. 02-2009. The Regional Office should consider providing allowances for future increases in accountabilities.	complied as of June 30, 2016	Fully implemented	5/11/2016

PRO CARAGA	2016-001 (15)	2/23/2016	3/2/2016	Certain provisions of PhilHealth Office Order No. 0078-2015 dated September 16, 2015 on travel expense are inconsistent with the provisions of Executive Order (E.O.) No. 298	MSD FMS	In compliance with EO 298 and to facilitate the liquidation of cash advances and/or reimbursement of travel-related expenses, revisiting/amending Office Order No. 0078-2015 is recommended taking into account the submission of the following: a. For local travel that the expenses/reimbursement exceeds P800.00, secure certification from the Head of the agency that the expenses are necessary in the performance of an assignment; and b. For travel abroad that expenses/ reimbursement exceeds the the applicable DSA rate, secure certification from the Head of the Agency that the expenses/ reimbursement are absolutely necessary in the performance of the assignment and therefore the approval of the President.	Done	Implemented.	3/3/2016
PRO CARAGA	2016-002 (15)	2/29/2016	3/4/2016	Due to failure of Management to submit approved Daily Time Record (DTRs) and Accomplishment Reports for contractual employees, not only precluded the Auditors from ascertaining the validity of salaries and wages aggregating P34,049,685.25 as of December 31, 2015 and likewise the necessity in the hiring of Job Orders cannot be determined.	MSD HRU	To establish accuracy and validity of the salaries and wages, we recommend the Management to direct the Human Resource Personnel to effect the submission of DTRs and accomplishment reports to the Office of the Auditors. In addition, Management is invited to strictly observe and comply the foregoing provisions of COA Circular and P.D 1445.	Done	Implemented.	3/11/2016

PRO CARAGA	2016-003 (15)	2/29/2016	3/4/2016	Due to the failure of Management to transfer to an Authorized Government Depository Banks (AGDB), their deposits with Philippine Veterans Bank aggregating P9,345,426.60 as of December 31,2015 was maintained without an authority to receive government deposit.	MSD FMS	We recommend the Management to stricly follow the provisions of DOF Circular No. 002-2015.	Done.	Complied.	3/11/2016
PRO CARAGA	2016-004(15)	3/4/2016	3/4/2016	Failure of the Management to include on its annual procurement plan for CY 2015 the amount actually incurred and classified under Athletic and Cultural Expense Account amounting to P585,038,62 contrary to COA Circular 2013-003 and Republic Act 9184.	MSD	We recommend that management should discontinue the practice and strictly follow the provisions on RA 9184 and guidance on COA Circular 2013-003 by including on its annual procurement plan for the subsequent year the expenditures for PhilHealth PRO Caraga' anniversary and Christmas program to establish that said expenses are authorized and therefore valid.	Done.	Complied.	3/30/2016
PRO CARAGA	2016-005(15)	2/29/2016	3/15/2016	The Management failed to abide the laws and regulations in the grant of Hazard Pay, Subsistence Allowance and Laundry Allowance as embodied in the Magna Carta for Public Health Workers (RA 7305), thus the total of P10,660,067.57 were granted to Official and Employees who were not qualified, constitute Irregular Expenditure of Government Funds.	MSD FMS	We recommend the Management to strictly follow RA 7305; only those personnel who were qualified are allowed to claim.	Done.	Complied.	3/17/2016

PRO CARAGA	2016-006(15)	2/29/2016	3/15/2016	Failure of the Management to strictly abide with the existing rules and regulation to place marking words " FOR OFFICIAL USE ONLY " on its motor vehicles, would result to risk of misuse of these	MSD GSU	We direct the management to strictly adhere to COA Circular 75-6 dated November 7, 1975 to avoid the risk of misuse of government vehicle.	Done.	Implemented.	3/30/2016
PRO CARAGA	2016-007(15)	2/29/2016	3/15/2016	The balance per book of Cash in Bank - Local Currency Current and Savings Account amounting to P17,256,293.89 remained unreconciled with the balance per bank as of December 31,2015, due to failure of the accountant to prepare an updated bank reconciliation statement thus the validity and accuracy of the account as presented in the Financial Statement is doubtful.	MSD FMS	In view of foregoing observations, we recommend the management to: 1. Properly monitor the task given to each employee and assess if additional personnel should be provided to ensure that due time is dedicated to every task. 2. Prepare and submit monthly Bank Reconciliation Statements of all its bank accounts on prescribed date, take up reconciling items, and adjust the books for errors, if any, to reflect the correct balance in the financial statements; and 3. Update regularly the Subsidiary Ledgers and ensure that balances reconcile with the General Ledger.	Done.	Bank Reconciliation Statement for each bank account updated. Subsidiary Ledgers updating still awaiting for completion/deployment of in house build up utility.	3/17/2016
PRO CARAGA	2016-008 (15)	3/16/2016	3/29/2016	The laxity in the monitoring of its receivables specifically on sponsored program from LGU's and private association which were outstanding for a long period of time resulted to the accumulation of the balances of the accounts Inter Agency Receivables - Due from LGU's totaling P82,605,499.28 as of December 31,2015 contrary to PD 1445 and COA Circular 97-001.	FOD MSD	We recommend the PhilHealth management should: a. Revised there billing and collection strategy to improve policies and procedures on collection of receivables and take necessary actions to collect and assess collectability of long outstanding receivables in adherence with prescribed guidelines under COA Circular 97-001; and b. Ensure the proper and timely recognition of receivables and income transactions in the books following the accrual basis of accounting and these are substantiated with valid, accurate and complete supporting documents: make adjusting entries, if necessary.	Done.	Continuously exerted efforts of collecting the Receivables.	3/30/2016

PRO CARAGA	2016-009(15)	2/29/2016	3/23/2016	Cash advances for travelling totaling P140,460.00 were used by other employees rather than those who draws the cash advances contrary to Section 174 of the Government Accounting and Auditing Manual (GAAM) Volume 1 which also constitutes Irregular expenditures per Section 3 of COA Circular 2012-003 dated October 29,2012.	MSD FMS	Management is hereby directed to strictly follow Section 174 of GAAM Volume I. It is further recommended that contractual personnel should only allow for reimbursement of their travel expenses.	Done.	Implemented.	3/31/2016
PRO ARMM	16-001	3/16/2016	4/12/2016	PERSONAL SERVICES FOR CASUAL EMPLOYEES	Human Resources Unit	Submission of (1) certified copy of the pertinent appointment, (2) copy of ROPA of the pertinent appointment marked received by CSC, (3) Certification that the services cannot be provided by regular personnel, (4) Accomplishment reports	PRO HR inquired with the PRO Central Office	Received HRD's (Central Office) Reply on September 23, 2016	10/10/2016
PRO ARMM	16-002	3/16/2016	4/12/2016	PARANG LHIO Rent Expense (January 2016)	Admin, GSU, Parang LHIO	Submission of perfected contract, building floor plans, vicinity map, list of prevailing comparable property within vicinity etc	Asked for COA's exhibits and attachments	Waiting for COA's exhibits	4/27/2016
PRO ARMM	16-003	3/16/2016	4/12/2016	PRO ARMM and MARAWI LHIO Rent Expense (January 2016)	Admin, GSU	Submission of perfected contract, building floor plans, vicinity map, list of prevailing comparable property within vicinity etc	Asked for COA's exhibits and attachments	Waiting for COA's exhibits	4/27/2016
PRO ARMM	16-004	3/16/2016	4/12/2016	PRO ARMM and SULU LHIO Rent Expense (January 2016)	Admin, GSU	Submission of perfected contract, building floor plans, vicinity map, list of prevailing comparable property within vicinity etc	Complied	Submitted Reply.	5/26/2016
PRO ARMM	16-005 to 09	3/16/2016	4/12/2016	Repairs and Maintenance (January 2016)	Admin, GSU	Submission of Report of Waste Materials, Pre-repair and Post Repairs, Inspection and Acceptance, Repair History Records	Asked for COA's exhibits and attachments	Waiting for COA's exhibits	4/27/2016
PRO ARMM	16-010 to 13	3/16/2016	4/12/2016	Purchase of IT Supplies	Admin, GSU, Sulu	Submission of Additional Canvass Quotation	Complied	Submitted Reply.	5/26/2016
PRO ARMM	16-014	5/2/2016	5/23/2016	Procurement of supplies by the LHIOs instead of the General Services	Admin, GSU, LHIOs, FMS	Centralized procurement at the PRO level through GSU and reconciliation of inventory balances	Effective June 1, 2016, LHIO procurement will be handled by GSU	Submitted Reply.	5/31/2016

PRO ARMM	16-025	6/16/2016	6/24/2016	Actual Physical Inventory and Reconciliation of GSU and Accounting	Admin, GSU, FMS	Submission of Actual Physical Inventory Count	To be discussed with the new OIC of the Administrative Services Section who shall take over effective August 1, 2016.		Pending
PRO ARMM	Not numbered.	6/16/2016	6/24/2016	Liquidation of Cash Advances	Concerned Employees, FMS	Timely liquidation of cash advances	Verified the records and some of the observations were not valid. Submitted a detailed status of the said cash advances (as only three liquidation of the listed cash advances were delayed.)	Submitted Reply.	7/28/2016
PRO ARMM	16-015	8/5/2016	8/26/2016	Per Family Payment (PFP) for PCB 1 Services, expenses/disbursements are not monitored, reviewed/audited on how it is disbursed and utilized.	BAS, LHIOs, FMS, MSD	a. Creation of a Regional Committee to augment as well as consolidate the reports of LHIOs in monitoring the activities; b.Submission by the LHIOs of their reports on their monitoring activities; c. Submission of Utilization Reports by the PCB Providers.	Forwarded to various LHIOs / BAS and others concerned for their comments.	Submitted Reply.	9/23/2016
PRO ARMM	ARMM - 16 - 0022	2/3/2017	2/16/2017	Several deficiencies noted in PPE, contrary to existing rules and regulations.	Administrative Services Section, Fund Management Section	1. Maintenance of PPELC and Property Cards, 2.Renewal of AREs, 3.Conduct Reconciliation and Inventory	Submitted Reply and To Comply with the Recommendations		2/16/2017