



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

ANNUAL AUDIT REPORT

of the

**DEPARTMENT OF LABOR
AND EMPLOYMENT**
REGIONAL OFFICE NO. XIII
BUTUAN CITY

For the Year Ended December 31, 2010



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Regional Office No. XIII
Butuan City

March 16, 2011

MS. OFELIA B. DOMINGO
OIC-Regional Director
Department of Labor and Employment
Regional Office No. 13
Butuan City

Madam:

We are pleased to transmit the Annual Audit Report of the Department of Labor and Employment, Regional Office No. 13, Butuan City for the calendar year 2010, in compliance with Section 43 of the Government Auditing Code of the Philippines (PD 1445).

The attached report consists of the Audited Financial Statements, the Observations with the corresponding Recommendations, which were discussed with concerned Management officials and staff, and the Status of Implementation by the Auditee of Prior Year's Audit Recommendations. Management's comments on the observations were considered in the report.

We conducted the audit in accordance with generally accepted state auditing standards and we believe that it provides reasonable basis for the results of audit.

We request a status report on the actions taken on the audit recommendations within sixty days from receipt of this report, pursuant to Section 94 of the General Provisions of the General Appropriations Act of 2010 (RA 9970).

We express our appreciation for the valuable support and cooperation extended by the officials and staff of the Agency.

Very truly yours,

ROY L. URSAL
ATTY. ROY L. URSAL
Regional Director



cc: The Cluster Director
National Government Sector
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File

EXECUTIVE SUMMARY

INTRODUCTION

The Department of Labor and Employment (DOLE) started as a small bureau in 1908, which later on become a department on December 8, 1983 with the passage of Act 4121. On February 25, 1995, Caraga Region was created per Republic Act No. 7901 and consequently, the DOLE Regional Office No. 13 was also established.

The Department of Labor and Employment stands as a national government agency mandated to formulate policies, implement programs and services, and serve as the policy-coordinating arm of the Executive Branch in the field of labor and employment.

The Department of Labor and Employment is mandated to promote gainful employment opportunities, develop human resources, protect workers and promote their welfare and maintain industrial peace, aimed at attaining full, decent and productive employment of every Filipino worker.

SCOPE OF AUDIT

The audit covered the operations of the Department of Labor and Employment, Regional Office No. XIII, Butuan City for Calendar Year 2010. Financial and compliance audit was undertaken to determine the validity and propriety of the transactions and to ascertain Management's adherence to laws, rules and regulations.

The results in determining whether management utilized its resources in an economical and efficient manner, and whether desired results were achieved are incorporated in Part III of this Report.

STATE AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements of the Department of Labor and Employment, Regional Office No XIII, Butuan City, as of December 31, 2010.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Financial and Compliance Audit

1. A total of P920,364.16 unutilized fund for the Nurses Assigned in Rural Services (NARS) Program were retained in the books of the DOLE 13, despite termination of the program, as such, said amount remained idle, which should have been remitted to the Bureau of Treasury, as prescribed under NBC 488 dated May 22, 2003.

Direct the Accountant to settle any existing and valid unpaid obligations under the NARS Program, and to remit immediately the unutilized fund of the NARS Program to the Bureau of Treasury.

2. Delayed submission of disbursement vouchers and debit memoranda together with its supporting documents for the payment of stipends to nurse-trainees under the DOLE NARS Program, contrary to Section 100 of PD 1445.

Direct the Accountant and the Cashier to immediately submit all remaining disbursement vouchers and Debit Memorandum (DM) for the payments made against Account 111-NARS, together with its supporting documents to facilitate review and reconciliation of said account.

Otherwise, failure on the part of the officials concerned to submit the said documents shall cause the automatic suspension of payment of salaries until they shall comply with the above requirements, as embodied on Section 122 of the Presidential Decree (PD) 1445.

3. A total of P3,372,492.89 remained unutilized for the Account 111-B (PVB Trust Fund) in the books of the DOLE 13 as of December 31, 2010, which should have been remitted to the Bureau of Treasury, as prescribed under NBC 488 dated May 22, 2003. Thus, cash remain idle in the bank for a longer time.

Direct the Accountant to account for the unutilized balance of Account 111-B and determine its pertinent programs or activities, and to remit the unaccounted fund of the same to the Bureau of Treasury.

4. Credits to the account of Due from LGU-Bislig and Due from NGO-BCCDLADW were made by the DOLE Regional Accountant-Designate in their books of accounts, even without the duly certified liquidation reports (LR), as provided for in the NGAS Manual, and the duly verified Fund Utilization Reports together with status report of accomplishment evidenced by pictures, in violation of paragraph 4.5.5 of COA Circular No. 2007-001.

Direct the Accountant-Designate, who cause the recording of the liquidation entries to explain in writing why he made such entries in the books without the approved Liquidation Reports and other documents, and for Management to act accordingly.

Moreover, direct the incumbent Accountant to review the liquidation journal entries and to make reversing entries, if necessary.

5. Additional releases of livelihood/financial assistance was made to Pacific Development Cooperative amounting to P395, 000.00 without requiring first the said NGO to liquidate the previous grants, contrary to Section 4.7.2 of COA Circular 2009-002 dated May 18, 2009 and Section 4.5.5 of COA Circular 2007-001 dated October 25, 2007, thereby, resulting in the accumulation of significantly high level of unliquidated financial assistance.

Submit the explanation/justification on the above lapses and require PDC to submit the required liquidation documents or Interim Fund Utilization Reports for all its unliquidated financial assistance.

Moreover, Management ensures that the provisions of the above-stated Circulars shall first be complied with before any new releases shall be made.

6. Certain inserted provision in the Memorandum of Agreements entered into by and between the DOLE and Accredited Co-Partners (ACPs) for the livelihood financial assistance granted by DOLE per approved project proposals of the beneficiaries, particularly paragraph 2 under the Proponent's Responsibility, which provides that: The Proponent shall "release the amount received from First Party to the identified beneficiaries xxx", which violated the provisions of COA Circular 2007-001, and may further increase the risks of possible misuse of government funds to the detriment of the government.

Management stop the practice of inserting provisions in the MOA, which violates COA Circular No. 2007-001 dated October 25, 2007, and such other related rules and regulations.

7. Out of the total advances of Php1,216,506.61 (that includes beginning balance of Php172,712.00) as of December 31, 2010, only Php 889,445.00 or 73% was settled, thereby leaving a balance of Php327,061.61 or a 47% increase over last year's balance of only Php172,712.00, a departure from the provision of par. 5.1 of COA Circular No. 97-002 dated February 10, 1997 which is reiterated in COA Circular No. 2009-002 dated May 18, 2009.

Direct the Accountant to impose stricter control in the grants and liquidations of cash advances to ensure compliance with the provisions of COA Circular 97-002.

Moreover, issue order of payments for all long outstanding advances and withhold the salary of the concerned accountable officer for failure to liquidate the said cash advances, if warranted.

8. The Accountant failed to maintain Supplies Ledger Cards for all inventory accounts, as required under Section 12 of the manual on New Government Accounting System (NGAS), Volume II. As a result, the completeness in the recording of purchases and issuances of supplies and materials cannot be monitored due to the absence of complete records, and the accuracy in the account balance cannot be ascertained due to the absence of reconciliations between the accounting and supply records.

Direct the Accountant to maintain Supplies Ledger cards for each item of inventories as required under Section 12 of the NGAS, Volume II, and reconcile regularly the balances per item with the stock cards maintained by the supply unit to ensure accuracy and completeness in the recording of transactions.

9. The Accountant failed to maintain the PPE Ledger Cards (PELC) for all property, plant and equipment accounts, as required under Section 12 of the manual on New Government Accounting System (NGAS), Volume II. As a

result, the completeness in the recording of items acquired and those items that were disposed of and/or reclassified cannot be verified due to the absence of complete records, and the accuracy in the account balance cannot be ascertained due to the absence of reconciliations between the accounting and supply records, as well as, the physical existence of the assets.

Direct the Accountant and the Supply Officer to maintain PPE Ledger Card (PPELC) and Property Cards (PCs) for each item of PPE, as required under Section 12 of the NGAS, Volume II. Likewise, reconcile regularly the balances per item in the PPELC with the PC to ensure accuracy and completeness of the recorded transactions.

10. No physical inventory was conducted for the Office Supplies Inventory and Property, Plant and Equipment (PPE) Accounts of DOLE XIII as of December 31, 2010, as required under Section 490 of GAAM Volume I, as such existence, completeness and accuracy of the reported PPE Account cannot be established.

Direct the Supply Officer to prepare a Report on the Physical Count of PPE (RPCPPE) and require the Inventory Committee to conduct physical inventory of all its equipment and supplies, and strictly adhere to the rules and regulations on the safekeeping and inventory of assets.

11. Accounts Payable to creditors and monthly mandatory contributions of employees and the corresponding payments to creditors and remittances to concerned Agencies were not recorded in the subsidiary ledgers due to the failure of the Accounting Unit to maintain subsidiary ledgers. Thus, the accuracy, completeness and reconciliation of the payables and payroll deductions, as well as, the corresponding payments and remittances, and the refunds to employees cannot be easily ascertained.

Direct the Accountant to maintain subsidiary ledgers to record all transactions affecting the liability accounts.

12. Payments for salaries and wages, allowances and other personnel benefits as well as expenses for maintenance and other operating expenses such as travelling expenses, scholarship expenses, office supplies expenses, etc were not recorded in the Index of Payments (IP) as prescribed under Section 51 of the Manual on New Government Accounting System (NGAS), Volume II. As a result, payments made to employees and other creditors cannot be monitored, thus, susceptible to double payment of claims.

Direct the Accountant to maintain an updated Index of payments (IPs) to record all payments made to employees, suppliers, and other agency creditors. Moreover, said records must be used for its intended purpose of monitoring the payments to be made to employees, suppliers and other agency creditors prior to the processing of the transactions to avoid double payment of claims.

13. Sixteen (16) disbursements amounting to P173,853.72 for payment of airfare tickets of various official travels lacked boarding passes and electronic tickets as required under COA Circular 2005-03 dated September 22, 2005. As such, propriety of the said transactions cannot be determined.

Direct the concerned Agency officials and employees to submit the required electronic tickets and boarding passes to the Accountant, who in turn shall submit the same to COA for audit. In the future, all payments for plane tickets shall be supported with copy of electronic tickets and boarding passes.

14. Six (6) releases of livelihood financial assistance to four (4) LGUs, as Accredited Co-Partners (ACPs), totaling P1,532,582.91 were not submitted to COA for pre-audit contrary to the provisions under Section 4.8.1 of COA Circular 2009-002 dated May 18, 2009, as such initial evaluation on the propriety of transaction cannot be effected.

Submit explanation/justification on the above lapses and ensure compliance to the above-stated Circulars and its related laws, rules and regulations as regards the pre-audit of transactions.

15. All the forty-six (46) Purchase Orders issued by the Agency were not supported with the resolutions from the Bids and Awards Committee (BAC) recommending the use of shopping as a mode of procurement in the purchased of supplies and materials in violation of Section 12 of RA 9184. Thus, defeats the very purpose of the law of providing a system of check and balance.

Ensure that all future procurements thru alternative modes should be recommended by the BAC, and that all transactions should be supported with the BAC Resolution recommending for the use of such alternative mode as required by law.

16. The printed name of the persons who signed the "Conforme" portion of the purchase orders (P.O.) and the date signed were not indicated in twenty-one (21) sample transactions. Moreover, the Purchase request number, and the date and place of delivery were not also indicated in all the 46 sample purchase orders. Thus, the authenticity of the signatures appearing in the "Conforme" portion of the Purchase Orders (P.O.) cannot be validated, and that liquidated damages cannot be imposed in the event that the supplier cannot deliver on time due to the absence of delivery date.

Ensure that in the future procurements, the name of the person who signs the "Conforme" portion of the purchase orders and the date signed should be required to allow interested parties to validate the authenticity of the signature appearing in the said document. The purchase request number, the place and date of delivery should also be indicated in all purchase orders issued.

Moreover, direct management to revisit their procurement processes to strengthen internal control systems on procurement.

17. A total of eighty-one (81) Purchase Orders amounting to P1,879,376.89 were not submitted to COA within five (5) days from issuance thereof, contrary to Item 3.2, COA Circular 2009-001 dated February 12, 2009, thereby preventing COA to conduct timely review and evaluation of the said purchases.

Direct the Supply Officer to submit duly accomplished Purchase Order/Job Orders to COA within the required period of five (5) days from the issuance thereof.

18. No Journal Entry Vouchers were prepared and submitted by DOLE XIII for all its financial transactions as well as non-cash transactions, except liquidations for travels, thus accounts affected, particularly Account 684-Prior Year's Adjustments and other related accounts cannot be validated, contrary to Section 43 of the New Government Accounting System (NGAS).

Direct the Accountant to prepare Journal Entry Vouchers (JEV) for all its financial transactions, cash or non-cash transactions, and to ensure religious adherence to the accounting policies prescribed in the New Government Accounting System and pertinent rules and regulations.

Moreover, direct the Accountant to submit the required documents in support of all the recorded non-cash transactions during the calendar year 2010.

Value-for-Money Audit

19. The failure of DOLE, RO XIII to enforce the provisions of the MOA and to closely monitor and inspect the livelihood assistance granted to San Roque Farmers and Displaced Workers Multi-Purpose Cooperative (SRFDWMPC) for the approved project "Integrated Broiler Production", which were released in two (2) tranches through LGU - Bislig City and BCCDLADW, as the accredited - Project Partners (ACPs), in the total amount of Php1,000,000.00, resulted to the failure of the ACPs to deliver the items specified in the project proposal to the legitimate beneficiaries, which further resulted to the non-implementation of the project by the SRFDWMPC. Thus, the government scarce resources were wasted and the project's objective of providing sustainable income and livelihood opportunities to displaced PRI workers and their dependents was not achieved.

Direct the personnel In-Charge on the project's implementation to shade light on the matter, and for Management to act accordingly. If necessary, legal action shall be instituted against the ACP as provided for in the Memorandum of Agreement.

Moreover, close monitoring and inspection of the project's implementation shall be done by DOLE to ensure compliance with the MOA by the ACP and the beneficiaries, thus, achieving project's sustainability.

Likewise, stop releasing funds for financial assistance to NGOs/POs if the projects and its beneficiaries are not yet ready to implement to avoid wastage of government scarce resources.

20. Lack of monitoring by DOLE in the project implementation of livelihood/financial assistance granted to various LGUs and NGOs/POs, resulting to non-submission or extremely delayed submission of reports or liquidation, which further resulted to accumulation of unliquidated financial assistance since 2002 to present, amounting to P16,357,949.70 as of December 31, 2010 contrary to the provisions in the MOA and COA Circular 2007-001 dated October 25, 2007.

Direct concerned officials to conduct regular monitoring of all financial assistance granted through LGUs and NGOs/POs to ensure proper implementation of the projects and compliance of the above stated provisions.

Moreover, direct the Agency Internal Auditor to render the required Inspection Report on all projects to be incorporated in the liquidation reports of the same.

Budget Accountability

21. The absence of proper budgetary controls in FY 2010 resulted to the incurrence of obligations for certain maintenance and other operating expenses in excess of the appropriations authorized in the National Expenditure Program (NEP) amounting to P1,453,326.06. There were also other items of expenditures with equivalent obligations yet there were no appropriations incorporated on the said NEP. As a result, other items of expenditures were sacrificed, particularly the implementation of certain DOLE project/programs.

Direct the Budget Officer to ensure that expenses paid must have a corresponding budget. If actual expenditures already exceed the budget, augmentation from one item of expenditure to another shall be done within the limit prescribed and it should not be detrimental to other object of expenditures.

Further, he shall maintain appropriate registries per expenditure class including sub-registries for all items of expenditures included in the Agency Budget Matrix and the National Expenditures Program (NEP) pertaining to the budget year.

Moreover, also direct the Budget Officer – Designate to align its budget with the Agency's plans and targets for the year and consider making some adjustments in the subsequent years' budget especially those items of expenditures, which are very vital to the Agency's operations in order to avoid incurrence of overdraft.

Furthermore, the Agency cash program shall also be aligned with its plans and target in order to avoid reversions of NCA not needed during the period.

Gender and Development

The Department of Labor and Employment, Regional Office No. 13, Butuan City implemented certain activities in line with the Gender and Development Program for Calendar Year 2010. Among these activities includes PESO Capacity Building Program, Gender statistics on labor and employment, livelihood program for women and children, violence against women and trafficking in persons, family welfare program and the women's month celebration.

Some of these program and activities were implemented in coordination with the Philippine Overseas Employment Administration (POEA), Population Commission (POPCOM), Department of Health (DOH) and RDC-GADCC where DOLE is a member of the Technical Working Group (TWG).

Compliance With Tax Laws

In CY 2010, DOLE RO XIII is also consistent in the withholding of taxes in compliance with Revenue Regulation No. 12-86, otherwise known as the Withholding Tax Regulation on Compensation, and the Revenue Regulation No. 10-63 requiring the withholding of value added tax from the claims of contractors/suppliers.

As of December 31, 2010, an unremitted tax withheld amounted to P53,738.47, which was composed of taxes withheld for the accounts payable and some disbursements made in December 2010.

Settlement of Accounts

The Statement of Audit Suspensions, Disallowances and Charges as of December 31, 2010 of the Department of Labor and Employment, Regional Office No. 13, Butuan City is shown below:

Particular	Beg. Balance (As of December 31, 2009)	This Period January 1 to December 31, 2010			Ending Balance (As of December 31, 2010)
		NS/ND/NC	NSSDC	NS Matured into Disallowance	
Notice of Suspension	-0-	2,913,835.42	497,043.99	-0-	2,416,791.43
Notice of Disallowance	-0-	741,855.29	-0-	-0-	741,855.29
Notice of Charge	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	3,655,690.71	497,043.99	-0-	3,158,646.72

The findings and recommendations as previously enumerated were discussed with the concerned official and employees and their response and justifications were incorporated in the report, where appropriate.

STATUS OF IMPLEMENTATION BY THE AUDITEE OF PRIOR YEARS' AUDIT RECOMMENDATIONS

For the Calendar Year (CY) 2010, out of the six (6) findings in CY 2008 and fifteen findings in the CY 2009, nine (9) were fully implemented, ten (10) were partially implemented and two (2) were on-going as the related disallowance were still under appeal.

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PART I – AGENCY BACKGROUND

The Department of Labor and Employment (DOLE) started as a small bureau in 1908 and later on became a department on December 8, 1933 with the passage of Act 4121.

The DOLE stands as the national government agency mandated to formulate policies, implement programs and services, and serve as the policy-coordinating arm of the Executive Branch in the field of labor and employment. The organization and functions of the DOLE are in accordance with the provisions of the Executive Order No. 126, as amended, the Labor Code of the Philippines, and other relevant and pertinent legislations.

The Department of Labor and Employment has exclusive authority in the administration and enforcement of labor and employment laws and such other laws as specifically assigned to it or to the Secretary of Labor and Employment.

Consistent with the national development plan, its vision is the attainment of full decent and productive employment for every Filipino worker. It is mandated to promote gainful employment opportunities, develop human resources, protect workers and promote their welfare and maintain industrial peace. To contribute in the attainment of the national employment goals, it adopts the following strategies: (a) Support for Employment Generation, (b) Employment Facilitation, (c) Employment Enhancement, and (d) Employment Preservation.

To carry out its mandate, the Department has 16 regional offices, 41 Philippine Overseas Labor Offices (POLO), six bureaus, seven staff services and 11 agencies attached to it for policy and program supervision and/or coordination.

Among its 16 regional offices is the Caraga Region or DOLE Regional Office No. XIII, which was created by virtue of Department Order N. 27, series of 1995 in line with the passage of Republic Act No. 7901 on February 25, 1995 creating Region XIII.

ORGANIZATIONAL SET-UP

DOLE Region XIII is manned by forty-one (41) personnel headed by then Regional Director Romeo N. Cagas, until his retirement from government service on August 31, 2010. He was replaced by Dir. Ofelia B. Domingo on September 1, 2010. The Regional Director oversees all transactions of DOLE on a region-wide basis, together with her other key officials, as follows:

Teresita T. Bonghanoy	-	OIC-Assistant Regional Director
Atty. Nolasco O. Discipulo	-	Mediator-Arbiter
Larry A. Mahinay	-	Chief, Internal Management Services
Genebelle B. Bal	-	Chief, Technical Services & Support

DOLE Region XIII covers five provinces of Caraga Region with four (4) provincial field offices, namely, Agusan del Norte; Agusan del Sur; Surigao del Norte and Dinagat Island Province (DIP); and Surigao del Sur, with an assigned Provincial Heads, to wit:

Naomi Lynn C. Abellana	- Agusan del Sur Field Office
Engr. Reynaldo B. Mendiola	- Agusan del Norte Field Office
Luth M. Longos	- Surigao del Norte & DIP Field Office
Herminigildo L. Daytoc	- Surigao del Sur Field Office

Mr. Longos, serves as the Provincial Head of Surigao del Norte until his reassignment to the Regional Office on October 2010. He was replaced by Ms. Gloria A. Varquez, the then Regional Budget Officer.

MAJOR ACCOMPLISHMENTS

The Department of Labor and Employment, Regional Office No. XIII, Butuan City focused its major accomplishments for calendar year 2010 on the following projects and programs:

1. Job Search Assistance Services for Wage Employment
2. Capacity Building Services for Livelihood and Self Employment
3. Social Partnership Promotion and Dispute Resolution Services
4. Skills Competency and Productivity Training Services
5. Services to Safeguard Fair and Just Terms and Conditions of Employment
6. Social Protection and Welfare Services
7. Work Accident, Illness Prevention and Rehabilitation Services
8. General Administration and Support Services

On the Job Search Assistance Services for Wage Employment, DOLE posted a 140% accomplishment for placing 21,002 job applicants thru Public Employment Service Office (PESO). Other accomplishments under this program are as follows:

- Twenty three (23) job fairs were conducted registering 10,251 applicants with a deployment rate of 16%, showing an increase of 60% from the previous year's 10%.
- Provided 4,935 Christmas and summer vacation jobs to poor but deserving students which posted 121% accomplishment against target of 4,092.
- 126% accomplishment in the provision of labor market information to employers and jobseekers.
- Trifocalized Technical Education and Skills Development Authority (TESDA), Department of Education and Commission on Higher Education (CHED) with DOLE as lead agency in integrating reforms and initiatives in the educational system, particularly, in Career Guidance.

- Launched the skills registry system (SRS) in 2 pilot sites – San Francisco, Agusan del Sur and Surigao City. The recipient Local Government Units (LGUs) were very much grateful for this DOLE initiative to install registry of skilled workers from the core cities and municipalities down to the barangay levels.
- 41 LGUs committed to fully institutionalized their PESOs and to prepare sanggunian resolution/executive order creating and establishing PESO and appropriating funds thereof. This commitment was done after series of DOLE and Bureau of Local Employment (BLE) visits and consultations with local chief executives.
- Established 2 PESOs in the academic institutions (Father Saturnino Urios University of Butuan City and John Bosco College of Bislig City).

Another accomplishment reported by DOLE XIII on the Capacity Building Services for Livelihood and Self Employment Program, twenty three (23) projects were funded amounting to **P7,705,373.91** benefitting 2,883 workers, posting an accomplishment of 150% in terms of number of beneficiaries but 74% in terms of fund utilization. The low utilization rate of subsidies and donations was due to lack of cash back up.

On the Social Partnership Promotion and Dispute Resolution Services, DOLE XIII reported, among others, a 99% disposition rate of mediation-arbitration cases, 83% disposition rate of labor standards cases with a total amount of P4,108,235.00 awarded to 780 workers, and 97% disposition rate of small money claims cases benefitting 36 workers.

Moreover, DOLE XIII conducted 67 skills competency and productivity training with a total of 4,123 beneficiaries posting an accomplishment of 223%, in coordination with TESDA, Regional Tripartite Wages and Productivity Board (RTWPB) and Overseas Workers Welfare Administration (OWWA).

Under the Services to Safeguard Fair and Just Terms and Conditions of Employment, for the first time, DOLE XIII topped throughout the country in the implementation of inspection program in terms of number of establishments inspected against the national target, which was validated by the Bureau of Working Conditions' year-end report.

On the other hand, under the Social Protection and Welfare Services, DOLE XIII posted 100% accomplishment in facilitating the enrolment of 2,503 informal sector workers to social protection programs, with the support of the SSS, Philhealth and PAG-IBIG, 160% accomplishment in the conduct of Anti-Illegal Recruitment campaigns and Anti-Trafficking In Persons advocacies, among others.

In addition, DOLE XIII was able to establish in CY 2010 the Caraga Regional Occupational Safety and Health Network and conducted 8 trainings relative thereto, which benefitted 287 safety practitioners, posting an accomplishment of 160% against the target of 5.

DOLE RO XIII is also consistent in the withholding of taxes in compliance with Revenue Regulation No. 12-86, otherwise known as the Withholding Tax Regulation on Compensation, and the Revenue Regulation No. 10-63 requiring the withholding of value added tax from the claims of contractors/suppliers. Unremitted taxes withheld as of December 31, 2010 pertains to Accounts Payable, which were later on remitted on February 2011.

Moreover, DOLE XIII also implemented certain activities for the Gender and Development Program such as PESO Capacity Building Program, Gender statistics on labor and employment, livelihood program for women and children, violence against women and trafficking in persons, family welfare program and the women's month celebration. Some of these program and activities were implemented in coordination with the Philippine Overseas Employment Administration (POEA), Population Commission (POPCOM), Department of Health (DOH) and the Regional Development Council-Gender and Development Coordinating Council (RDC-GADCC) where DOLE is a member of the Technical Working Group (TWG).

FINANCIAL PROFILE

The following is the comparative presentation of the financial operation of the Agency:

a. Financial Condition

	<u>2010</u>		<u>2009</u>		Increase/Decrease	
	P		P		Amount	%
Assets	P 34,219,290.61		P 28,917,414.49		P 5,301,876.12	18%
Liabilities	P 6,252,350.78		P 2,155,074.14		P 4,097,276.64	190%
Residual Equity	P 34,219,290.61		P 28,917,414.49		P 5,301,876.12	18%

b. Sources and Application/Utilization of Funds

	<u>2010</u>		<u>2009</u>		Increase/Decrease	
	P		P		Amount	%
Continuing						
Personal Services	P -0-		P -0-		P -0-	-
Maintenance and Other Operating Expenses	P 16,086,044.53		P 6,486,792.26		P 9,599,252.27	148%
Capital Outlay	P -0-		P 347,226.00		P (347,226.00)	(100%)

Allotment

Personal Services	P 16,782,598.57	P 11,561,448.84	P 5,221,149.73	45%
Maintenance and Other Operating Expenses	P 23,867,632.00	P 49,603,770.00	P (25,736,138.00)	(52%)
Capital Outlay	P -0-	P -0-	P -0-	-

Expenditures

Personal Services	P 16,782,598.57	P 11,561,448.84	P 5,221,149.73	45%
Maintenance and Other Operating Expenses	P 35,760,967.36	P 43,815,725.47	P (8,054,758.11)	(18%)
Capital Outlay	P -0-	P 340,336.00	P (340,336.00)	(100%)