



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

MANAGEMENT LETTER

on the

**DEPARTMENT OF LABOR AND
EMPLOYMENT - MIMAROPA Region**

For The Year Ended December 31, 2017



DOLE MIMAROPA
RECEIVED

Republic of the Philippines
COMMISSION ON AUDIT
National Government Sector
Cluster 5 – Education and Employment
Regional Office No. IV-B
Commonwealth Avenue, Quezon City

DATE: April 19, 2018
TIME: 1:45 PM

February 12, 2018

Atty. ALVIN M. VILLAMOR
Regional Director
Department of Labor and Employment
Regional Office - MIMAROPA
Calapan City, Oriental Mindoro

Dear **Director Villamor**:

**Management Letter (ML) on the Audit of the
Department of Labor and Employment
For the Calendar Year 2017**

1. Pursuant to Section 2, Article IX-D of the Constitution of the Philippines and Section 43 of the Government Auditing Code of the Philippines (PD 1445), we have audited the accounts and operations of the Department of Labor and Employment (DOLE) Regional Office (RO) - MIMAROPA for the period ended December 31, 2017. The audit was conducted in accordance with applicable laws, rules and regulations and the Philippine Public Sector Standards on Auditing (PPSSA). Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.
2. The audit was conducted by the Audit Team headed by **Ms. Myrna B. Lunario**, SA III, OIC Audit Team Leader and under the supervision of **Ms. Lucila A. Magpantay**, State Auditor IV, OIC Regional Supervising Auditor, to (a) verify the level of assurance that may be placed on Management's assertions on the financial statements; (b) recommend agency improvement opportunities; and (c) determine the extent of implementation of prior year's audit recommendations.
3. The Agency's financial condition and results of operations and cash flows as of December 31, 2017 are shown in the attached audited financial statements (**Annexes B-G**).
4. Deficiencies observed in the course of the audit were earlier communicated through the Audit Observation Memoranda (AOM) and discussed with officials and

employees in an exit conference conducted on **February 5, 2018**. Their comments were incorporated in this ML, where appropriate. The significant audit observations and the recommendations shall be incorporated in the Consolidated Annual Audit Report (CAAR) of the Department of Labor and Employment for CY 2017.

A. INTRODUCTION

5. DOLE is the national government agency mandated to formulate policies, implement programs and serve as the policy-coordinating arm of the Executive Branch in the field of labor and employment.

6. 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.

7. DOLE RO – MIMAROPA, under the leadership of **Atty. Alvin M. Villamor**, as Regional Director and assisted by **Atty. Sixto T. Rodriguez Jr.** as Assistant Regional Director, is one of the 16 DOLE Regional Offices serving as the frontline office or implementing unit of the Department in MIMAROPA Region.

8. The DOLE RO - MIMAROPA has an approved plantilla of 46 positions, in which 45 are filled-up. To augment its manpower, 28 contractual personnel were hired/outsourced in CY 2017.

9. During the Calendar Year (CY) 2017, DOLE RO - MIMAROPA has reported, among others, the following major accomplishments vis-a-vis their targets:

Major Thrusts/Activities	Targets	Accomplishments	Percentage of Accomplishments
Special Program for Employment of Students (SPES)	6,059 youth beneficiaries	7,466 youth beneficiaries	123.22%
Government Internship Program (GIP)-SPF	778 youth beneficiaries	778 youth beneficiaries	100.00%
JobStart	240 youth beneficiaries	250 youth beneficiaries	104.17%
Public Employment Service (PES)	48,095 qualified jobseekers referred for placement	81,953 qualified jobseekers referred for placement	170.40%
	122 PESO personnel trained/oriented	122 PESO personnel trained/oriented	100%
Labor Market Information	56,629 individuals	106,981 individuals	188.92%
	898 institutions	1,309 institutions	145.77%
DOLE Integrated Livelihood and Emergency	1,887 beneficiaries provided with	5,769 beneficiaries provided with livelihood assistance	305.72%

Major Thrusts/Activities	Targets	Accomplishments	Percentage of Accomplishments
Employment Program (DILEEP)	livelihood assistance		
	3,443 TUPAD regular beneficiaries 13,885 beneficiaries provided with emergency employment	3,443 TUPAD regular beneficiaries 13,885 beneficiaries provided with emergency employment	100%
Workers Organization and Development Program (WODP)	13 trainings 508 worker members 7 scholars provided with scholarship grants	13 trainings 508 worker members 6 scholars provided with scholarship grants, 1 graduated	100%
Labor and Employment Education Program	133 establishments oriented 6,843 workers, employers & students	427 establishments oriented 13,616 workers & employer representatives	321% 198.98%
National Skills Registry Program (NSRP)	10 LGUs trained/re-oriented 923 establishments registered in PEIS	10 LGUs trained/ re-oriented 923 establishments registered in PEIS	100%
K-to-12 DOLE Adjustment Measures Program	3 beneficiaries	3 beneficiaries	100%
	5 orientation activities	5 orientation activities	100%
Family Welfare Program	10 establishments 1,325 workers	10 establishments 1,325 workers	100%
DILEEP (TUPAD)	13,885 beneficiaries	13,885 beneficiaries	100%
Balik Pinay! Balik Hanapbuhay! & 10K Livelihood Assistance	100 workers	120 workers	120%
Financial Awareness Seminar (FAS) and Small Business Management Training (SBMT)	100 OFW returnees/families	204 OFW returnees/families	204%
Labor Laws Compliance System	1,330 establishments	1,433 establishments	107.74%
	386 registered contractors	386 registered contractors	100%

10. The appropriations, allotments, obligations and the unexpended balances of allotment of DOLE RO MIMAROPA as of December 31, 2017 are shown below.

Particulars	Appropriations	Allotment Received	Obligations Incurred	Unobligated Balance of Allotment
Personal Services	27,658,076.03	27,658,076.03	27,658,076.03	-

Particulars	Appropriations	Allotment Received	Obligations Incurred	Unobligated Balance of Allotment
Maintenance and Other Operating Expenses	192,118,602.34	192,118,602.34	177,173,428.45	14,945,173.89
Capital Outlay	773,350.00	773,350.00	766,276.00	7,074.00
Total	220,550, 028.37	220,550, 028.37	205,597,780.48	14,952,247.89

11. The NCAs, as well as their utilization and balances, are presented below.

Particulars	Amount Received	Disbursements	Unutilized Balance	Reverted to National Treasury
NCAs for Regular Allotment	284,842,420.66	239,718,921.27	45,123,499.39	45,123,499.39
Total	284,842,420 .66	239,718,921.27	45,123,499.39	45,123,499.39

B. SUMMARY OF RECOMMENDATIONS

12. For the significant deficiencies observed in the course of the audit, we recommended that the Regional Director:

- a. (i) demand the Accountable Officers to liquidate immediately the cash advances following the regulations set forth under COA Circular 97-002; (ii) instruct the Accountant for failure to monitor the liquidation of such cash advances; and (iii) cause the withholding of the payment of any money due the AO until such time that all the cash advances are fully liquidated and accounted for.
- b. (i) continuously exert extra effort to enforce the immediate liquidation of outstanding cash advances granted to officers and employees; (ii) cause the withholding of the payment of any money due the AO until such time that all the cash advances are fully liquidated and accounted for; and (iii) make an evaluation of the unliquidated cash advances and file request for write off for those deceased accountable officers following the procedures prescribed under COA Circular No. 2016-005 dated December 19, 2016.
- c. instruct the Accountant to (i) conduct regular monitoring and analysis of receivable accounts to ensure that fund transfers are liquidated within the prescribed period depending upon their nature and purpose; and (ii) compel the concerned LGUs to 1) submit regularly the required liquidation/fund utilization reports in compliance with the existing regulations, 2) return the

unused balance of the fund of the completed projects to settle the funds transferred, particularly those with long outstanding accounts, and 3) submit the required reports and journal entry vouchers pertaining to the expenditures for the projects.

- d. (i) instruct the Accountant to continuously exert extra effort to send demand letters to all NGOs/POs with outstanding balances for the immediate settlement/liquidation of their accounts; (ii) conduct regular inspection of the recipient NGOs/POs, and regularly update their addresses and contact numbers to facilitate monitoring of their whereabouts; (iii) remind the Accountant to furnish COA with the demand letters issued by DOLE and the result of the monitoring done by the Field Officers and request for write off, if necessary; and (iv) henceforth, strictly enforce the provisions of COA Circular No. 2007-001, DOLE DO No. 36-02, and terms and conditions provided in the MOAs on the liquidation, that is the submission of related disbursement documents and/or immediate refund of any unutilized fund transferred to NGOs/POs.
- e. (i) provide legal basis or supporting documents for the payment of sheriff fee, otherwise this will be disallowed in audit; (ii) and ensure strict compliance with the DOLE Manual of Instructions for Sheriffs of the Regional Offices or succeeding DOLE issuances, in the imposition and utilization of sheriff execution fee.
- f. (i) impose intelligent evaluation of project proposals; (ii) conduct validation/inspection and regular monitoring of the projects, identify the status of implementation of all DILEEP projects and undertake timely actions to address the problems encountered in the implementation of the program; and (iii) identify projects that could no longer be implemented by ACP and cause the refund of their grant assistance.
- g. (i) require the ACP LGUs and beneficiaries to submit written explanations on 1) the above-cited deviations from MOA, 2) how the project proposals were evaluated despite that bamboo weaving machines and freezer for dried fish production appeared to be impracticable, then evaluate and take necessary corrective actions thereon; (ii) conduct a thorough review of the project proposals' viability before granting fund assistance for livelihood programs; (iii) provide beneficiaries with continuing technical and business advisory services to achieve efficiency, productivity and sustainability of the business/enterprise; and (iv) henceforth, through periodic monitoring, see to it that use of livelihood grants are in compliance with MOA and approved Project Proposals.



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
MIMAROPA REGION



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of DEPARTMENT OF LABOR and EMPLOYMENT – MIMAROPA REGION is responsible for all information and representations contained in the accompanying Statement of Financial Position as at December 31, 2017 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


MARYGRACE A. YAMBAO
Accountant III

Date Signed


RODERICK F. TAMACAY
Chief, Internal Management Service Division

Date Signed


ATTY. ALVIN M. VILLAMOR
Regional Director

Date Signed

**DEPARTMENT OF LABOR AND EMPLOYMENT
MIMAROPA REGION
DETAILED STATEMENT OF FINANCIAL POSITION
ALL FUNDS
AS OF DECEMBER 31, 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	<u>₱ 6,741,452.73</u>	<u>₱ 5,744,109.84</u>
Cash on Hand		36,725.44	132,835.00
Cash-Collecting Officers		3,205.00	3,135.00
Petty Cash		33,520.44	129,700.00
Cash in Bank-Local Currency		6,340,574.19	5,247,121.74
Cash in Bank-Local Currency, Current Account		6,340,574.19	5,247,121.74
Treasury/Agency Cash Accounts		364,153.10	364,153.10
Cash-Treasury/Agency Deposit, Trust		364,153.10	364,153.10
Receivables	5	<u>120,413,370.25</u>	<u>96,247,033.71</u>
Loans and Receivable Accounts		-	-
Loans Receivable-Others		3,393,289.78	3,393,289.78
<i>Allowance for Impairment-Loans Receivable-Others</i>		(3,393,289.78)	(3,393,289.78)
Inter-Agency Receivables		120,373,140.83	86,084,104.11
Due from National Government Agencies		3,061,786.61	1,741,926.61
Due from Local Government Units		117,311,354.22	84,342,177.50
Other Receivables		40,229.42	10,162,929.60
Due from Officers and Employees		40,229.42	49,589.42
Organizations		8,487,710.18	10,113,340.18
<i>Allowance for Impairment-Other Receivables</i>		(8,487,710.18)	
Other Receivables		47,630.07	47,630.07
<i>Allowance for Impairment-Other Receivables</i>		(47,630.07)	(47,630.07)
Inventories	6	<u>298,053.40</u>	<u>304,646.51</u>
Inventory Held for Consumption		298,053.40	304,646.51
Office Supplies Inventory		298,053.40	304,646.51
Other Current Assets	7	<u>8,604,122.75</u>	<u>14,920,763.48</u>
Advances		8,604,122.75	14,920,763.48
Advances to Special Disbursing Officers		8,215,183.75	14,469,056.13
Advances to Officers and Employees		388,939.00	451,707.35
Total Current Assets		<u>136,056,999.13</u>	<u>117,216,553.54</u>

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Non-Current Assets			
Property, Plant and Equipment	8	<u>3,164,703.57</u>	<u>4,671,715.84</u>
Machinery and Equipment		<u>1,362,786.70</u>	<u>2,368,637.28</u>
Office Equipment		637,822.57	745,281.57
Accumulated Depreciation-Office Equipment		(385,883.70)	(346,371.34)
Accumulated Impairment Losses-Office Equipment		-	-
Net Value		<u>251,938.87</u>	<u>398,910.23</u>
Information and Communication Technology Equipment		<u>2,156,960.50</u>	<u>6,038,825.71</u>
Accumulated Depreciation-Information and Communication Technology Equipment		(1,046,112.67)	(4,069,098.66)
Accumulated Impairment Losses-Information and Communication Technology Equipment		-	-
Net Value		<u>1,110,847.83</u>	<u>1,969,727.05</u>
Transportation Equipment		<u>1,801,916.87</u>	<u>2,303,078.56</u>
Motor Vehicles		4,919,396.00	4,984,196.00
Accumulated Depreciation-Motor Vehicles		(3,117,479.13)	(2,681,117.44)
Accumulated Impairment Losses-Motor Vehicles		-	-
Net Value		<u>1,801,916.87</u>	<u>2,303,078.56</u>
Total Non-Current Assets	8	<u>3,164,703.57</u>	<u>4,671,715.84</u>
TOTAL ASSETS		<u>₱ 139,221,702.70</u>	<u>₱ 121,888,269.38</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	9	<u>₱ 34,719,400.91</u>	<u>₱ 12,198,150.46</u>
Payables		<u>34,719,400.91</u>	<u>12,198,150.46</u>
Accounts Payable		34,719,400.91	12,198,150.46
Inter-Agency Payables		<u>534,282.66</u>	<u>6,181.26</u>
Due to BIR	10	534,282.66	-
Due to GSIS		-	1,278.76
Due to Pag-IBIG		-	4,115.00
Due to PhilHealth		-	787.50
Intra-Agency Payables		<u>30,000.00</u>	<u>30,000.00</u>
Due to Central Office		30,000.00	30,000.00
Total Current Liabilities		<u>35,283,683.57</u>	<u>12,234,331.72</u>
Non-Current Liabilities			
Trust Liabilities	11	<u>1,331,427.33</u>	<u>903,570.21</u>
Trust liabilities		727,236.03	326,378.91

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Guaranty/Security Deposits Payable		604,191.30	577,191.30
Other Payables		<u>50.00</u>	<u>1,193,291.89</u>
Other Payables		50.00	1,193,291.89
Total Non-Current Liabilities		<u>1,331,477.33</u>	<u>2,096,862.10</u>
Total Liabilities		<u>₱ 36,615,160.90</u>	<u>₱ 14,331,193.82</u>
Total Assets less Total Liabilities		<u>102,606,541.80</u>	<u>107,557,075.56</u>
Net Assets/Equity			
Equity			
Government Equity		<u>102,606,541.80</u>	<u>107,557,075.56</u>
Accumulated Surplus/(Deficit)		102,606,541.80	107,557,075.56
Total Net Assets/Equity		<u>₱ 102,606,541.80</u>	<u>₱ 107,557,075.56</u>

See accompanying Notes to Financial Statements

**DEPARTMENT OF LABOR NAD EMPLOYMENT
MIMAROPA REGION
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Revenue			
Service and Business Income			
Service Income			
Permit Fees	P	960,000.00	P 530,000.00
Registration Fees		1,680,490.00	492,660.00
Clearance and Certification Fees		5,000.00	-
Fines & Penalties- Service Income		60,000.00	-
Other Service Income		217,501.95	173,688.00
Total Service Income	12	<u>2,922,991.95</u>	<u>1,196,348.00</u>
Total Revenue		<u>2,922,991.95</u>	<u>1,196,348.00</u>
Less: Current Operating Expenses			
Personnel Services			
Salaries and Wages			
Salaries and Wages-Regular		17,841,769.47	14,919,902.89
Salaries and Wages-Casual/Contractual		-	-
Total Salaries and Wages		<u>17,841,769.47</u>	<u>14,919,902.89</u>
Other Compensation			
Personal Economic Relief Allowance (PERA)		973,363.64	902,545.45
Representation Allowance (RA)		630,000.00	630,000.00
Transportation Allowance (TA)		630,000.00	630,000.00
Clothing/Uniform Allowance		195,000.00	180,000.00
Quarters Allowance		7,500.00	30,000.00
Longevity Pay		50,000.00	-
Year End Bonus		1,489,749.00	1,279,664.00
Cash Gift		202,000.00	196,500.00
Other Bonuses and Allowances		1,453,405.00	1,281,621.00
Collective Negotiation Agreement Incentive - Civilian		1,012,500.00	940,300.00
Productivity Enhancement Incentive - Civilian		206,000.00	197,500.00
Performance Based Bonus - Civilian		631,815.00	280,000.00
Total Other Compensation		<u>7,481,332.64</u>	<u>6,548,130.45</u>
Personnel Benefit Contributions			
Retirement and Life Insurance Premiums		2,141,584.27	1,788,110.36
Pag-IBIG Contributions		45,300.00	46,100.00
PhilHealth Contributions		175,025.00	156,625.00
Employees Compensation Insurance Premiums		49,500.00	46,300.00
Total Personnel Benefit Contributions		<u>2,411,409.27</u>	<u>2,037,135.36</u>
Other Personnel Benefits			
Other Personnel Benefits		400,491.16	234,873.86
Total Other Personnel Benefits		<u>400,491.16</u>	<u>234,873.86</u>
Total Personnel Services		<u>28,135,002.54</u>	<u>23,740,042.56</u>

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Maintenance and Other Operating Expenses			
Traveling Expenses			
Traveling Expenses-Local		5,826,759.85	5,739,848.43
Traveling Expenses-Foreign		-	-
Total Traveling Expenses		<u>5,826,759.85</u>	<u>5,739,848.43</u>
Training and Scholarship Expenses			
Training Expenses		7,439,331.34	7,099,629.36
Scholarship Grants/Expenses		-	179,981.00
Total Training and Scholarship Expenses		<u>7,439,331.34</u>	<u>7,279,610.36</u>
Supplies and Materials Expenses			
Office Supplies Expenses		851,243.15	677,984.09
Accountable Forms Expenses		5,000.00	60,000.00
Fuel, Oil and Lubricants Expenses		466,165.50	307,205.79
Semi-expendable - Office Equipment Expense		103,278.15	201,503.94
Semi-expendable - Information and Communication Technology Expense		157,640.20	117,727.00
Semi-expendable - Other Machinery & Equipment Expense		19,000.00	287,224.00
Semi-expendable - Furniture and Fixtures Expense		124,675.00	210,692.10
Semi-expendable - Books expense		9,657.00	10,730.00
Other Supplies and Materials Expenses		446,652.79	865,742.66
Total Supplies and Materials Expenses		<u>2,183,311.79</u>	<u>2,738,809.58</u>
Utility Expenses			
Water Expenses		103,586.20	94,490.40
Electricity Expenses		862,629.47	745,224.50
Total Utility Expenses		<u>966,215.67</u>	<u>839,714.90</u>
Communication Expenses			
Postage and Courier Services		438,743.85	328,738.10
Telephone Expenses - Mobile		201,494.36	123,617.46
Telephone Expenses - Landline		422,691.97	336,665.99
Internet Subscription Expenses		144,386.83	190,636.23
Cable, Satellite, Telegraph and Radio Expenses		16,162.76	8,045.37
Total Communication Expenses		<u>1,223,479.77</u>	<u>987,703.15</u>
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses		109,999.92	112,855.92
Total Confidential, Intelligence and Extraordinary Expenses		<u>109,999.92</u>	<u>112,855.92</u>
Professional Services			
Auditing Services		27,157.16	23,856.00
Consultancy Services		340,995.70	-
Other Professional Services		49,280.00	148,841.85
Total Professional Services		<u>417,432.86</u>	<u>172,697.85</u>
General Services			
Janitorial Services		16,000.00	-
Security Services		92,242.80	-
Other General Services		3,269,218.15	2,363,672.02
Total General Services		<u>3,377,460.95</u>	<u>2,363,672.02</u>
Repairs and Maintenance			
Repairs and Maintenance-Buildings and Other Structures		31,200.00	-

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Repairs and Maintenance-Machinery and Equipment		79,547.00	57,559.00
Repairs and Maintenance-Transportation Equipment		429,041.25	322,497.08
Repairs and Maintenance-Furniture and Fixtures		-	7,959.00
Repairs and Maintenance - Semi expendable Mach&Equipment, OE		4,150.00	
Total Repairs and Maintenance		543,938.25	388,015.08
Taxes, Insurance Premiums and Other Fees			
Taxes, Duties and Licenses		-	-
Fidelity Bond Premiums		346,500.00	307,515.00
Insurance Expenses		17,418.17	1,955,655.02
Total Taxes, Insurance Premiums and Other Fees		363,918.17	2,263,170.02
Other Maintenance and Operating Expenses			
Advertising Expenses		5,000.00	18,650.00
Printing and Publication Expenses		99,505.00	53,050.00
Representation Expenses		836,426.00	206,695.00
Rent/Lease Expenses		2,482,068.33	2,393,884.93
Other Maintenance and Operating Expenses	19	121,747,266.29	121,396.80
Total Other Maintenance and Other Operating Expenses		125,170,265.62	2,793,676.73
Total Maintenance and Other Operating Expenses		147,622,114.19	25,679,774.04
Financial Expenses			
Financial Expenses			
Bank Charges		39,257.01	4,840.00
Total Financial Expenses		39,257.01	4,840.00
Non-Cash Expenses			
Depreciation			
Depreciation-Machinery and Equipment		58,683.15	66,475.94
Depreciation- ICT Equipment		124,796.45	370,395.24
Depreciation-Transportation Equipment		546,561.18	432,903.97
Depreciation-Furniture, Fixtures and Books		-	-
Total Depreciation		730,040.78	869,775.15
Impairment Loss			
Impairment Loss - Loans and Receivables		-	3,393,289.78
Impairment Loss - Other Receivables		8,487,710.18	47,630.07
Total Impairment Loss		8,487,710.18	3,440,919.85
Total Non-Cash Expenses		9,217,750.96	4,310,695.00
Current Operating Expenses		185,014,124.70	53,735,351.60
Surplus (Deficit) from Current Operations		(182,091,132.75)	(52,539,003.60)
Net Financial Assistance/Subsidy			
Financial Assistance/Subsidy from NGAs, LGUs, GOCCs			
Subsidy from National Government		243,909,270.18	239,062,294.34
Subsidy from Central Office		69,014.40	238,586.40
Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs	14	243,978,284.58	239,300,880.74
Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/POs			
Financial Assistance to NGOs/POs		212,619.00	-
Subsidies-Others	15	25,275,277.95	165,432,877.01

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Total Financial Assistance/Subsidy to NGAs, LGUs, GOCCs		<u>25,487,896.95</u>	<u>165,432,877.01</u>
Net Financial Assistance/Subsidy	13	<u>218,490,387.63</u>	<u>73,868,003.73</u>
Surplus (Deficit) for the period		<u>₱ 36,399,254.88</u>	<u>₱ 21,329,000.13</u>

See accompanying Notes to Financial Statements

**DEPARTMENT OF LABOR AND EMPLOYMENT
MIMAROPA REGION
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Figures for CY 2016)**

	<u>Note</u>	Accumulated Surplus/ (Deficit)	
		<u>2017</u>	<u>2016</u>
Balance at January 1		₱ 107,557,075.56	₱ 103,233,642.61
Add/(Deduct):			
Changes in accounting policy		-	-
Prior period errors	16	(30,161,678.93)	7,211,647.94
Other adjustments	17	(3,439,156.29)	(13,974,197.97)
Restated balance		73,956,240.34	96,471,092.58
Add/(Deduct):			
Changes in Net Assets/Equity for the Calendar Year			
Surplus/(Deficit) for the period		36,399,254.88	21,329,000.13
Adjustment of net revenue recognized directly in net assets/equity ¹	18	(7,748,953.42)	(5,479,236.99)
Others ²		-	(4,763,780.16)
Total recognized revenue and expense for the period		28,650,301.46	11,085,982.98
Balance at December 31		₱ 102,606,541.80	107,557,075.56

*1 - Net revenue deposited with the National Treasury (revenue including constructive receipt of income by Foreign Based Agencies and income remitted by agencies thru TRA)

PPE from one unit

of the agency to another directly charged to Accumulated Surplus/(Deficit)

This statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF LABOR AND EMPLOYMENT-MIMAROPA REGION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017
All funds
(With Comparative Figures for CY 2016)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities			
Cash Inflows			
Receipt of Notice of Cash Allocation		P 284,842,420.66	P 410,250,962.23
Receipt of Notice of Cash Allocation		182,124,000.00	288,826,512.00
Receipt of Notice of Transfer of Cash Allocation		102,718,420.66	121,424,450.23
Collection of Income/Revenues		2,939,186.40	9,524,738.42
Collection of service and business income		2,922,991.95	1,225,488.04
Collection of other income		-	8,299,250.38
Receipt of prior years' income		16,194.45	
Receipt of Inter-Agency Fund Transfers		772,306.20	30,000.00
Receipt of cash for the account of NGAs/LGUs/GOCCs		772,306.20	
Receipt of funds from NGAs/LGUs/GOCCs		-	30,000.00
Receipt of Intra-Agency Fund Transfers		18,189,793.62	-
Receipt of funds for other intra-agency transactions		18,189,793.62	
Trust Receipts		27,000.00	3,513,106.33
Receipt of guaranty/security deposits		27,000.00	2,042,035.25
Collection of other trust receipts		-	1,471,071.08
Other Receipts		16,150,569.46	2,580,965.54
Unused Petty Cash Fund		-	1,451.50
Receipt of refund of cash advances		211,115.46	2,569,614.04
Collection from trust receipts from other entities		15,809,846.44	
Other miscellaneous receipts		129,607.56	9,900.00
Adjustments		443,179.39	140,583.96
Restoration of cash for cancelled/lost/stale checks/ADA		399,292.09	
Other adjustments-Inflow		43,887.30	140,583.96
Total Cash Inflows		323,364,455.73	426,040,356.48
Cash Outflows			
Remittance to National Treasury		7,748,953.42	10,313,241.97
Payment of Expenses		52,207,113.14	38,140,105.04
Payment of personnel services		14,660,660.75	13,129,550.34
Payment of maintenance and other operating expenses		32,851,599.25	22,724,201.56
Payment of expenses pertaining to/incurred in the prior years		4,694,853.14	2,286,353.14
Purchase of Inventories		915,455.65	1,309,138.74
Purchase of inventory held for consumption		915,455.65	1,309,138.74

Annex E

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Grant of Cash Advances		112,701,480.93	139,756,806.85
Advances for operating expenses		-	154,700.00
Advances for special purpose/time-bound undertakings		111,873,492.71	138,723,238.55
Advances to officers and employees		827,988.22	878,868.30
Remittance of Personnel Benefit Cont. & Mandatory Deductions		8,332,456.89	8,841,130.52
Remittance of taxes withheld not covered by TRA		1,500.00	91,640.69
Remittance to GSIS/Pag-IBIG/PhilHealth		2,411,409.27	5,863,237.49
Remittance of personnel benefits contributions		4,154,816.51	
Remittance of other payables		1,764,731.11	2,886,252.34
Grant of Financial Assistance/Subsidy		61,484,946.11	54,382,916.29
Grant of financial assistance to NGAs/LGUs/GOCCs		55,313,880.65	27,382,813.00
Grant of financial assistance to NGOs/POs		212,619.00	670,000.00
Grant of other subsidies		5,958,446.46	26,330,103.29
Release of Inter-Agency Fund Transfers		-	138,500.00
Release of other inter-agency fund transfers		-	138,500.00
Release of Intra-Agency Fund Transfers		18,189,793.62	-
Release of other intra-agency fund transfers		18,189,793.62	
Other Disbursements		15,444,760.19	1,144,692.17
Other disbursements		15,444,760.19	1,144,692.17
Adjustments		45,266,485.93	179,951,947.49
Reversion/Return of unused NCA		33,401,420.44	175,056,167.12
Other adjustments - Outflow	20	11,865,065.49	4,895,780.37
Total Cash Outflows		322,291,445.88	433,978,479.07
Net Cash Provided by (Used in) Operating Activities		1,073,009.85	(7,938,122.59)
Cash Flows from Investing Activities			
Purchase/Construction of Property, Plant and Equipment		75,666.96	744,594.16
Purchase of machinery and equipment		75,666.96	
Purchase of other property, plant and equipment		-	744,594.16
Total Cash Outflows		75,666.96	744,594.16
Net Cash Provided By (Used In) Investing Activities		(75,666.96)	(744,594.16)
Increase (Decrease) in Cash and Cash Equivalents		997,342.89	(8,682,716.75)
Cash and Cash Equivalents, January 1		5,744,109.84	14,426,826.59
Cash and Cash Equivalents, December 31		₱ 6,741,452.73	₱ 5,744,109.84

See accompanying Notes to Financial Statements

DEPARTMENT OF LABOR AND EMPLOYMENT
MIMAROPA REGION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
For the Year Ended December 31, 2017
(in thousand pesos)

Particulars	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference: Final Budget and Actual
	Original	Final		
RECEIPTS				
Tax Revenue	-	-	-	-
Services and Business Income	864.00	864.00	2,923.00	(2,059.00)
Assistance and Subsidy	70,003.00	179,447.00	164,583.00	14,864.00
Shares, Grants and Donations	-	-	-	-
Gains	-	-	-	-
Others	-	-	-	-
Total Receipts	70,867.00	180,311.00	167,506.00	12,805.00
PAYMENTS				
Personnel Services	24,262.00	27,658.00	27,658.00	-
Maintenance and Other Operating Expenses	11,574.00	12,672.00	12,438.00	234.00
Capital Outlay	-	773.00	766.00	7.00
Financial Expenses	-	-	-	-
Others	-	-	-	-
Total Payments	35,836.00	41,103.00	40,862.00	241.00
NET RECEIPTS/PAYMENTS	35,031.00	139,208.00	126,644.00	12,564.00

This statement should be read in conjunction with the accompanying notes.