

Mariveles Mental Wellness and General Hospital
AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
 Audit Observations and Recommendations
 For the Calendar Year 2022

AOM No. / Date	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Action Taken / Action to be Taken
			Action Plan	Person / Office Responsible	Target			
					From	To		
2022- 05 (2022) / July 25, 2022	Utilization of cash advances / replenishments for the Petty Cash Fund (PCF) established at ₱50,000.00 for emergency response was not in conformity with the pertinent provisions of Sections 5.7 and 6.3 of COA Circular No. 97-002 dated February 10,1997; and Section 35, Chapter 6 of Government Accounting Manual (GAM) Volume I, thus, disregarding the primary purpose of the fund.	In view of the foregoing observations, we recommended that Management: a) instruct the PCF Custodian to return / refund to the Cashier the cash advance for PCF which remained unutilized for two months, to comply with Section 5.7 of COA Circular 97-002;	a) To instruct the PCF Custodian to return / refund to the Cashier the cash advance for PCF which remained unutilized for two months, to comply with Section 5.7 of COA Circular 97-002;	Ruby Lynda T. Reyes, MD (Petty Cash Custodian)	August 2022	Onwards	Fully Implemented	a) The petty cash fund established is for the immediate funding of emergency deployment and mobilization of the personnel as called upon; as per notices of the DOH office (Department Order No. 2021-0014, Department Personnel Order No. 2020-0127), and Hospital Personnel Order (HPO No. 2017-584, 2017-586, 2019-716, 2019-716-A, 2020-043, 2020-147, 2021-645, 2020-645-A). MMWGH personnel are always called upon in times of disaster, either to respond to mental health and psychosocial support and/or to augment the already existing medical situation in the community. Being unused is not unusual, as it is mainly for contingency deployment based on the request of the Department of Health.
		b) decrease the amount of PCF sufficient enough for the one-month recurring petty operating expenses of the agency;	b) To decrease the amount of PCF sufficient enough for the one-month recurring petty operating expenses of the agency;	Ruby Lynda T. Reyes, MD (Petty Cash Custodian)	August 2022	Onwards	Fully Implemented	b) Decreasing is not an option as the cost of the mobilization, especially transportation, and other expenses incurred during deployment are not determinable and length of stay of the responders.

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		c) direct the PCF Custodian and the Accountant to effect the timely reconciliation of records as mandated in Section 6.3 of COA Circular No. 97-002;	c) To direct the PCF Custodian and the Accountant to effect the timely reconciliation of records as mandated in Section 6.3 of COA Circular No. 97-002;	Ruby Lynda T. Reyes, MD (Petty Cash Custodian) Susette R. Patague, CPA (Accounting Unit)	August 2022	Onwards	Fully Implemented	c) The Accounting Unit and Petty Cash Custodian will abide by Section 6.3 of COA Circular No. 97-002 for timely reconciliation of records.
		d) require the PCF Custodian to maintain an updated PCF Record to ensure that the balance appearing thereat always reconcile with the actual cash in her custody; and consider the appointment or designation of a new PCF Custodian with lesser administrative responsibilities and could dedicate more time in handling the fund.	d) To require the PCF Custodian to maintain an updated PCF Record to ensure that the balance appearing thereat always reconcile with the actual cash in her custody; and To consider the appointment or designation of a new PCF Custodian with lesser administrative responsibilities and could dedicate more time in handling the fund.	Ruby Lynda T. Reyes, MD (Petty Cash Custodian) Susette R. Patague, CPA (Accounting Unit)	August 2022	Onwards	Fully Implemented	d) This assures that the Petty Cash Custodian will comply with the reportorial requirements and shall be monitored by the accounting unit as part of a check and balance. Having a different custodian who is not involved in the emergency response will make the utilization difficult. Transfer of cash advance from one accountable officer to another shall not be allowed (Sec. 14 of Chapter 6 of Government Accounting Manual (GAM) Volume I). Dr. Ruby Lynda T. Reyes is properly bonded in accordance with Sec. 14 of Chapter 6 of Government Accounting Manual (GAM) Volume I.

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2023- 01 (2022) / January 19, 2023	One-time issuance of inventories to the different end-user units of the agency based on their respective Project Procurement Management Plan (PPMP), resulted in overflowing unutilized supplies in their custody, with corresponding understatement of the related inventory accounts and overstatement of expense accounts amounting to ₱4,855,523.56 as of November 30,2022; and exposure of agency's assets to uneconomical, inefficient, and ineffective use, contrary to Section 123 and 124 of PD 1445.	We recommended that Management: a) instruct the MMU to pull out the excess stocks on hand of the end-user-units which are more than their one-month consumption and reinclude them in their accountability and in the Report on the Physical Count of Inventories (RPCI);	a) To instruct the MMU to pull out the excess stocks on hand of the end-user-units which are more than their one-month consumption and reinclude them in their accountability and in the Report on the Physical Count of Inventories (RPCI);	Carmencita O. Savella (Materials and Management Unit)	January 2023	Onwards	Fully Implemented	a) MMU will no longer pull out the stocks already issued to end-users, but the concerned end-users have reported their inventories to the Accounting Unit and Inventory Committee for proper accountability. MMU will no longer issue supplies to the concerned end-users until they have consumed what they currently have on hand. Basis of issuance of newly delivered supplies will be the one-month actual needs of the end-users and no longer as per PPMP milestones. As per attached letter of Ms. Savella.
		b) require the Accounting Unit to coordinate with the MMU for the quantities and cost of the pulled-out supplies on hand of end-user units and make the necessary adjustment in the books by debiting Inventories and crediting Expenses or Prior Year's adjustment (if CY 2022 books are already closed);	b) To require the Accounting Unit to coordinate with the MMU for the quantities and cost of the pulled-out supplies on hand of end-user units and make the necessary adjustment in the books by debiting Inventories and crediting Expenses of Prior Year's adjustment (if CY 2022 books are already closed);	Susette R. Patague, CPA (Accounting Unit)	January 2023	Onwards	Fully Implemented	b) The Accounting Unit made necessary adjustments in the year-end report as soon as the concerned end-users reported and submitted their inventories to them, as per submitted Report on the Physical Count of Inventories.

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		c) direct the Housekeeping Unit, Linen and Laundry Unit, Transportation Management Unit, and Disaster Risk Reduction and Management Health Unit to maintain updated records of receipt and utilization of inventory items being received from the MMU;	c) To direct the Housekeeping Unit, Linen and Laundry Unit, Transportation management Unit, and Disaster Risk Reduction and Management Health Unit to maintain updated records of receipt and utilization of inventory items being received from the MMU	Richard D. Medina (Housekeeping Unit) Jeneffer R. Jose (Linen and Laundry Unit) Jun C. Suliva (Transportation Management Unit) Ruby Lynda T. Reyes, MD (DRRMH)	January 2023	Onwards	Fully Implemented	c) Reminded the Housekeeping Unit, Linen and Laundry Unit, Transportation Management Unit, and Disaster Risk Reduction and Management Health Unit to maintain updated records of receipt and utilization of inventory items being received from the MMU, as per Minutes of Management Committee Meeting dated January 26, 2023.
		d) instruct the Inventory Committee to conduct surprise / un-announced inspection of inventories and its related inventory records / reports during the year as part of internal control of the agency;	d) To instruct the Inventory Committee to conduct surprise / un-announced inspection of inventories and its related inventory records / reports during the year as part of internal control of the agency;	Vincent A. Isip Carmencita O. Savella (Inventory Committee)	January 2023	Onwards	Fully Implemented	d) The suggested conduct of surprise / unannounced inventory inspections and its related inventory records / reports during the year as part of internal control of the agency will be implemented quarterly, as per letter of Ms. Savella.

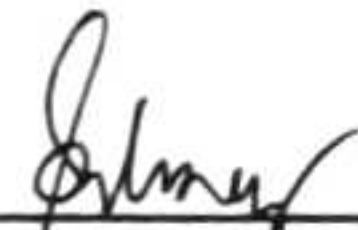
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		e) revisit certain parts of the Hospital Memorandum No. 2021-020 dated March 11, 2021 with respect to the instruction on total issuance of supplies to all end-user units based on their respective PPMPs, but rather issue quantities of supplies equivalent to the estimated one-month consumption of each unit. Moreover, advise the end-users to prepare their PPMPs on the basis of best estimate, subject for revision during the year of actual implementation to align with their current needs; and	e) To revisit certain parts of the Hospital memorandum No. 2021-020 dated March 11, 2021 with respect to the instruction on total issuance of supplies to all end-user units based on their respective PPMP's, but rather issue quantities of supplies equivalent to the estimated one-month consumption of each unit. Moreover, advise the end-users to prepare their PPMPs on the basis of best estimate, subject for revision during the year of actual implementation to align with their current needs	Management Committee Carmencita O. Savella (Materials and Management Unit)	January 2023	Onwards	Fully Implemented	e) The Hospital Memorandum No. 2021-020 dated March 11, 2021, will be canceled as per agreement during the Management Committee Meeting last January 26, 2023. All units were required to submit a monthly Consumption Report starting December 2022; this will serve as their basis for the best estimate in preparation of Annual PPMP; as per Hospital Memorandum No. 2022-062.
		f) instruct the Procurement Unit to discontinue the one-time bidding of supplies and materials since that procurement system limits the revision of the PPMP.	f) To instruct the Procurement Unit to discontinue the one-time bidding of supplies and materials since that procurement system limits the revision of PPMP.	Mary Rodeline M. Casuayan (Procurement Unit, BAC)	January 2023	Onwards	Fully Implemented	f) The BAC and the Procurement Unit has discontinued the one-time bidding of supplies and materials; as a matter of fact, the 2023 Public Bidding conducted was only for 6 months or semi-annual needs of all units and end-users.

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2023-02 (2022) / February 01, 2023	Supplies, medicines and equipment amounting to ₱2,424,560.90 representing 36% of the total procurements due from 13 suppliers were not delivered on due time, violating the stipulations in the contracts, thus, the wellness of the patients, the value of health services to the public, and the quality of operations of the Hospital were compromised.	We recommended that Management continue to impose appropriate action against suppliers incurring material breach of the stipulations by terminating the contract on time, demanding damages, and instituting the block listing process following the existing regulations.	To impose action against suppliers incurring material breach of the stipulations by terminating the contract on time, demanding damages, and instituting the block listing process following the existing regulations.	Carmencita O. Savella (Materials and Management Unit) Mary Rodeline M. Casuayan (Procurement Unit)	February 2023	Onwards	Fully Implemented	The management is implementing and imposing stipulations on the termination of contracts through HPO 2022-567 since August 20, 2022. The management will strengthen and continue to strictly adhere with these through the reconstitution of the members of the Contract Termination Review Committee, which will be equally represented by each division. Said committee, in coordination with the MMU and Procurement Unit will formulate internal guidelines and procedures for tracking late deliveries and the like transactions and will recommend block listing guided by the provision of RA 9184. The committee was reconstituted under HPO No. 2023-164, dated February 24, 2023.

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2023- 03 (2022) / February 03, 2023	The presence of drugs and medicines inventories aging more than two (2) months, and nearing their expiration dates totaling ₱12,560,623.19, and ₱1,114,338.85, respectively, as of December 31, 2022, due to non-observance of Section 27 of GAA of 2022 may entail loss or wastage of government funds, contrary to Section 2 of Presidential Decree No. 1445.	We recommended that Management: a) observe the prescribed two-month volume requirement in the procurement of inventory supplies, materials, and equipment spare parts. Otherwise, provide justification pertaining to critical supplies purchased by the agency as required under the General Appropriations Act; and,	a) To observe the prescribed two-month volume requirement in the procurement of inventory supplies, materials, and equipment spare parts. Otherwise, provide justification pertaining to critical supplies purchased by the agency as required under the General Appropriations Act; and,	Merced Y. Arado (Pharmacy Unit) Zoraida F. Afable, MD (OIC-Medical Service)	February 2023	Onwards	Fully Implemented	a) The management will continue to decrease gradually until we fully eliminate those mentioned inventories aging beyond two months. Moreover, in Pharmacy's PPMP 2023, items that are slow moving are being reduced, and some are eliminated. Basis for procurement planning are the requirements of PHIC and the medicines necessitated in check-up and consultations in the Infirmary. For Medicines charged to GAA, a one-year requirement is being bid but will be set for semestral on CY 2024 planning, just like for medicines charged to Revolving Fund wherein we are now implementing semestral Public Bidding, so that medicines which become slow moving will not be procured on the next semester. For much better improvement, medicines charged to Revolving Fund, will be bid on a quarterly manner to continue to decrease until fully eliminate the inventories aging beyond two months. On the other hand, to prevent out of stock medicines, Procurement Unit will set a timeline for the winning bidder to comply and complete all the requirements (Performance Bond, Notarized Contract and Signed NTP) necessary to proceed with the procurement process. Also, the Pharmacy Unit will coordinate with the Procurement on the reorder point timeline and schedules, as per the Minutes of the Management Committee Meeting dated February 13,2023

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		b) decline to accept donations of drugs and medicines that could not be consumed in a timely manner to avoid the accumulation of unutilized inventories.	b) To decline to accept donations of drugs and medicines that could not be consumed in a timely manner to avoid the accumulation of unutilized inventories.	Merced Y. Arado (Pharmacy Unit)	February 2023	Onwards	Fully Implemented	b) The management has already returned donated drugs and medicines (specifically Nicotine patches) which will not be utilized to WHO Office of DOH last January 12, 2023. The management will try to decline donations, if not, will ensure that donated drugs and medicines will be consumed in a timely manner.
2023-004 (2022) / February 13, 2023	The hospital allocated the amount of ₱32,350,000.00 for the Medical Assistance to Indigent Patient (MAIP) Program of the Department of Health, of which ₱32,345,850.00 or 99.987% of the amount was obligated while 100% of the obligated amount was disbursed as of December 31, 2022, indicating compliance with DOH Administrative Order No. 2020-0060 dated December 23, 2020.	In view of the foregoing, we commended the Management for its efficient use of government funds for the implementation of MAIP Program, thus, benefitting large number of indigent patients by ensuring Universal Health care coverage and financial protection of Filipinos in compliance with DOH Administrative Order No. 2020-0060.	To continue the efficient use of government funds for the implementation of MAIP Program	Roselyn N. Mararac, RSW (Medical Social Welfare Unit) Jeniffer D. Caragdag (Billing and Claims Unit) Susette R. Patague, CPA (Accounting Unit) Carmela Rosel P. Isidro (Cash Unit) Laami D. Maglaqui, MBA (OIC-Finance Service)	February 2023	Onwards	Fully Implemented	The management deeply appreciate the positive commendation on the full utilization of MAIP fund. Rest Assured that we will continue the best practices done by the Collaborating Units.

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