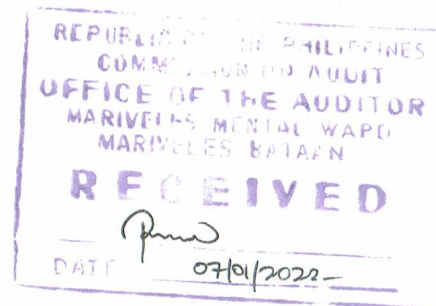


Mariveles Mental Wellness and General Hospital  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION**  
 Audit Observations and Recommendations  
 As of December 31, 2021

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/ Delay/ Non Implementation, if applicable	Action Taken / Action to be Taken
			Action Plan	Person / Office Responsible	Target Implementation Date				
					From	To			
2021-008/ September 9, 2021	<p>Deficiencies in handling PCF such as:</p> <p>a. PCF Record was not maintained as required under Sec. 37, Chapter 6 of GAM Volume 1; and</p> <p>b. Replenishments were not regularly undertaken as stated in Section 4.3 of COA Circular No. 97-002 dated February 10, 1997, not only prevented the PCF Custodian to monitor PCF utilization, replenishment and balances but also resulted in the use of her personal finances due to insufficient/no available cash for urgent petty operating expenses, thus defeating the primary purpose of the PCF.</p>	<p>We recommend that Management:</p> <p>a. Instruct the PCF Custodian to keep and maintain a Petty Cash Fund Record (PCFR) using Appendix 50 of GAM, Volume II for easy monitoring of PCF cash balance;</p> <p>b. Direct the PCF Custodian to make timely replenishment of PCF whenever the disbursements reach 75% or as the need arises to avoid using personal money in case of shortage of cash on hand;</p> <p>c. Provide the PCF Custodian a safety deposit box or vault wherein to keep the unused cash and other cash items and to avoid merging of personal cash;</p> <p>d. Require the Accounting Unit to discuss the process of PCF handling, recording, and reporting to PCF custodian to form a common understanding of the procedures; and</p> <p>e. Strictly comply with the pertinent mandates of GAM and COA Circular No. 97-002 in handling and recording of PCF.</p>	a. To instruct the PCF Custodian to keep and maintain a Petty Cash Fund Record.	PCF Custodian	July 2021	Onwards	Fully Implemented	<p>a. The MMWGH management has instructed the PCF Custodian to keep and maintain a Petty Cash Fund Record</p> <p>b. PCF Custodian is now making a timely replenishment to avoid using personal money</p> <p>c. Procured a filing cabinet with safety deposit box for the PCF Custodian to secure the fund and other documents related to the petty cash fund.</p> <p>d. The Accounting unit oriented the PCF Custodian on the process of PCF handling, recording and reporting to attain a common understanding of the procedures involved last April 8, 2022.</p> <p>e. The Accounting unit will closely monitor the Petty Cash Fund Record.</p>	
			b. To make timely replenishment to avoid using personnel money.	PCF Custodian	July 2021	Onwards	Fully Implemented		
			c. To procure a filing cabinet with safety deposit box for the PCF Custodian to secure the fund and other documents related to petty cash fund	PCF Custodian / Procurement	Sept. 2021	June 2022	Fully Implemented		
			d. To orient the PCF Custodian on the process of PCF handling, recording and reporting to attain a common understanding of the procedures involved.	Accounting Unit	Apr 2022	Apr 2022	Fully Implemented		
			e. To strictly comply with the pertinent mandates of GAM and COA Circular No. 97-002 in handling and recording of PCF	Accounting Unit	Apr 2022	onwards	Fully Implemented		

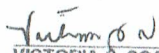


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2021-009/ December 13,2021	The procurement of rice outside of the National Food Authority (NFA) totaling ₱1,399,310.00 is defiant with Section 1 of Executive Order No. 51 dated December 22,1998, causing the agency to procure at a higher cost not advantageous to the government.	<p>We recommend that Management:</p> <p>a. Impose the procurement of rice requirements of the agency from the NFA, as soon as its rice supplies become sufficient and available to rice outlets, LGUs and other government institutions and when restrictions on transporting thereof are reduced, for lower purchase cost and to support the NFA's mandated function; and</p> <p>b. Require from the sole rice dealer, LCJ General Merchandise to submit legal documents as proof that they are indeed an authorized rice dealer. Otherwise, stop from transacting any rice procurement from the said establishment.</p>	a. To immediately make necessary arrangements to purchase rice from Once the National Food Authority can already make deliveries, we will immediately make necessary arrangements to purchase rice from them.	Procurement / Nutrition and Dietetics Unit	Jan 2022	Onwards	Fully Implemented	<p>a. Arrangement for the procurement of Rice requirement was already made to NFA as soon as they already have the stocks. In the meantime, public bidding was already done for the procurement of rice requirement for the period of time that NFA has declared unavailability or insufficiency of stock.</p> <p>b. We are stopped procurement of commercial rice to LCJ General Merchandise until they completed the requirements to become an authorized rice dealer. Currently, we are transacting to an authorized rice dealer in procuring commercial rice.</p>	
			b. To stop transacting rice procurement to LCJ General Merchandise	Procurement	Dec 2021	Onwards	Fully Implemented		
2022-001 (2021)/ January 10,2022	Procurement of goods totaling ₱4,399,608.50 through negotiated procurement -- emergency cases did not conform with the pertinent provisions of Annex H of the IRR of R.A. 9184 and Appendix 60, Volume II of the GAM, thereby rendering the validity of the transactions doubtful.	<p>In view of the foregoing observations, we recommend that Management:</p> <p>a. Procure goods/supplies/property through competitive bidding and use as an alternative mode of procurement only in highly exceptional cases as mandated by IRR of R.A. 9184; and,</p> <p>b. Require submission of on-hand stock availability report of the items requested in the preparation of Purchase Request to substantiate the necessity and accuracy of the timing of the request and to avoid overstocking of inventory.</p>	a. To procure goods / supplies / property through public bidding and alternative mode of procurement.	Bids and Awards Committee	Jan 2022	Onwards	Fully Implemented	<p>a. Negotiated procurement (Emergency Procurement) was done only during highly exceptional case such as the surge of COVID-19 and under state of calamity proclaimed by the President of Republic of the Philippines, otherwise, all mode of procurement is on Public Bidding default.</p> <p>b. Attachment of Supplies Availability Inquiry of the items requested in the preparation of Purchase Request.</p>	
			b. To require submission of on-hand stock availability report of the items requested in the preparation of Purchase Request	Procurement / Materials Management Unit	Jan 2022	Onwards	Fully Implemented		


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2022-002 (2021)/ January 14,2022	<p>The propriety of the implementation of HFEP Fund amounting to ₱21,000,000.00 was doubtful due to:</p> <p>a. Procurement of equipment not classified as either medical equipment or medical transport, which was not in line with the purpose stated in DOH Department Order No. 2021-0017 dated January 28,2021, and SAA No. 2021-02-0354 dated February 4,2021, thus the expenditure may be considered as irregular and unnecessary, based on the provisions of COA Circular No. 2012-003 dated October 20,2012; and</p> <p>b. Leniency of management in the approval for the extension of project duration for more than what was originally agreed, not only delays the delivery of its objectives but also deprived the government of additional income for imposing a penalty.</p>	<p>We recommend that the Management submit the following:</p> <p>a. Documents to justify that the equipment acquired conformed with the purpose of HFEP Fund; and an explanation why such procurement would not be considered irregular and unnecessary based on the provisions of COA Circular No. 2012-003;</p> <p>b. Proof that the agency followed the procedures of the DOH Health Care Waste Management Manual in choosing the waste treatment technology that fits with the need of the facility and that the purchase was indeed necessary;</p> <p>c. Explanation why the Modification Advice Form (MAF) was only made on July 31,2021 when all the procurement processes for the equipment was finished; and,</p> <p>d. Justification that the approval given for the supplier's request for an extension was reasonable and not disadvantageous to the government.</p>	<p>a. To submit letter and documents to justify that the equipment acquired conformed with the purpose of HFEP Fund; and an explanation why such procurement would not be considered irregular and unnecessary.</p> <p>b. To submit proof that the agency followed the procedures of the DOH Health Care Waste Management Manual in choosing the waste treatment technology that fits with the need of the facility and that the purchase was indeed necessary;</p> <p>c. To submit explanation on why the Modification Advice Form (MAF) was only made on July 31,2021 when all the procurement processes for the equipment was finished; and,</p> <p>d. To submit justification that the approval given for the supplier's request for an extension was reasonable and not disadvantageous to the government.</p>	Health Care Waste Management Committee / Budget / Bids and Committee / Office of Medical Center Chief	Jan 2022	Jan 2022	Fully Implemented	<p>a. Response to this AOM was made 25 January 2022 and following were submitted to justify the purchase of Autoclave Waste Shredding Machine.</p> <p>CPR for Steriplus, TM Autoclave from FDA in pursuant to AO 2007-0014 or the Guidelines on the issuance of CPR for Equipment or Devices for treating Sharps, Pathological and Infectious Wastes.</p> <p>b. Explanation to justify purchase of this machine as recommended by Health Care Waste Management Manual 4<sup>th</sup> ed and further stating the WHO 5 principles for effective waste management.</p> <p>c. MAF was submitted late but there was an initial inquiry with HFEP staff in procurement of Waste Shredding Machine can be done using HFEP fund.</p> <p>d. The extension was granted on the premise that at the time covid cases were rising in Marikina that mobility of people were curtailed and heading the precepts of Bayanihan to Heal as One Act it was imperative that we observe limitation of interaction amongst clients to prevent transmission of the virus.</p>	

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2022-003 (2021) / January 31,2022	The occurrence of inventory items aging more than two (2) months and near-expiration items totaling ₱26,216,569.78, and ₱324,534.97, respectively as of December 31,2021, due to non-observance of Section 26 of GAA of 2021, may entail loss or wastage of government funds, contrary to Section 2 of Presidential Decree No. 1445.	We recommend that management:  a. observed the prescribed two-month volume requirement in the procurement of inventoriable 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  b. present valid reason pertaining to large purchases of Olanzapine 10mg/tablet, Quetiapine 300mg/tablet, Risperidone 4mg/tablet, Flupentixol 20mg/ampoule, Chlorpromazine 200mg tablet, Sodium Valproate/Valproic Acid 500mg/Tablet.	a. To observe the prescribed two-month volume requirement.	MMU / Pharmacy / EFMU / Central Supply Sterilization Unit  Laboratory	Feb 2022	Onwards	Fully Implemented	a. The units (MMU, Pharmacy, EFMU, CSSU, Laboratory) are now strictly adhering with the prescribed 2-month volume stocking requirements.  b. Due to covid surge, the number of consultation and admission were affected and there was a decrease on the number of psychiatric patients both on Out-Patient and Admission and Crisis Intervention Unit (ACIU). This resulted in the huge number of available stocks for the said medicines.	
			b. To present a valid reason pertaining to large purchases of psychotic drugs.	Pharmacy	Feb 2022	Feb 2022	Fully Implemented		
2022-004 (2021) / February 7,2022	Supplies and materials were belatedly delivered in violation of the stipulations in the contract. 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 recommend that the management continue 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.	Continue 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	Materials Management Unit / Accounting Unit	Feb 2022	Onwards	Fully Implemented	Agency is now more proactive in monitoring deliveries such as: (1) reminding the suppliers about their unserved Purchase Orders; constantly informing the concerned officials and the BAC for appropriate action against suppliers incurring material breach of the stipulations; (2) Proper coordination with the end user's required timeline on the necessity of requested supplies and materials (3) Giving ratification to suppliers and imposing penalties for late deliveries	

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