

- 16.6 We commend Management for its continued deduction of Pag-IBIG contributions from the salaries of employees and timely remittances thereof in accordance with RA 9679. Nevertheless, we recommended and the Chief Accountant agreed to maintain Subsidiary Ledgers for all the DOE employees to properly monitor their contributions/loan amortizations, conduct a reconciliation of the Due to Pag-IBIG account and the Summary Report of Deductions and Remittances, and prepare the necessary adjusting entries to correct the account balance in the books of accounts.

Transparency and Full Public Disclosure of Government Transactions

17. *The DOE did not fully comply with the provisions on Transparency Seal in the General Provisions of the Government Appropriations Act of 2017 and the 2016 Revised Implementing Rules and Regulations of the Government Procurement Reform Act which promote transparency and full public disclosure of government transactions, thereby depriving the public of pertinent information necessary to enforce accountability on the Officials of the Agency.*

- 17.1 Section 93 of RA 10924 or the General Appropriations Act of 2017 requires that:

“all agencies shall maintain a Transparency Seal to be posted on their websites. Xxx

The heads of agencies and their web administrators or their equivalent shall be responsible for ensuring compliance with this section.”

- 17.2 Section 5.4 of National Budget Circular No. 542 dated August 29, 2012 provides deficiency or delinquency in complying with the above provisions may be considered as tantamount to violation of Section 57, Chapter 6 (Budget Accountability), Book VI of the Administrative Code of 1987, without prejudice to such other liabilities, penalties and/or measures as may be undertaken to curb such non-compliance.

- 17.3 Verification of the Department’s website showed that the following minimum requirements are either not complied or partially complied with by DOE:

No.	Minimum Requirements under Section 93 of RA 10924	DOE Compliance	Audit Team Validation
1	Modifications made (on the approved budget and targets) pursuant to the general and special provisions of the GAA	Not Complied	No information on the realignments or modifications made during CY 2017 was posted on the DOE website
2	Major programs and projects categorized in accordance with the five key results areas under E.O. No. 43, s. 2011 and their target beneficiaries	Not Complied	The following were not posted: a. MFO Accountability Card (MARC-1) b. Good Governance Accountability Report Card (MARC-2) c. Priority Program Accountability Card (PPRARC)

No.	Minimum Requirements under Section 93 of RA 10924	DOE Compliance	Audit Team Validation
			d. Project According to Key Results Areas
3	Budget and Financial Accountability Reports; pursuant to COA and DBM J.C. No. 2014-1 dated July 1, 2014:		
	a. BAR 2: Financial Report of Operation	Not Complied	None was posted.
	b. BAR 3: Report of Income	Partially Complied	Only BAR 3 for 1 st and 2 nd quarters were posted.
	c. BAR 5: Report of Disbursement	Partially Complied	Only RDs for the months of January, February, March, April, November and December were posted.
	d. BED 4: List of Not Yet Due and Demandable Obligations	Not Complied	None was posted.
	e. FAR No. 1 and 1-A (Statement of Appropriations, Allotments, Obligations, Disbursements and Balances)	Partially Complied	Only the SAAODB for the 1 st and 2 nd quarter were posted.
	f. FAR No. 1-B: List of Allotments and Sub-Allotment	Not Complied	None was posted.
	g. FAR No. 5 : Quarterly Report of Revenue and Other Receipts	Not Complied	None was posted.
4	Annual Reports on the status of income authorized by law to be retained and/or used and be deposited outside of the National Treasury, which shall include the legal basis for its retention and/or use, the beginning balance, income collected and its sources, expenditures and ending balance for the preceding fiscal year.	Not Complied	The DOE is implementing the Electric Cooperative System Loss Reduction Program (ECSLRP) and Capacity Building to Remove Barrier to Renewable Energy Development (CBRED) project which were maintained outside of the National Treasury, however, no report thereon was posted on the DOE website.

17.4 Further, the following requirements of various Sections of the General Provisions of the GAA have not been complied with:

General Provisions of the GAA	Requirement/s	Validation
Section 5	Quarterly reports on all donations received, whether in cash or in kind, and expenditures or disbursements thereon.	Income from Grants and Donations in Kind has a balance of ₱149,935,407.90; however, no quarterly reports were posted on the DOE website.
Section 6	Quarterly reports on the trust receipts collected or received during the year.	The DOE has collected a total of ₱588,269,648.25 for CY 2017 but no such report was posted on the website.
Section 11	Information related to public funds deposited and maintained, and invested by them with any banking or financial institution/s.	The DOE maintains at least 1,073 bank accounts with the Land Bank of the Philippines and Development Bank of the Philippines and nine (9) bank accounts with Philippine National Bank, Banco De Oro and Bank of the Philippine Islands with an aggregate balances of ₱4,396,403,655.47 per accounting books. Moreover, the Financial Statements showed that the DOE invested funds in treasury bills totaling ₱3,402,752,261.69. However,

General Provisions of the GAA	Requirement/s	Validation
		no information relating to these public funds were posted on the DOE website.
Section 88	Status report on the actions taken on the audit findings and recommendations of the Commission on Audit within 60 days upon receipt of the Annual Audit Report	The CY 2016 Annual Audit Report was received by the DOE on May 19, 2017, however, no status report was posted on the DOE website.

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- 17.5 The sole purpose of sharing the government information to the public is to enhance transparency and enforce accountability on all national government agencies. The public should be informed and not be deprived of government information on transactions which may involve or benefit them.
- 17.6 We recommended and the Management agreed to require the DOE Web Administrator to ensure full compliance with the requirements on Transparency Seal as provided in the General Provisions of the GAA and NBC No. 542 dated 29 August 2011 and, henceforth, regularly update the posting of necessary information to the DOE website on a timely manner.

Gender and Development (GAD) Programs and Activities

18. *Of the required allocation amounting to ₱55.039 million or five percent (5%) of the DOE's CY 2017 appropriations of ₱1.101 billion, only ₱15.677 million or 1.42% was allocated by the Department for Gender and Development (GAD) programs, contrary to Section 30 of the General Appropriations Act of 2017. Moreover, only 22 out of the 35 planned activities were fully implemented during the year; thus, only ₱8.712 million or 56% of the allocated amount was actually utilized. A thorough validation of the reported accomplishments could not be conducted due to the non-submission of the complete detailed schedule of expenses and supporting documents.*
- 18.1 Section 30 of Republic Act (RA) No. 10924 or the General Appropriations Act of 2017 provides that:

"All agencies of the government shall formulate a Gender and Development (GAD) Plan designed to address gender issues within their concerned sectors or mandate and implement applicable provisions under R.A. No. 9710 xxx. The GAD Plan shall be integrated in the regular activities of the agencies, which shall be at least five percent (5%) of their budgets. xxx Utilization of the GAD budget shall be evaluated based on the GAD performance indicators identified by said agencies.

The preparation and submission of the annual GAD Plan and annual GAD Accomplishment Report shall be subject to the guidelines issued by the agencies concerned."



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

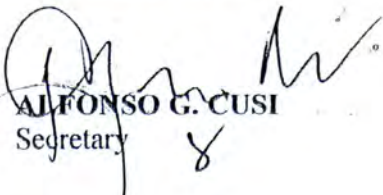
FLOVITAS U. FELIPE
Supervising Auditor
Audit Group E
Commission on Audit
Office of the Auditor
Department of Energy
Fort Bonifacio, Taguig City

Dear Auditor Felipe:

We are pleased to submit for your consideration our Agency Action Plan and Status of Implementation on your Audit Observations and Recommendations presented in the Annual Audit Report on the accounts and operations of the Department of Energy (DOE) for the calendar year 2016 as of June 30, 2016.

We thank the Commission on Audit and its Resident Auditing Staff for helping us improve the management of the financial and other resources of our Department. Rest assured that we will continue to comply with all relevant accounting and auditing rules in the course of doing our mandated tasks and functions for the benefit of the Filipinos and our country.

Very truly yours,


ALFONSO G. CUSI
Secretary

