



Republic of the Philippines
COMMISSION ON AUDIT
Department of Labor and Employment
National Capital Region

15 April 2015

Mr. ALEX V. AVILA
Regional Director
Department of Labor and Employment-NCR
967 Maligaya, Street Malate, Manila

Dear **Director Avila:**

Management Letter on the Audit of the
Department of Labor and Employment-National Capital Region
For the Calendar Year 2014

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-National Capital Region (DOLE-NCR) for the period ended December 31, 2014. The audit was conducted in accordance with applicable legal and regulatory requirements, and generally accepted auditing standards. 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 led by Ms. Milagros C. Pilar, State Auditor IV, 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, results of operations and cash flows as of December 31, 2014 are shown in the attached audited financial statement (Annexes A-F).
4. Deficiencies observed in the course of the audit were earlier communicated through Audit Observations Memoranda (AOMs) and discussed with concerned DOLE-NCR officials and employees in an exit conference conducted on April 13, 2015. Their comments were incorporated in this Management Letter, where appropriate. The significant audit observations and the recommendations shall be incorporated in the Consolidated Annual Audit Report (CAAR) of DOLE for CY 2014.

A. INTRODUCTION

Agency Mandate

5. The DOLE-NCR is the premier Regional Office (RO) responsible for the implementation of policies and programs that promote gainful employment opportunities, develop human resources, protect the welfare and advancement of workers, and maintain harmonious industrial relations between and among the workers and employers in Metro Manila.

6. It addresses the needs of workers in 16 cities, namely: Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Parañaque, Pasay, Pasig, Quezon, Taguig, Valenzuela, Navotas, San Juan, and the Municipality of Pateros.

7. Under the Integrated Re-organization Plan (IRP) which took effect in July 1975, the RO for Metro Manila was created and was called Region 4. Pursuant to PD 879 issued in January 1976, Region 4 was divided into two regions, namely: Region 4 covering Metro Manila and Region 4A covering the Southern Tagalog Region, for purposes of administrative field organization of the various departments and agencies of government. Under Section 3 of PD 1396 issued on June 2, 1978, Region 4 was renamed National Capital Region in view of its critical importance to human settlement developments.

8. To attain its mandate, DOLE-NCR ensures a highly motivated, professional and multi-functional office that promotes gainful employment, develop human resources, protect workers, promote their welfare and maintain industrial peace. It employs the four major employment strategies, namely: employment facilitation, preservation, enhancement and support to employment generation.

Personnel Complement

9. In CY 2014, DOLE-NCR is headed by Regional Director Alex V. Avila, who oversees the entire operations in the region. He is assisted by two Assistant Regional Directors. One heads the Employment, Workers Welfare and Administrative Cluster while the other one heads the Labor Relations and Labor Standards Cluster.

10. It is supported by three divisions, six District Offices/Field Offices and the Med-Arbitration and Legal Service Unit. As of December 31, 2014, of the 189 plantilla positions of the Regional Office (RO), 179 were filled up while ten (10) were vacant.