



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

April 15, 2016

Mr. NELSON C. HORNILLA
The Officer-in-Charge
Department of Labor and Employment-NCR
967 Maligaya, Street Malate, Manila

Dear **Director Hornilla**:

Management Letter on the Audit of the
Department of Labor and Employment-National Capital Region
For the period January 1 to December 31, 2015

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 January 1 to December 31, 2015. 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 statements as of December 31, 2015 are shown in the attached Annexes B-G.
4. Deficiencies observed in the course of the audit were earlier communicated through Audit Observation Memoranda (AOMs) and discussed with concerned DOLE-NCR officials and employees in an exit conference conducted on April 5, 2016. 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 2015.

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 17 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 2015, DOLE-NCR was headed by Regional Director Alex V. Avila, who was in-charge of overseeing the entire operations in the region. He was assisted by Assistant Regional Director Nelson C. Hornilla, who handled the Employment, Workers Welfare and Administrative Cluster while OIC-Assistant Regional Director Atty. Maria Consuelo S. Bacay, headed the Labor Relations and Labor Standards Cluster. In June 1, 2015, Irma S. Valiente, from Regional Office No. 5, was assigned in DOLE-NCR as Assistant Regional Director to enhance the coordination of offices in the implementation of programs of the region per Administrative Order No. 252 Series of 2015 by Secretary Rosalinda Dimapilis-Baldoz.

10. DOLE-NCR operations were supported by three (3) divisions, six (6) Field Offices and the Med-Arbitration and Legal Service Unit. As of December 31, 2015, there were 417 plantilla positions in the Regional Office, 394 were filled up, 22 were vacant and one abolished position. Of the said position, 330 are NCR Plantilla while 87 are detailed to other Regions.

Operational Highlights

11. The DOLE-NCR has identified three (3) Major Final Outputs (MFOs) with a number of performance indicators. For CY 2015, it reported the following accomplishments, among others:

Major Final Output/ Program/ Indicators	2015 Accomplishments		
	Targets	Accomplishments	%
MFO 2 : EMPLOYMENT FACILITATION AND CAPACITY BUILDING SERVICES			
Employment Facilitation			
Job Search Assistance Program through PESO			
No. of applicants referred	100% of walk-in	293,523	
No. of qualified persons referred for placement	205,000	233,662	113.98
Labor Market Information			
No. of individuals reached	175,535	437,008	248.96
No. of Institution Reached	1,870	2,837	151.71
DOLE Integrated Livelihood Program (DILEEP)			
WIN-AP (Informal)			
Number of beneficiaries	2,700	6378	236.22
WIN-AP (Formal)			
No. of union officers/ members/ dependents benefited	487	977	200.62
PRESEED			
Number of beneficiaries	253	171	67.59
TULAY			
Number of beneficiaries	131	147	112.21
TUPAD			
Number of beneficiaries	13,727	24,296	176.99
Job Fair			
Independence Day Jobs Fair			
Job Applicants Registered	100%	100%	100.00
Phil-Jobnet			
Vacancies Posted	600,000	840,696	140.12
Skills Registry System			
Barangays Covered (LGUs)	17	17	100.00
Capability-Building Program for Partners on Employment Facilitation			
Trainings/Orientations conducted for PESOs	4	7	175.00
Capability-Building Activity conducted for Career Guidance Counselors (CGC) / CG workers	2	4	200.00
MFO 3 : LABOR FORCE WELFARE SERVICES			
Continuing Labor and Employment Education Program			
Labor Relations, Human Relations and Productivity (LHP)			
LHP Conducted	170	193	113.53
Labor Education for Graduating Students (LEGS)			
Participants (Graduating students)	7% or 10,672	43,200	405
Schools/Institutions covered	18	67	372.22
Workers Organization Development Program (WODP)			
Scholarship grants funded	3	3	100.00
Union members benefited	75	76	101.33
TIPCs strengthened/sustained	14	14	100.00
ITCs strengthened/sustained	9	9	100.00
Voluntary Code of Good Practices (VCGP) Developed	10	10	100.00
Family Welfare Program (FWP)			
No. of established service	61	92	150.82
MFO 4 : EMPLOYMENT REGULATION SERVICES			
New Labor Laws Compliance System (LLCS)			
Joint Assessment	16,111	13,603	84.43
Incentivizing Labor Laws Compliance Program			
ICP 1st level (TCCLS and CLFE)			
TCCLS	2	2	100.00
CLFE	2	2	100.00
ICP 2nd level (Secretary's Award)			
	2	2	100.00