Audit of **RIZAL MEDICAL CENTER**

SUMMARY OF FINDINGS AND RECOMMENDATIONS

2018

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| **AUDIT FINDINGS AND OBSERVATIONS** | **RECOMMENDATIONS** | | **MANAGEMENT COMMENTS** | |
| **FUND SOURCES AND UTILIZATION** | | | | |
| **FINANCE SERVICE:**  **Ms. MARIVILLA L. OSORIO**  Financial and Management II, Chief Finance Officer  **BUDGET SECTION:**  The Budget Section is headed by **Ms. WILMA A. LAYA,** Supervising Administrative Officer  The Budget Section follows with the standards indicated in the Government Accounting Manual, specifically:   * Budgetary Reports are updated * Reports maintained are in compliance with the requirements of GAM   However, review of the process showed some deficiencies identified as follows:   1. **The management of RMC was not able to utilize income in accordance with the requirements of the Special Provision of the General Appropriations Act (GAA) for year 2017.** | 1. **The management should ensure that the Special Provision of the GAA for the particular year specifically with respect to the use of hospital income is strictly followed.** | |  | |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | **Total Income** | **% of Budgeted Income** | **Utilization** | **Unutilized Balance** | **% of Utilization** | | **MOOE** | 444,693,228.00 | 84% | 444,407,956.23 | 2,852,717 | 84% | | **CO** | 83,095,137.37 | 16% | 52,540,919.71 | 30,554,217.66 | 10% | | **Total** | 527,788,365.37 | 100% | 496,948,875.94 | 30,839,489.43 | 94% | | | | | |
| 1. **Re-alignment of allotment to augment funds to those MOOE line items with deficiencies is not supported with approved *Realignment Form* (RAF).** | **2. The Budget Officer should reflect realignments in the SAOBD by issuing *Re-Alignment Forms* in accordance with the guidelines stated under NBC No. 559 and DM No. 2016-03501 dated June 26, 2015 and Sept. 27, 2016 respectively.** | | **Will coordinate with the Central Office Budget regarding process of realignment with the same object class.** | |
| 1. **The Budget Officer issued “Certificate of Availability of Allotment” instead of “Certificate of Availability of Funds” to support the hospital’s approved procurement contracts.** | **3. The Accountant should issue “Certificate of Availability of Funds” to support all hospital’s procurement contract pursuant to Sec. 28 of the General Provisions of GAA for FY 2017.** | | **Will be implemented immediately.** | |
| 1. **Cash in the amount of ~~P~~59.4M was not utilized and returned to the Bureau of Treasury (BTr) at year end. (Dec. 2017)** | **4. The management has to improve its fiscal planning to optimize funds utilization.** | |  | |
| **ACCOUNTING SECTION** | | | | |
| **Ms. AIMEE KRISTEL R. LOPEZ, CPA,** Accountant IV. Supported by 1-Accountant I, 1-Accountant II, 1-Admin Officer V and 8 personnel.   * Maintains updated books of accounts. * Aging schedules for Receivable/Payable accounts are prepared. However: |  | |  | |
| 1. **The receivable/payable accounts balance remained outstanding in the books for more than three years.**   A/R ~~P~~48M  A/P ~~P~~12.2M  For A/P, out of P12.2M, 64% or ~~P~~7.8M left outstanding for reconciliation.  Out of P5M (Due from NGAs), 92% or P4.6M is past due balance and remains outstanding in the books for more than three years.  Accounts Due from GOCC (NFA) has outstanding balance for more than three years in the amount of P80,000. | 1. **The management should subject the said accounts to collectivity evaluation for proper course of action and conduct a thorough review of the accounts payable for proper disposition in accordance with COA regulations.** | | JEV No. 18-03-0000835 dated March 16, 2018 is issued for reversion of P12.2M (A/P) per COA rules. | |
| 1. **Purchase from PS-DBM of supplies shows negative balance in the amount of ~~P~~172, 840.27.** | **6. The nature of the abnormal balances should be reviewed and appropriate adjustments should be taken up.** | | Within a year | |
| 1. There are accounts balance (Advances to Special Disbursing Officers) in the agency books that remained dormant for years.   2005  Arnel Sullano ~~P~~8,840.00 | 1. **The Accountant should exert extra effort in securing the documentation of the subject accounts for application of write-off pursuant to COA Circ. No. 2016-005.** | |  | |
| 1. **Some asset accounts balances per books are not reconciled with the inventory report as of December 31, 2017.**   Drugs and Medicines  Per Accounting ~~P~~22,846,312.08  Per Invty. Report 18,012,601.72  Difference ~~P~~4,833,710.36  Medical Equipment  Per Accounting ~~P~~332,275,761.18  Per Invty. Report 359,013,858.93  Difference (~~P~~26,738,097.75) | **8. The officials concern should reconcile their records and reports periodically.** | | Reconciliation Within 2 years. | |
| 1. **The specific rules and regulations on the granting, utilization and liquidation of cash advances are not strictly observed and implemented.** | **9. The officials concerned should ensure strict compliance to Secs. 14. b,c,g, 17, & 37, Chap. 6, GAM, Vol. I and COA Cir. No. 97-002.** | |  | |
| 1. **SLCs and PPELC although maintained is not in accordance with GAM prescribed forms.** | **10. Maintain SLCs and PPELC in accordance with the requirement of GAM.** | | Will be implemented immediately. | |
| 1. **The accounting section has not implemented the eNGAS.** | **11. Coordinate with the DOH-CO for proper implementation of eNGAS.** | | Will submit the requirements within the year. | |
| 1. **Contract has no signature of the Accountant as witness pursuant to Letter of Instruction No. 986 in line with Sec. 87, PD 1445.** | **12. The Management has to ensure that contracts entered into by the hospital with other parties involving expenditure of public funds bear all the formal requisites.** | | Will implement that all MOA must be signed by the Accountant. | |
| **PROCUREMENT PROCESS** | | | | |
| The Procurement Department is headed by **Ms. MARIQUIT C. ACENA**, Supervising Administrative Officer supported by thirteen (13) staff.  The hospital procurement system through its respective BAC basically adheres to the requirements set forth under the Procurement Law (RA 9184 and its IRR) specifically as to the following:   * It has an approved APP based on the consolidated PPMP of each end-user unit or office primarily responsible for each project/procurement item. * Advertises and posts Invitation to Apply for Eligibility and to Bid in the PhilGEPS website. * Conducts Pre-Procurement and Pre-Bid Conferences * Sends invitation to observers to attend bidding process. * TWG Report on the bid evaluation for determination of the bidder with the Lowest Calculated Bid * BAC Resolution is prepared and signed by the respective BAC officials and approved by MCC II * The Notice of Award is posted in the PhilGEPS website while the Notice to Proceed is issued to the winning bidder * Disqualified Bidders are informed in writing or issued the Notice of Post Disqualification and the grounds for it.   However, review of the procurement process showed some deficiencies identified as follows: | |  | |  |
| 1. **The Hospital Personnel Order for the creation of the Hospital Bids and Awards Committee (HBAC) is not renewed yearly.**   It was noted that the fixed term of one year (1) for the members of HBAC as stated under Section11.2.6 was not followed as shown in the table below:   |  |  | | --- | --- | | **CY 2017** | **CY 2018** | | HPO NO. 2017-0035  Dated 1-3-17  BAC  A,B,C & D | HPO NO. 2018-0068  2-2-18  BAC  A,B,C & D | | HPO NO. 2017-0724  9-25-17  BAC-A |  | | | **13.The management should renew its HBAC Hospital Order specifying therein a fixed term of one year including its HBAC Secretariat & TWG members in compliance with Sec. 11.2.6, IRR, RA 9184.**  The above directive states that**: *“Unless sooner removed for a cause, the members of the BAC shall have a fixed term of one (1) year reckoning from the date of appointment.”*** | | **We shall comply.** |
| 1. **The Procurement Monitoring Report (PMR) although prepared is not submitted on time to GPPB.**   The PMR for July to Dec. 2017 was submitted to GPPB on January 29, 2018, or a delayed of fifteen days as required under the above directive. | | **14.The HBAC should prepare and submit the PMR to the GPPB every semester pursuant to Sec. 12.2, revised IRR of RA 9184.**  The section provides that: *“the approved PMR shall be submitted to the GPBB in printed and electronic format within fourteen (14) calendar days after the end of each semester.”* | | **We shall comply** |
| 1. **There are some discrepancies noted in the conduct of Pre-bid and Opening of Bids for CY 2017 from the corresponding supporting documents.**  * The Attendance Sheet for the Pre-bid Conference and Opening of Bids dated July 13, 2017 and July 25, 2017, both under ITB No. 2017-26 were not available/missing in the logbook as proof of their attendance; * Maricor Luna was present during the Opening of Bids conducted on August 29, 2017 under ITB-2017-25 but was not included in the approved Minutes of the Meeting; * Minda B. Aguenza also attended the Pre-bid Conference conducted on May 10, 2017 but was not reported in the Minutes of the Meeting and Darwin Angcahan who has no signature in the Attendance Logbook was included and reported in the Minutes of the Meeting conducted during the Pre-Procurement Conference dated November 16, 2017. | | **15. The BAC should maintain adequate/accurate records for each bidding activities/stages to ensure such was adequately conducted pursuant to R.A. 9184.** | | **Noted.** |
| 1. **There are instances where the Notice of Award (NOA) were received/acknowledged by the winning bidder beyond the time period.**   There are NOAs for CY 2017 where in NOAs were received late by the wining suppliers that ranges from 15-32cd thus exceeded the timeline in period of action under Annex “C” of the IRR of RA 9184. Please see tables below: | | **16. The BAC should strictly follow the timeframe on procurement activities through public bidding in accordance with Sec. 38 and Annex “C” of the IRR of RA 9184.** | | **Will improve the internal process.** |
| **SAMPLE TRANSACTIONS OF NOTICE OF AWARD (NOA)**  For Calendar Year 2017   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Name of Supplier** | **NOA No.** | **Date of NOA/ Rcvd by supplier** | | **Difference/no. of calendar days (cd)** | | St. Christ Intl. Trading | 2017-01-019 | 01-31-17 | 02-15-17 | 15cd | | Ganace Pharma Distributor | 2017-02-042 | 02-16-17 | 03-03-17 | 15cd | | Euro-Med Laboratories Phil., Inc. | 2017-03-088 | 03-03-17 | 04-04-17 | 32cd | | Phil Pharmawealth, Inc. | 2017-03-098 | 03-03-17 | 04-04-17 | 32cd | | Vizcarra Pharmaceutical, Inc. | 2017-03-090 | 03-03-17 | 04-04-17 | 32cd | | ECE Pharma., Inc. | 2017-06-214 | 06-28-17 | 07-20-17 | 22cd | | Metro Drug Inc. | 2017-06-215 | 06-28-17 | 07-20-17 | | Phil Pharmawealth Inc. | 2017-06-216 | 06-28-17 | 07-20-17 | | Phil Pharmawealth Inc. | 2017-07-240 | 07-28-17 | 08-22-17 | 25cd | | Napoliz General Merchandise | 2017-09-282 | 09-15-17 | 10-04-17 | 19cd | | Zenith Medical Equip., Inc. | 2017-10-323 | 10-12-17 | 10-27-17 | 15cd | | Euro-Med Laboratories, Inc. | 2017-11-379 | 11-23-17 | 12-12-17 | 19cd | | | | | |
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| **SAMPLE TIMELINE FOR THE PROCUREMENT OF GOODS**   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Section** | **Procurement Activity** | **Operational Timeline (Maximum Period Allowed) for Goods and Services** | **Proc. of various drugs and medicines** | **No. of Days** | **Proc. of various Laboratory Reagents and Supplies** | **No. of Days** | **Proc. of various Medical Supplies** | **No. of Days** | | 20 | Pre-Procurement Conference |  | 10/11/17 |  | 08/30/17 |  | 1-30-17 |  | | 21.2.1 | Advertisement/Posting of Invitation to Bid | 7cd | 10/31/17 |  | 09/01/17 |  | 02-09-17 |  | | 22.2 | Pre-Bid Conference |  | 11/08/17 | 8 | 09/09/17 | 10 | 02/17/17 | 8 | | 25.5 | Deadline of Submission and Receipt of Bids/Bid Opening | 45cd | 11/22/17 | 14 | 09/25/17 | 14 | 03/01/17 | 12 | | 32.4 | Bid Evaluation | 7cd | 11/23/17 | 1 | 09/26/17 | 1 | 03/03/17 | 2 | | 34.8 | Post Qualification | 45 | 12/20/17 | 27 | 06/10/17 | 10 | 03/21/17 | 18 | | **37.1.2** | **Approval of Resolution / Issuance of Notice of Award** | **15cd** | **02/15/18** | **57** | **01/19/18** | **105** | **05/23/17** | **63** | | 37.2.1 | Contract Preparation and Signing | 10cd | 02/23/18 | 8 | 01/29/18 | 10 | 06/23/17 |  | | 37.3 | Approval of Contract by Higher Authority |  |  |  |  |  |  |  | | 37.4.1 | Issuance of Notice to Proceed | 7cd | 03/01/18 | 6 | 01/30/18 | 1 | 06/23/17 | 31 | |  |  | **136cd** |  | **113** |  | **151** |  | **134** | |  | **Excess No. of days** |  |  | **Within the timeline** |  | **15cd** |  | **Within the timeline** | | | | | |
| 1. **The Contract of Agreement for the procurement of medical and laboratory supplies lack some information corresponding to the preparation of PO under COA Circular No. 96-010.**   This information are as follows:   * Items are not specified as to name, qty. unit cost etc. * Date and term of delivery of items * Penalty clause in case of delay or failed delivery and * Effectivity of the contract | | **17. The management should ensure that Contract of Agreement contains adequate information and beneficial to the hospital.** | |  |
| **REMINDERS/FOR INFO. OF THE BAC/BAC SEC.**  **Inconsistencies of the following issues were noted:**   * **In the preparation of the BAC Resolution**   **-BAC category A,B,C,D was indicated**  **-some only have the RMC name and the BAC Res. No.**   * **Preparation of the NOA and NTP**   **-with and without date**   * **There are times that the Bid Evaluation were not signed by the TWG members.**   **e.g procurement of drugs and medicines.**   * **Notification of Bidding Results instead of Notice of Post Disqualification** | | | | |
| **SUPPLY MANAGEMENT** | | | | |
| The Materials and Management Division is headed by **EDWIN E. ALCAZAR, LLB, MGM**, Supervising Administrative Officer supported by fourteen (14) staffs.  The hospital supply management process is in conformity with the standards set forth in the Government Accounting Manual, specifically as to the following:   * MMD was able to prepare Report of Physical Count of Inventory for Supplies and Materials and Property, Plant and Equipment and are submitted to COA on the time prescribed in GAM. * The Division was able to dispose Unserviceable Properties for 2017 as per Official Receipts dated September 29 and October 9, 2017. * MMD was able to update and maintain Stock Cards.   However, review of the process showed some deficiencies identified as follows: | |  | |  |
| 1. **Various unserviceable equipment are not properly kept and protected thus exposing them to elements and probable deterioration.** | | **18. The management should relocate the unserviceable properties in secured area and require the Disposal Committee to fast track its disposal.** | |  |
| 1. **The Supply Section’s stockroom has inadequate storage space.**  * The stocks found near the working station of the staff and at the 2nd floor of the stockroom have the tendency to fall due to voluminous goods stored which is not safe for the staffs. * The hallway in the MMD Stockroom is sufficient only for one staff to pass through. * Some stocks stored in the 2nd floor was not equipped with pallets.   Also, there are some observations noted that may weaken the security control over stocks and warehouse.   * CCTV outside the warehouse is not functioning/working. * There is no fire exit. | | **19. The management should provide adequate storage facilities to the Section.**  The management of RMC should immediately prioritize the repair and possible expansion of the warehouse. | | On-going construction |
| 1. **Presence of expired and near expiry drugs and medicines at the MMD and Pharmacy Sections.**  * There are existence of near expiry and expired drugs and medicines at the MMD stockroom and Pharmacy Section. Also, there are expired items as of 2014 and 2015 in the amount of ~~P~~227,839.66 which are still not disposed as of audit date, April 6, 2018. | | **20. The Pharmacist should facilitate replacement of expired drugs for new stocks with the supplier or for the personnel concerned to cause the immediate disposal of the expired items in the manner prescribed under Section 79 of PD 1445.**  To avoid expiration of drugs and medicines, the Resident Physicians should be provided with a complete list of available stocks. Require those concerned to prioritize medicines with nearest expiration date in giving prescription for their patients. | |  |
| |  |  |  |  | | --- | --- | --- | --- | | **Expired Drugs and Medicines (Pharmacy Section)** | | | | | **Particulars** | **Unit** | **Expiry Date** | **Quantity** | | Methylergomethrine maleate | tab | Jan-18 | 186 | | Cefixime 200mg | cap | Jan-18 | 157 | | Measles Vaccine (DOH Donation) | vials | 17-Dec | 3 | | Amphotericin B 50mg | vials | 17-Dec | 19 | | Mebendazole 50mg/10ml susp. | bot | 17-Nov | 9 | | Rocuronium Bromide 10mg/ml, 5ml | vials | 17-Jun | 16 | | Suction Catheter f.12 | pc | 17-May | 5 | |  | | | | | Vancomycin 1g | vial | 18-Feb | 11 | | Diclofenac amp., 3ml, IM | amp | 18-Mar | 354 | | | | | |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Expired Drugs and Medicines (Materials and Management Division)** | | | | | | | | **Generic** | **Brand Name** | **Unit** | **Expiry Date** | **Quantity** | **Unit Cost** | **Total Cost** | | Cefixime Trihydrate | Cefixime trihydrate (sunxime), 200mg | Capsule | Jan. 2018 | 200 | 18 | 3,600 | | Methylgemetrine Maleate | Methylgometrine Maleate, 125 mcg. (Ergon) | Tablet | Jan. 2018 | 1,300 | 15 | 19,500 | | Vancomycin | Vancomycin HCL, 1g (Imvaco) | Vial | Feb. 2018 | 4 | 325.49 | 1,301.96 | | Diclofenac | Diclofenac 25mg/ml, 3,l (Rheuflam) | Ampule | Mar. 2018 | 600 | 19.14 | 11,484 | | Isoxsuprine HCL | Isoxsuprine HCL 10mg. (duvadilan) | Tablet | Oct. 2017 | 2,000 | 24 | 48,000 | | Amphotericin B | Amphotericin B, 50 mg (Impho-B) | Vial | Dec. 2017 | 30 | 1,018 | 30,540 | | **Total** |  |  |  |  |  | **114,425.96** | | | | | |
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| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Nearly Expiring Drugs and Medicines** | | | | | |  | | **Generic** | **Brand Name** | **Unit** | **Expiry Date** | **Quantity** | **Unit Cost** | **Total Cost** | | Tetanus Immune Globulin Human | Tetanus Immune Globulin Human 250 I.U. (Sero-Tet) | Vial | July 15, 2018 | 190 | 690 | 131,100.00 | | Carboplatin | Carboplatin, 10mg/ml, 45ml (Naproplat) | Vial | Jul. 2018 | 114 | 2,230.36 | 254,261.04 | | Docetaxel | Docetaxel, 40mg/ml, 2ml (Taceedo) | Vial | Jul. 2018 | 108 | 4,475 | 483,300.00 | | Cisplatin | Cisplatin, 1mg/ml, 10ml (Cisteen) | Vial | Jul. 2018 ; Aug. 2018 | 13; 47 | 151.79 | 1,973.27 | | Co-Amoxiclav | Co-Amoxiclav, 1G (Klavic) | Tablet | Aug. 2018 | 1,400 | 16.59 | 23,226.00 | | Diclofenac | Diclofenac 25mg/ml, 3ml (Rheuflam) | Ampule | Sept. 2018 | 600 | 19.14 | 11,484.00 | | Epoetin Alfa | Epoetin Alfa, 4000 IU/ml (Epogen) | PFS | Sept. 2018 | 2,250 | 328.15 | 738,337.50 | | Methotrexate | Methotrexate, 50mg/2ml (Altrex) | Vial | Oct. 2018 | 300 | 193.93 | 58,179.00 | | Nicardipine HCL | Nicardipine HCL, 1mg., 5ml (Cafonate) | Ampule | Nov. 2018 | 3,655 | 400 | 1,462,000.00 | | Doxorubicin | Doxorubicin, 10mg/ml. 5ml (Adrosal) | Vial | Dec. 2018 | 160 | 167.86 | 26,857.60 | | **Total** |  |  |  |  |  | **3,190,718.41** | |  |  |  |  |  |  |  | | | | | |
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| 1. **Delay in the preparation of the Inspection and Acceptance Report (IAR).**   Also, it was observed that there are instances where the inspector is not authorized to inspect the delivered goods as per *Hospital order 2016-0684 and 2017-0917.* | | **21. The MMD must conform with the standard set in Section 15, Chapter 8 of GAM, Vol. 1. in the preparation of IAR.** | |  |
| 1. **Stock cards (electronic system) for drugs and medicines are not updated.**   Also, there are items which are still not deducted in the system as of April 2, 2018:   * Montelukast 10mg tablet with a total balance of 305 tablets with expiration dated August 2016; and * Calcium Folinate 50mg (Donation) with a balance of 323 vial as per electronic stock card while 358 vial as per physical count with expiration dated June 2017 | | **22. The official concerned should update the stock cards in accordance with existing rules and regulations.**  The Pharmacy Section must post the quantity of drugs and medicines accurately and timely to avoid discrepancies in the balances of stocks and stock cards. Also, immediate quantity adjustments for expired items must be prioritized. | |  |
| 1. **The Pharmacy Section’s stockroom has inadequate space and drugs stored therein are not properly arranged.**   Pharmacy Section of Rizal Medical Center has inadequate storage space to accommodate all drugs and medicines and medical supplies of the hospital. Also, the stocks stored in the Pharmacy warehouse are not equipped with pallets.  Moreover, storage of drugs and medicines in the shelves is not properly organized as evident by the unarranged items and a certain Calcium Folinate that is nowhere to be found during the physical count. | | **23. The management should provide adequate storage facilities to the Section.**  The management should exert all means to place the stocks in a sufficient storage and well-organized space for the efficiency of the inventory control and enhanced safekeeping system. Also, pallets must be provided for structural foundation of the stocks for its safety and storage efficiencies. In addition, inventory items must be organized and arranged in a manner that is easy to locate for a fast dispensing scheme. | |  |
| **OTHERS** | | | | |
| 1. **The MOA entered into by RMC with Mercury Drug Corporation is contrary with the Government Procurement Reform Act.** 2. **There was improper review and monitoring of MOA’s effectivity with Mideast Scientific Medical Equipment and Services, Inc.**   Effectivity of original MOA –  January to December 2016  MOA extension- January to June 30, 2017  Extension of MOA is made and executed on July 20, 2017  Notarized- July 20, 2017 | | **24. Conduct competitive bidding pursuant to Sec. 10, RIRR, RA 9184.**  **25. Strengthen review and monitoring of MOA’s durations and effectivity with concerned entity.** | |  |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Procured thru Mercury Drug** | | | | **If Procured thru Public Bidding** | | | | **PARTICULARS** | **Quantity** | **Unit Cost** | **Total** | **Quantity** | **Unit Cost** | **Total** | | Fluconazole, 100ml vial | 105 | 4,926.86 | 517,320.30 | 105 | 143.33 | 15,049.65 | | Meropenem 1G vial | 6 | 3,846.00 | 23,076.00 | 6 | 177.89 | 1,067.34 | | Streptokinase 1,500,000 IU Vial | 2 | 7,000.00 | 14,000.00 | 2 | 3,500.00 | 7,000.00 | | Human Albumin 50ml vial | 55 | 4,080.36 | 224,419.80 | 55 | 1,980.00 | 108,900.00 | | Meropenem 500mg vial | 25 | 2,301.00 | 57,525.00 | 25 | 117.22 | 2,930.50 | | Filgastrim 300mcg vial | 7 | 4,000.00 | 28,000.00 | 7 | 1,800.00 | 12,600.00 | | Vancomycin 500 mg vial | 2 | 1,595.00 | 3,190.00 | 2 | 139.00 | 278.00 | | Cefipime 1G vial | 32 | 1,400.00 | 44,800.00 | 32 | 69.49 | 2,223.68 | | Levofloxacin 100ml vial | 148 | 1,447.13 | 214,175.24 | 148 | 179.34 | 26,542.32 | | Ampicillin Sulbactam 1.5G vial | 139 | 973.21 | 135,276.19 | 139 | 72.22 | 10,038.58 | | Ondasetron 4ml ampule | 108 | 952.31 | 102,849.48 | 108 | 215.00 | 23,220.00 | | Omeprazole 40mg vial | 800 | 628.70 | 502,960.00 | 800 | 26.22 | 20,976.00 | | Metronidazole 100ml vial | 381 | 223.00 | 84,963.00 | 381 | 12.34 | 4,701.54 | | Oxacillin 500mg vial | 790 | 262.50 | 207,375.00 | 790 | 16.34 | 12,908.60 | | Budesonide 250mcg nebule | 1578 | 129.13 | 203,767.14 | 1578 | 30.00 | 47,340.00 | | **Total** |  |  | **2,363,697.15** |  |  | **295,776.21** | | | | | |

**INTERNAL AUDIT FOLLOW-UP (CY 2012 Internal Audit Monitoring Report)**

The management has complied Sixteen (16) out of Twenty-four (24) or 66% of the previous audit findings, observations and recommendations for calendar year 2012.

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| **AUDIT FINDINGS AND OBSERVATIONS** | **RECOMMENDATIONS** | **STATUS** |
| **ACCOUNTING SECTION** | |  |
| 1. **Subsidiary Ledgers (SL) for all Balance Sheet Accounts were not maintained in violation of Section 12 of NGAS.** | **1. We recommend that the Accountant must maintain SLs for all Balance Sheet accounts pursuant to Sec, 12 of NGAS. Likewise, we suggest the implementation of e-NGAS in order to address the issue of lack of manpower preparing the SLs and also to timely generate Financial Statement.** | COMPLIED |
| **PERSONNEL SECTION** | |  |
| 1. **The monitoring of the employees’ attendance found to be weak.** | **2. The management should require the supervisor to properly certify the appropriateness and correctness of the information indicated in the bundy cards.** | COMPLIED |
| 1. **Several employees have incurred more than ten times of tardiness/under times for two (2) consecutive months or more** | 1. **The management should institute necessary disciplinary actions as mandated under Rule XVII Section 8 of the Omnibus Rules Implementing Book v of EO 292 and Hospital Order No. 2009-0008 issued by the RMC Management.** | COMPLIED |
| **MOTORPOOL SECTION** | |  |
| 1. **The Driver’s Trip Tickets (DTTs) are not properly accomplished.** | **4. We recommend that the personnel in charge should strictly comply with the Provisions of COA Circular No. 77-61.** | COMPLIED |
| **LINEN AND LAUNDRY SECTION** | |  |
| 1. **Linens were not numbered.** | **5. The personnel in charge should number the linen or apply the color coding for proper control and monitoring purposes.** | COMPLIED |
| **FUND SOURCES AND UTILIZATION** | |  |
| 1. **General Ledger is not updated.** | **6. The Accountant should update the general ledger.** | COMPLIED |
| 1. **Use of sub-allotment for payment of CNA incentive bonus and other personnel benefits.** | **7. Management should strictly abide with the DBM Circular No. 20016-1 dated 02/01/06 regarding the granting of CAN incentive bonus and the Memorandum of Agreement between the DOH and UKKKs, to wit, it should be derived only from cost cutting measures implemented by the hospital.** | COMPLIED |
| 1. **Unutilized sub-allotments for CY 2010.** | **8. The management should properly plan the activities to be implemented to avoid lapses of sub-allotted funds.** | COMPLIED |
| **PHILHEALTH PROCESS** | |  |
| 1. **Report of Claims/Billings is not updated and was not submitted to the Accounting on a regular basis; the Disbursing Officer was the one designated to collect reimbursements of claims from PHIC office and prepare Report of Collection.** | **9. The concerned offices should submit regularly and promptly the “Report of Billing/Charges and the Report of Collection” to the Accounting Section to facilitate recording and recognition of receivable and income. Also, Disbursing Officer should be relieved from his duty as Collecting Officer to avoid incompatible function and to observe proper internal control.** | COMPLIED |
| 1. **Unpaid Claims were not properly monitored by the Philhealth Section. Likewise, there were denied/disallowed claims with pending appeals which have not been followed-up.** | **10. The RMC Philhealth Section should follow-up outstanding, disallowed/denied claims (pending appeal) to PHIC Office and formally inform the Accounting Section the status of such.** | COMPLIED |
| **PUBLIC-PRIVATE PARTNERSHIP (PPP)** | |  |
| 1. **Delay in the recording and collection of receivables/income from Mideast Scientific Equipment and Services.** | **11. The collection function should be carried out by RMC to facilitate the prompt collection of income.** | COMPLIED |
| 1. **The Mid-east failed to comply with the amended Memorandum of Agreement (MOA) to provide RMC the list of equipment and their corresponding invoices.** | **12. The Management should require Mideast for the submission of the list of equipment and their corresponding invoices in compliance with the amended MOA and recommendation of COA as per AOM #11-002 dated March 7,2011** | COMPLIED |
| 1. **There’s a breach of contract with regards to the non-installation of Aircon units in the canteen.** | **13. The management should demand from Ms. Laura V. Edos (Lessee) the installation of aircon units.** | COMPLIED |
| **PROCUREMENT PROCESS** | |  |
| 1. **The BAC/Secretariat Procurement and Supply Section Personnel have inadequate training on Procurement Law or R.A 9184.** | **14. Management should prioritize the provision of adequate trainings specifically with regards to RA 9184 or Procurement Law to its BAC, Secretariat, Procurement, Supply Section and other personnel involved in the procurement activities of RMC as cited under Sec. 16 of the IRR of RA 9184.** | COMPLIED |
| 1. **The BAC failed to prepare and submit the Procurement Monitoring Report (PMR) in the form prescribed by the Government Procurement Policy Board.** | **15. The RMC BAC should prepare and submit the PMR in accordance with Section 12.2 of IRR of RA 9184.** | COMPLIED |
| 1. **The Annual Procurement Plan (APP) prepared by the Procurement Section/BAC Secretariat does not conform to the requirement under Sec. 7, of RA 9184.** | **16. The officials concerned should strictly comply with the requirements of Sec. 7, of RA 9184.** | COMPLIED |

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| **AUDIT FINDINGS/OBSERVA-TIONS** | **RECOMMEN-DATIONS** | **STATUS** | **REMARKS** |
| 1. **The Monthly Bank Reconciliation Statements were not updated. Latest Bank Reconciliation prepared was for the Month of March 2011.** | 1. **We recommend that the Accountant prepare Monthly Bank Reconciliation pursuant to Section 74 of PD 1445.** | NOT COMPLIED | Latest statement is Dec. 2017 (3 mos. delay in the preparation of monthly bank reconciliation statement) |
| 1. **Acknowledgement Receipt of Equipments (ARE) are not renewed.** | 1. **The Supply Officer should renew every three years all ARE as required in NGAS Vol. III** | NOT COMPLIED | Some Property Acknowledgement Receipts of RMC Equipments are still not renewed on the prescribed year. |
| 1. **The monthly report of Official Travel (MROT) and Monthly Report of Fuel Consumption (MRFC) are not prepared at the end of the month.** | 1. **The personnel concerned should prepare the MROT and MRFC pursuant with COA Circular No. 77-61.** | NOT COMPLIED | Monthly Report of Official Travel was not prepared by the Motorpool Section while the Monthly Report of Fuel Consumption is not prepared on the prescribed format. |
| 1. **Receivables outstanding as of June 30, 2011 remains at Php 84,152,523.08.** | 1. **The management should (1) Strictly monitor liquidation of cash advances in compliance with Dept. Order No. 2007-0082 and COA Circular No. 97-002 issued by COA and DOH Central Office (re: liquidation of cash advances (2) through the Accounting Section.** | NOT COMPLIED | Some was granted cash advance despite the previous ones was not fully liquidated. |
| 1. **Poor procurement planning and monitoring resulted to:**  * **Some medical supplies, drugs and medicines and other items have zero balance in the Stock Cards.** | 1. **All the procurement should be meticulously and judiciously planned and monitored by the management.** | NOT COMPLIED | As of audit date, a number of medical supplies and drugs and medicines still have zero balances. |
| 1. **Some of the items in the APP indicated brand names.** | **6. The management should refrain from indicating brand name of the items to be procured in the APP pursuant to Sec. 18 of the IRR of RA 9184.** | NOT COMPLIED | Some of the items in the APP for CYs 2017 and 2018 still indicate brand names e.g. Boysen/Davies Paint, Energizer – Battery and Folding Step Ladder – Four Steps (handymate brand). |
| 1. **There were denied and returned claims/reimbursements due to the following reasons:** 2. Requirements deficiencies noted by PHIC Regional Office.  * Denied due to non-compliance of the additional requirement noted by the PHIC. * The Philhealth Claim Form 2 was not properly accomplished such as to (1) actual charges for Health Care Provider Services (2) signature of Physician in Professional Fees/Charges (3) Breakdown of –ray (4) Laboratories and Supplies and (5) Certification of Institutional Health Care Provider.  1. Incomplete requirements:  * There is no proof of contribution (Clear copy of validated M15). * The name and signature of the member in the Statement of Account was not indicated. * Consent to Access to Patient Records was not properly signed by the concerned individuals. * Discrepancy in patient’s name in Form I, 2 against Database. * No attached copy of Registered Birth Certificate of Patient. | **7. In order to avoid denial and/or return of claims, the management though its Philhealth Section should (1) strictly comply with PHIC issued policies regarding claims and reimbursement (2) diligently and meticulously review pertinent documents supporting the claims.**  The RMC Philhealth should comply with the noted deficiencies as attached in the “returned to Hospital Claims” to avoid denial of claims.  The Physicians/nurses concerned should properly accomplish/fill-up all the needed information in the form as required by PHIC Office. The RMC Philhealth personnel should properly assist the members in accomplishing the forms in order to avoid erasures that will lead to return of claims.  The personnel in charge should be keen in reviewing the forms before accepting it to make sure that all information were provided and the needed requirements are complete. | NOT COMPLIED | There are still denied and returned claims/reimburse-ments due to the following reasons:  RTH:   * The Original Philhealth Claim Form 2 was not properly accomplished * Discrepancies * Other Documents Required   Denied Claims:   * Case claim attended by not accredited doctor * Claim/Procedure already paid. * Filed beyond 60 days statutory period * HCP not allowed to perform ophthalmic procedures * Denied due to non-compliance |
| 1. **Backlog in processing claims was noted.** | **8. The lack of manpower should be resolve immediately so as not to compromise lost of income due to delayed submission of claims to PHIC Office.** | NOT COMPLIED | As of April 4, 2018, the Philhealth Section of RMC is processing claims for February 9, 2018 onwards or a delay of almost two months. |
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