



Republic of the Philippines
BICOL MEDICAL CENTER



STATEMENT ON THE 2020 COA FINDINGS ON BICOL MEDICAL CENTER
26 August 2021

The **Bicol Medical Center** is one with the Department of Health in addressing the findings and recommendations of the Commission on Audit (COA) in its 2020 Consolidated Annual Audit Report (CAAR).

BMC is closely working with the Department of Health to fulfill and address findings and recommendations received by our hospital in the published COA Report. The Bicol Medical Center has been complying with the Commission on Audit's (COA) observations and recommendation/s.

In the CAAR, COA cited four deficiencies to wit:

1. Failure to comply with existing laws, rules and regulations on the grant of COVID-19 allowances.
2. Deficiencies in the handling of Interim Reimbursement Mechanism (IRM) funds.
3. Unobligated Allotments for 2020 and 2019.
4. Aggregate amount of various contracts and projects with procedural deficiencies in the procurement process and lack of documentation, resulting in doubtful payment transactions and significant delays. Specifically, on Over-recoupment of mobilization fee for construction project.

To address these, the Bicol Medical Center has taken the following actions:

1. Active hazard duty pay paid after ECQ was not covered by the guidelines were already refunded and the corresponding withholding tax for SRA paid under Bayanihan I was already included in the taxable income for the year, deducted and remitted accordingly.
2. The excess IRM was credited to succeeding ACPN and the improper charges were identified, the same was deducted from the IRM.
3. Fast track re-bidding of Capital Outlay and utilized sub-allotment received where validity was extended until June 30, 2021, and was later extended until December 31, 2021.
4. Over-recoupment of mobilization fee was already added to the final claim of contractor, pending payment.

Meanwhile, the COA observation on IRM has already been addressed by Bicol Medical Center last June 30, 2021 and copy of the Certificate of Liquidation issued by PhilHealth has been submitted to BMC COA Resident Auditor. 7% of the CY 2020 allocation were declared savings from SRA and Hazard Pay under Bayanihan II and negative sub-allotment was issued accordingly by DOH Central Office dated February 24, 2021 per SAA No. 21-02-04. Of the remaining amount, MOOE were 99% utilized and disbursed, CO were 98.5% obligated as of June 30, 2021 awaiting delivery and completion.

The Bicol Medical Center management assures the public that, despite these difficult times, all the executives and employees of BMC have been tirelessly and faithfully serving the people to provide them with quality healthcare services. Rest assured, we are fulfilling the requirements of COA and we will consider their recommendations for future planning.

Despite the pandemic and challenges we face as a medical institution, we remain committed in serving the Bicolanos and Filipinos by improving the service we offer. Furthermore, as part of the Philippine government institution that believes in good governance, we assure the public that we responsibly use the funds entrusted to us by the Filipino taxpayer.

For more details on this report, you may contact: Ms. Armida L. Naz, Accountant IV at (054) 472- 6125 loc. 2701.



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