



Republic of the Philippines  
**Department of Education**  
REGION XI  
SCHOOLS DIVISION OF DAVAO DEL NORTE



January 27, 2023

**PHOEBE LAINE D. CHINILLA, CPA**  
Audit Team Leader  
DepEd Division of Davao del Norte  
Mankilam, Tagum City

Madam:

Submitting to your end the Agency Action Plan and Status Implementation (AAPSI) for the Calendar Year 2021.

Please acknowledge receipt hereof.

Thank you.

Very truly yours,

**MARIA LOURDES M. QUESADA**  
Accountant III



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**DEPARTMENT OF EDUCATION REGION XI**  
**DIVISION OF DAVAO DEL NORTE**  
**AGENCY ACTION PLAN AND STATUS IMPLEMENTATION**  
 Audit Observations and Recommendations  
 For the Calendar Year 2021  
**As of January 23, 2023**

| Reference         | Audit Observation   | Audit Recommendation  | Action Plan   | Dept./Person Responsible  | Target Implementation Date    | Status of Implementation | Reasons for Partial/Delay/Non Implementation, if applicable | Action Taken/Actions to be Taken |
|-------------------|---|---|---|---|-------------------------------|--------------------------|---|----------------------------------|
|                   |   |   |   |   | From To                       |                          |   |                                  |
| AOM 21-006-20     | The Agency accepted Charge Sales Invoice and Delivery Receipts (DRs) dated in CY 2019 as proofs of delivery of materials and equipment for CY 2018 Procurement of Senior High Schools (SHS) Technical-Vocational and Livelihood TVL Tools and Equipment totaling P5,371,950.00 despite non-validity of the same due date to BIRs ATP was issued on a later date in January, 2020, hence resulting in invalid transaction because the issuances of which are contrary to Section 3 of Revenue Regulations (RR) No. 18-2012 and Section 237 of the National Internal Revenue Code (NIRC). | 1. Secure the actual dates of delivery of the materials and supplies for each school as basis in the computation of the Liquidated Damages;<br>2. Secure Valid Charge Sales Invoices and Delivery Receipts from Chem Vest Commercial Trading to support the payment for Senior High Schools (SHS) Technical-Vocational and Livelihood (TVL) Tools and Equipment; and<br>3. Henceforth, ensure that the valid invoices/receipts received from the supplier indicates the actual date of its issuance in conformity with the actual date the goods are delivered and are attached to every disbursement voucher as proof of payment to avoid suspension or disallowance of the same | 1. Confirm the actual dates of delivery of materials and supplies of TVL from the recipient schools and compute Liquidated Damages incurred<br>2. Secure valid Charge Sales Invoices from the Supplier to support for payment of the supplier | Supply Officer/Division Engineer  | January 2022<br>December 2022 | Implemented              | None  | None                             |
| AOM 21-014 - (21) | The Statement of Work Accomplishment (SWA) by the contractor did not include the changes made in the approved variation order with an aggregate amount of P18,081.55 for the CY 2020 Repair/Rehabilitation of Classrooms contrary to Section 9.1.3 of COA Circular No. 2012-001 dated June 14, 2012, thus affecting the reliability of the accomplishment of the project  | 1. Direct the Division Engineer to ensure the proper review of the contractor's Statement of Work Accomplishment; and<br>2. Direct the Division Accountant to check the correctness of the supporting documents before processing the payments  | 1. Inform the contractor and secure updated Status Work Accomplishment  | Division Engineer   | January 2022<br>December 2022 | Implemented              | None  | None                             |
| AOM 22-001-(21)   | 1. Disbursements amounting to P67,667.86 were not supported with complete documentation contrary to the provisions of Section 4(6) of P.D. No. 1445, COA Circular No. 2012-001, thereby casting doubt on the veracity and propriety of the claims.  | 1. Direct the School Principal to strictly comply with the aforementioned provisions of COA Circular No. 2012-001.<br>2. Provide justification on why the disbursements totaling P67,667.86 should not be suspended or disallowed in audit.   | Instruction were given to school heads and ADAS/AO2 assigned to schools to complete the supporting documents before payment is to made  | Division Accountant/School Principal-Maniki CES/BAC Chairman-Maniki CES/BAC Vice Chairman-Maniki CES/BAC Members-Maniki CES/Property Custodian-Maniki CES | January 2022<br>December 2022 | Fully Implemented        | None  | None                             |

|  |  |   |   |                     |                      |                          |             |             |
|--|--|---|---|---------------------|----------------------|--------------------------|-------------|-------------|
| <p>2. Penalty charges incurred on electricity bills due to late payments amounting to P15,122.32 were paid by the School, resulting in unnecessary expenditure per definition under COA Circular No. 2012-003 dated October 29, 2012, hence a clear wastage of government funds.</p>   | <p>We recommend that management explain why there were late payment on electricity bills and why the penalty charges were included in the payment of electricity taken from the MOOE funds.</p>  | <p>Issuance of demand letter for surcharges refund</p>  | <p>Division Accountant</p>              | <p>January 2022</p> | <p>December 2022</p> | <p>Fully Implemented</p> | <p>None</p> | <p>None</p> |
| <p>3. The Supply Officer/Property Custodian did not issue the Inventory Custodian Slip (ICS) and the same did not bear the proper identification of a Semi-expendable property issued to end-users totaling P82,500.00 contrary to Section 11, Chapter 8 of the Government Accounting Manual (GAM) Volume I, hence failing to properly account for the tangible items and the difficulty of establishing the same in case of transfer or loss.</p> | <p>We recommend that Management instruct the School Supply/Property Officer to issue the Inventory Custodian Slip (ICS) to end users indicating therein the Serial Numbers of the semi-expendable properties or tangible items totaling P37,500.00 pursuant to Section 11, Chapter 8 of the GAM Volume I.</p>  | <p>Memorandum was prepared to instruct the Division Supply Officer re issuance of ICS pursuant to Section 11, Chapter 8 of the GAM Volume 1</p> | <p>Division Supply Officer</p>          | <p>January 2022</p> | <p>December 2022</p> | <p>Fully Implemented</p> | <p>None</p> | <p>None</p> |
| <p>4. The Bids and Awards Committee (BAC) of the Manikí Central Elementary School - SPED Center awarded purchase orders totalling P227,475.00 to a non bonafide supplier contrary to the provisions of RIRR of RA 9184, hence rendering the transaction irregular or disallowance in audit as it may be declared invalid for failure to comply with the mandatory requirements of RA 9184</p>  | <p>We recommend that Management require the BAC members to strictly abide with the rules and regulations on procurements relative to their functions as stipulated under Section 52.3 of RA 9184 and its IRR and to explain in writing why this infraction happened on awarding of purchase orders totalling P227,475.00 to a non-bonafide supplier.</p> | <p>Division Memorandum was issued to effect</p>   | <p>School's Division Superintendent</p> | <p>January 2022</p> | <p>December 2022</p> | <p>None</p>              | <p>None</p> | <p>None</p> |

|                     |  |  |   |   |               |               |             |      |  |
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| AOM 22-002-(21)     | Improper use of the Reimbursement Expense Receipts (RERs) on the payment of security and janitorial services totaling P169,499.80 contravened the provisions of COA Circular No. 2012-001, COA Circular No. 2004-006 and COA Circular No. 2021-001, thereby resulting in uncertainty whether the expenses are proper and/ or valid.  | 1. Direct the School Principal of Maniki Central Elementary School-SPED Center to explain in writing why he was the payee indicated in the RER instead of a third party who rendered services and provide justification why he will not require and provide justification why he will not be required to return or refund the amount of P169,499.80; and<br>2. Require the School Principal to strictly comply with COA Circular 2004-006 on the use of the Acknowledgment Receipt (AR) and COA Circular No. 2021-001 on the use of Reimbursement Expense Receipt (RER) and Certification of Expenses Not Requiring Receipts (CENRR) to avoid incurrance of the same deficiency. | The Division issued memorandum when to properly use the RER and the amount to which it is being used  | Division Accountant/School Principal-Maniki CES SPED Center | January 2022  | December 2022 | None        | None |  |
| AOM No. 22-003-(21) | Improper use of the Reimbursement Expense Receipts (RERs) on the payment of various expenses particularly security and janitorial services totaling P614,272.49 contravened the  | We recommend the Management require the School Principals to strictly comply with COA Circular 2004-006 on the use of the Acknowledgment Receipt (AR) and COA Circular No. 2021-001 on the use of Reimbursement Expense Receipt (RER) and Certification of Expenses Not Requiring Receipts (CENRR) to avoid incurrance of the same deficiency.   | The Division issued memorandum when to properly use the RER and the amount to which it is being used  | Division Accountant   | January 2022  | December 2022 | None        | None |  |
| AOM No. 22-004-(21) | The Division of Davao del Norte entered tqo(2) contract agreements totalling P42,067,479.72 with the Learningway Global Options Corporation but the latter subcontracted the reproduction of O2 Self-learning modules (SLMs) Lot A & Lot B during the contract agreement and Section 4.2c, Appendix 17, of the Revised Implementing rules and Regulations (IRR) of RA 9184, hence rendering the transaction irregular or disallowable in audit as it may be declared invalid for failure to comply with the mandatory requirements | 1. Furnish the Office of the Auditor the machine copy/full page of the business permit by the Learningway Global Options/Corporation.<br>2. Explaining why subcontracting was not allowed by BAC contrary to existing policy on allowing subcontracting under Section II Instruction to Bidders, Phil Bidding Documents, 5th Edition issued by the DepEd Division of Davao del Norte   | 1. Provide the Office of the Auditor the machine copy/full page of the business permit of the service provider<br>2. Submit letter of explanation | 1. BAC<br>2. SDS  | February 2022 | February 2022 | Implemented |      |  |

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| AOM No. 22-005-<br>(21) | Disbursement amounting to P20,325.00 were not supported with complete documentation contrary to the provisions of Section 4(6) of P.D. No. 1445, COA Circular No. 2012-001, and Section 7.2, Rule II of the Republic Act No. 9184 thereby casting doubt on the veracity and propriety of the claims.   | 1. Direct the School Principal to strictly comply with the aforementioned provisions of COA Circular No. 2012-001 and Section 7.2, Rule II of the Republic Act No. 9184<br>2. Provide justification on why the disbursements totaling P20,325.00 should not be suspended or disallowed in audit.                     | School Heads was directed to strictly comply with COA Circular No. 2012-001 | Division Accountant | January 2022 | December 2022 | None              | None |      |
| AOM No. 22-005-<br>(21) | The Agency has improperly recorded the remittances on taxes withheld in the amount of P6,150,544.19 due to misapprehension by the Accountant on the existing accounting rules and/or regulations contrary to Section 112 of P.D. No. 1445 and Section 38 (d), Chapter 5 of the Government Accounting Manual (GAM), thus resulting in the understanding of the Due to BIR account by P6,150,544.19 and overstatement of the Subsidy from National Government account by the same amount, and thereby affecting the balances in the financial reports as at December 31, 2021. | We recommend that Management direct the Accountant to properly record its financial transactions and operations, particularly on the recording of remittances on taxes withheld, in conformity with Government Accounting Manual, generally accepted accounting principles and existing laws, rules and regulations. | Proper recording will be observed   | Division Accountant | January 2022 | December 2022 | None              | None |      |
| AOM No. 22-007-<br>(21) | The misclassification of maternity leave benefits amounting to P437,037.85, classified as Other Personnel Benefits account instead of Salaries and Wages-Regular Account contravened the applicable provisions of the Government Accounting Manual, thereby resulting in the overstatement and understatement of the affected accounts by the same amount.   | We recommend that Management, henceforth, require the Division Accountant to properly analyze and classify accounts as to their prescribed accounts and to prepare and adjusting journal entry to correct the balances of the accounts affected - Salaries and Wages account and Other Personnel Benefits account.   | Complied with the Audit Recommendation                                      | Division Accountant | January 2022 | December 2022 | Fully Implemented | None | None |
| AOM No. 22-008-<br>(21) | Payment of Terminal Leave Benefits amounting to P7,100,750.30 was not supported with complete documentary requirements contrary to Section 4(6) of P.D. No. 1445 and Section 5.13 of COA Circular No. 2012-001, thereby raising doubt on the propriety and validity of the claims.   | We recommend that the Management instruct the Division Accountant to refrain from processing terminal leave benefits of retired/separated employees without the complete supporting documents and immediately submit the lacking supporting documents, otherwise a Notice of Suspension (NS) shall be issued.        | Submitted the lacking supporting documents                                  | Division Accountant | January 2022 | December 2022 | Fully Implemented | None | None |

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| AOM 22-009- (21) | Management's prescription of an effectivity date of seven (7) days after the receipt of the NTP by the suppliers/contractors instead of 'upon receipt' by the same, contravened Section 37.4.1 of the Revised Implementing Rules and Regulations of RA 9184, thus resulting in erroneous date upon which the suppliers' obligation shall commence | The management will direct the BAC Secretariat to emphasize the effectivity of the contract based on the date receipt of NTP by the suppliers/contractors  | Issue office memorandum to all members of the DBAC and its Secretariat following the recommendations provided by the auditor  | SDS                 | March 2022   | March 2022    | Implemented       |      |      |
| AOM 22-010- (21) | 1. Program of Works (POWs) were not provided to School Heads of recipient schools in the total amount of P37,786,725.00<br>2. Non installation of tarpaulin/signboards for projects amounting to P28,340,829.43   |  | 1. Provide POWs to recipient schools and endorse in future projects to provide POWs to recipient schools during Pre Construction Meeting<br>2. To compel contractors to install billboards in standard size and format to COA's requirement | Division Engineer   | January 2022 | December 2022 | Implemented       | None | None |
| AOM 22-011- (21) | The DepEd Division of Davao del Norte had not complied with the provision of DOF-DBM Joint Circular No. 4-2012 on revision of dormant accounts as it is still maintaining a current account with the Philippine Veterans Banks which has a book balance of P337,497.61.   | a. Make representation with DepEd Region XI, Davao City for the closure of the Philippine Veterans Bank depository account; and<br><br>b. Request the Accountant of DepEd Region XI, Davao City and DepEd Division Office Accountant to jointly work on the Philippine Veterans Bank Reconciliation Statement to determine the accurate bank balance per books and per bank. The Accountants concerned shall verify and make certain that all reconciling items are duly supported and/or traced to documents to come up with a correct reconciled cash in bank balance. | Account was fully closed August 31, 2022  | Division Accountant | January 2022 | December 2022 | Fully Implemented | None | None |
|                  |   |  | Account was fully closed August 31, 2022  | Division Accountant | January 2022 | December 2022 | Fully Implemented |      |      |

|                         |  |  |  |                                       |              |               |   |      |  |
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| AOM No. 22-012-<br>(21) | The contract agreement entered into by and between the Department of Education, Division of Davaro del Norte and the contractors/suppliers totalling P86,853,214.47 did not contain the new mandatory provision that the latter should provide some documents, inconsistent with the GPPB Circular No. 04-2020 dated September 6, 2020, thus rendering non-compliant with the provision of the Circular  | 1. The management will direct the BAC Secretariat to indicate in the contract agreement the mandatory provision required in Section 6 of the GPPB Circular No. 04-2020   | Issue office memorandum to all members of the DBAC and its Secretariat following the recommendations provided by the auditor   | SDS                                   | March 2022   | March 2022    | Implemented   |      |  |
| AOM No. 22-013-<br>(21) | Non-submission of supporting documents, such as Bidding Documents, Technical and Financial Proposals to the Office of the Auditor on the fifteen (15) contracts entered into by and between the Agency and the suppliers/contractors for the procurement of goods and infrastructure in the total amount of P55,248,991.77 contravened COA Circulars Nos. 2009-001 and 2012-001 and other applicable laws, rules and regulations, thus rendering doubt on the legality, propriety and validity of the transactions | 1. Submit explanation/justification on the non-submission of the required supporting documents<br>2. Submit the printed copies of the bidding documents for the succeeding procurements<br>3. Direct the BAC to submit the aforementioned lacking documents to enable the Office of the Auditor to make a decision audit   | 1. Submit letter explanation to the office of the auditor<br>2. Provide the office of the auditor copies of the bidding documents for the succeeding procurements<br>3. Direct the BAC to submit the lacking documents | SDS<br><br>BAC Secretariat<br><br>SDS | March 2022   | March 2022    | Implemented<br><br>to be implemented<br><br>Implemented |      | 2. Submit copy of the bidding documents to the office of the auditor for the succeeding procurements |
| AOM No. 22-014-<br>(21) | Non-recording of initial deposits for the non-implementing units' bank maintaining balance and non-adjustment of errors thereof contravened Section 111 of Presidential Decree No. 1445 and DepEd Order no. 015, s. 2021 dated April 28, 2021, thereby understanding the Cash in Bank-Local Currency, Current Account balance as at December 31, 2021 by P23,000.00  | We recommend that Management require the Division Accountant to prepare the adjusting journal entry to correct the Cash in Bank-Local Currency account balance.  | Prepared and Submitted the Adjusting Journal Entry (JEV NO. 01-2022-03-00644)  | Division Accountant                   | January 2022 | December 2022 | Fully Implemented                                       | None | None   |
| AOM No. 2-015-<br>(21)  | The Bank Statements of the one hundred fifty-two (152) Non-Implementing Units were not religiously submitted to Division Accounting Office and COA for Audit and the submission of bank reconciliation statement for the bank accounts maintained was delayed by two (2) to nine (9) months contrary to DO No. 2019-029 and Section 5, Chapter 21 of the Government Accounting Manual (GAM) Volume I, thus raising questions on the accuracy of the cash-in bank account balances.                                 | Enroll at the LBP weAccess internet banking facility to avail on real time basis the account statement and other related financial records and information necessary in the preparation of the BRS or while not yet enrolled, instruct the Division Accountant to request for monthly snap shot of the bank statement to facilitate the preparation of the monthly BRS, if applicable. | Weekly information is provided on Schools with complete bank reconciliation report as of June 30, 2022   | Division Accountant                   | January 2022 | December 2022 | Fully Implemented                                       | None | None   |

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|---------------------|--|--|---|--|--------------|---------------|-------------------|------|------|
|                     |  | Require the Division Accountant to set-up time frame and/or reasonable periodic deadline to the designated staff who will prepare the BRS to pinpoint responsibility.  | Weekly information is provided on Schools with complete bank reconciliation report as of June 30, 2022                    | Division Accountant  | January 2022 | December 2022 | Fully Implemented | None | None |
|                     |  | Direct the Division Accountant with the help of the Public Schools District Supervisors to fast track submission of the BRS of all schools; and  | Weekly information is provided on Schools with complete bank reconciliation report as of June 30, 2022                    | Division Accountant  | January 2022 | December 2022 | Fully Implemented | None | None |
|                     |  | Instruct the School Heads concerned to religiously submit their bank statements to the Division Accountant for the timely preparation of the BRS for all active bank accounts maintained by all Non-LUs under the books of the Division Office.  | Weekly information is provided on Schools with complete bank reconciliation report as of June 30, 2022                    | Division Accountant  | January 2022 | December 2022 | Fully Implemented | None | None |
| AOM No. 22-016-(21) | Memorandum was issues to Supply Officer and Division Accountant  | a. Instruct the Bookkeepers in the District Offices to submit the Cash Disbursement Register, Report of Disbursements and Cash Disbursement Journal to the Division Accountant for the timely review of financial transactions before the same be submitted to the Office of the Auditor; and b. Direct the Division Accountant in coordination with the Public Schools District Supervisors to fast track submission of the reports of all schools. | Memorandum was issues to PSDS, District Administrative Assistant III and Division Accountant (Memorandum No. 270 s. 2022) | Division Accountant/Public Schools District Supervisors /Bookkeepers | January 2022 | December 2022 | Fully Implemented | None | None |
| AOM No. 22-017-(21) | Non-disclosure by the Division Accountant of the transferred equipment from the Provincial Government of Davao del Norte in the amount of P4,579,999.86 contravened Section 3, Chapter 10 of the Government Accounting Manual and PPSAS 1-Presentation of Financial Statements, thereby affecting the completeness of the CY 2021 Notes to Financial Statements. | We recommend that Management instruct the Supply Officer to provide a detailed list of received donated/transferred inventory or property to the Division Accountant for basis of disclosure in the Notes.   | Memorandum was issues to Division Supply Officer (Division Memorandum No. 313 s. 2022)                                    | Division Accountant  | January 2022 | December 2022 | Fully Implemented | None | None |



|                     |  |  |   |   |              |               |                   |      |      |
|---------------------|--|--|---|---|--------------|---------------|-------------------|------|------|
| AOM No: 22-018-(21) | Distributed inventories worth P1,750,525.10 were still reported as part of the Agency's unissued inventories as at December 31, 2021 contrary to Section 112 of P.D. 1445 and section 10 and 17, Chapter 8 of the Government Accounting Manual, hence casting uncertainty on the reliability and accuracy of the Agency's financial reports. | a. Require the Supply Officer to prepare the RIS and get the signed copy upon issuance, and prepare and submit the monthly RSMI to the Division Accountant to facilitate the recording of issued inventories into their appropriate expense accounts;<br>b. Henceforth, require the Division Accountant to consistently recognize inventories as expense in the period it was issued to avoid misclassification of accounts and to enhance the overall accuracy and reliability of the Agency's financial reports; and | Memorandum was issued to Supply Unit (Division Memorandum No. 325 s. 2022)  | Division Accountant/Division Supply Officer | January 2022 | December 2022 | Fully Implemented | None | None |
| AOM No: 22-019-(21) | Non-compliance with some of the requirements of Government Procurement Policy Board Resolution No. 18-2007 for the procurement and implementation of the School-Based Feeding Program- Milk Feeding Program totaling P6,514,128.00, contravened the applicable laws, rules and regulations prescribed by the government.                     | a. Direct the SBFP Focal Person for CY 2020 to explain the deficiencies noted;<br>b. Direct the BAC TO strictly observe the implementing guidelines on the use of the Negotiated Procurement - Agency-to Agency Agreements pursuant to the provisions of the Government Procurement Policy Board, and R.A. 9184 and its IRR.   | Issued Division Memorandum No. 334, s. 2022 dated March 15, 2022 Re: Compliance with Audit Observation Memorandum No. 22-019-(21) | SGOD-Division SBFP Focal                    | January 2022 | December 2022 | Fully Implemented | None | None |

Noted by:

  
**REBECCA C. SAGOT, CESO VI**  
 Assistant Schools Division Superintendent

  
 January 27, 2023  
 Date