



Republic of the Philippines
COMMISSION ON AUDIT
Office of the Regional Supervising Auditor
NGS Cluster 5 – Education and Employment
Region XI, Davao City

17 March 2017

Ms. Ruth R. Pundang
TESDA Vocational School Administrator III
Lupon School of Fisheries
Lupon, Davao Oriental

Dear Ms. Pundang,

We are pleased to transmit the Summary of Audit Observations and Recommendations (SAOR) on the audit of Lupon School of Fisheries, located in Lupon, Davao Oriental, for the Calendar Year 2016, in compliance with Section 43 of the Government Code of the Philippines (PD No. 1445).


The observations and recommendations were communicated to you through Audit Observations Memorandums (AOMs) and/or Notices of Suspensions/Disallowance and were duly discussed with you and your concerned staff, including the Status of Implementation of Prior Years' Audit Recommendations.

The audit was conducted in accordance with generally accepted state auditing standards and it provided reasonable basis for the results of audit.

Pursuant to Section 96, General Provisions of the General Appropriations Act (RA 10717) for Fiscal Year 2016, we request a status report on the actions taken on the audit recommendations within sixty (60) days from receipt of this report.

We express our appreciation for the valuable support and cooperation extended by the officials and staff of the Agency to the team during the audit.

Very truly yours,


Gloria A. Cañete
State Auditor
Regional Supervising Auditor

Agency: TESDA-Lupon School of Fisheries
Lupon, Davao Oriental


Summary of Audit Observations and Recommendations (SAOR)
For the period January 1, 2016 to December 31, 2016

Reference /AOM No.	Observations	Recommendations	Management Comments/ Action to be taken	Auditor's Rejoinder
<i>Financial and Compliance Audit</i>				
2016-05 12/7/16	<p><u>The agency did not account nor make a report of its Biological Assets during the year contrary to Chapter 11 of the Government Accounting Manual.</u></p> <p>PPSAS 27- "Agriculture is a new standard adopted by different National Government Agencies which shall be applied to account the biological assets and agricultural produce when they relate to agricultural activity."</p> <p>The Biological Assets of an agency should be accounted, recorded and presented as asset in a separate line Item under Noncurrent Assets in the Financial Position. And the Agricultural Produce held for consumption/distribution/sale presented under the line Item of Biological Assets.</p> <p>Management acknowledged their failure to account the existing Biological Assets located in the fishpond area of their school. In the area exist the following:</p> <ul style="list-style-type: none"> a. Small piggery b. Poultry c. Goats, male and female d. Two bangus pond, and e. Coconut trees. <p>The Head of the Accounting explained that there was no skilled staff assigned to maintain records of these assets. Further, there was no complete & detailed Report on Physical Count of Biological Assets, and not disclosed in the Financial Position as of December 31, 2016.</p>	<p>Give priority on establishing a correct Physical Report of all Biological Assets of the agency in compliance with the New General Accounting Manual (GAM).</p> <p>Create a Committee to conduct a separate actual physical count of all existing biological assets as well as agricultural products. And submit the Physical Count of Report as of June 30, 2017 for audit validation.</p> <p>Establish complete records as required under the GAM.</p>	The School Administrator and the Administrative Officer committed to implement the audit recommendation.	

Reference /AOM No.	Observations	Recommendations	Management Comments/ Action to be taken	Auditor's Rejoinder
	<p>Hence, affected the completeness and reliability of the Financial Statements at the end of the year.</p>			
<p><i>Value for Money Audit</i></p>				
<p>2017-01 3/3/2017</p>	<p><u>The lack of scholar-applicants for TWSP and BUB programs resulted to sixty-four (64) unutilized SVs/slots that affected the objective of the scholarship programs to provide skills and knowledge geared towards providing employment and entrepreneurial opportunities.</u></p> <p>There are eight (8) TSWP scholarship vouchers and fifty-six (56) BUB slots unutilized due to lack of scholar-applicants. Corresponding vouchers / slots were returned to TESDA Provincial Office.</p> <p>According to the Focal persons the concerned Local Government Units promised to look for beneficiaries but the training programs ended with shortfall of scholars.</p> <p>The focal person should follow up with LGU officials and remind them of needed scholars before the training period ends. Regular monitor is needed to fully utilize the scholarship privileges funded during the year.</p> <p>Unutilized slots after the validity period of funds are lost opportunities for others who wanted to avail the program.</p>	<ol style="list-style-type: none"> a. Strengthen coordination with the Local Government Units in implementing the BUB scholarship program. b. Assist LGUs in identifying beneficiaries to maximize usage of granted scholarship vouchers in order to provide skills to unemployed and out of school youth to make them self-sufficient and provide income for their families. c. Closely monitor the on-going trainings to immediately determine unused vouchers while the training is going on caused by dropped-outs and or lack of scholars. d. Maintain data base of scholars-applicant who have not availed the programs to fill –up unused scholarship slots. 	<p>Management gave assurance to improve the utilization of scholarship vouchers/slots thru closer coordination with LGU officials and monitoring of on-going trainings.</p> <p>To submit status of scholarship vouchers used and unused at the end of every training period.</p>	

Reference /AOM No.	Observations	Recommendations	Management Comments/ Action to be taken	Auditor's Rejoinder
		e. Submit Status of Scholarship Vouchers used and unused for every training program conducted.		

LSF.SAOR.2016


 EDEN JANE R. INTENCION
 State Auditor IV
 Audit Team Leader

Status of Implementation of Prior Year Audit Recommendations
As of December 31, 2016

TESDA – Lupon School of Fisheries

Audit Finding	Audit Recommendation	Fully Implemented/ Partially Implemented / Not Implemented	Auditor's validation
<i>Financial and Compliance Audit</i>			
<p>Noncompliance with CSC regulations on mandatory forced leave</p> <p>The Agency did not enforce the five (5) day mandatory/forced leave for 2014 & 2015 implement the 5-day with an equivalent money value of P115,884.93.</p>	<p>The HRMO should follow the CSC regulations in proper maintaining of leave cards of personnel and teachers. Make the necessary correction /adjustment on the existing leave credits.</p>	<p>Fully implemented.</p>	<p>Verified. Employees leave cards updated.</p>
<i>Value for Money Audit</i>			
<p>Delayed implementation & unimplemented scholarship program</p> <p>Delayed implementation of scholarship programs under Training for Work Scholarship Program (TWSP) and Special Training for Employment Program (STEP) as well as unutilized scholarship slots hindered the full attainment of the objectives of the program geared towards providing employment and entrepreneurial opportunities.</p>	<p>Intensify monitoring of the implementation of scholarship programs by Training Institutions to determine effective undertakings and compliance to appropriate TESDA regulations.</p> <p>If possible, require TVIs' submission on the status one month after scholarship vouchers are released to them.</p>	<p>Fully implemented.</p>	<p>As observed, this is a recurring audit observation. For 2016, the conduct of several trainings lags 2 months to 5 months as against the indicative period per Qualification Maps (QMs).</p>

			Per inquiry, this can be attributed to late approval of QMs.
Prior Year:			
Work out for the titling of school site presently occupied for proper recording in the books.			This cannot be implemented because as verified, the land being occupied by the LSF and neighbouring Secondary and Elementary Schools is still owned of the Local Government – Municipality of Lupon, Davao Oriental. The LGU has no plan yet to subdivide the area.

AGENCY ACTION PLAN and STATUS OF IMPLEMENTATION (AAPSI)

As of _____

Ref.	Audit Observations/ Finding No. per ML	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/Dept. Responsible	Target Implementation				
					From	To			

Prepared by:

Approved:

Name and Position of Agency Officer

Date:

Name & Signature of Head of Office

Date:

Note: Status of Implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed