



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. XI, Davao City

2/23/18  
N/A

**NATIONAL GOVERNMENT SECTOR**  
Cluster 5 – Education and Employment

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13 February 2018

**MS. RUTH R. PUNDANG, LPT, MAVE**  
Vocational School Administrator III  
TESDA – Lupon School of Fisheries  
Lupon, Davao Oriental

Madam:

We are pleased to transmit the Summary of Audit Observations and Recommendations (SAOR) of the Technical Education and Skills Development Authority (TESDA) – Lupon School of Fisheries, Lupon, Davao Oriental, for the calendar year 2017, in compliance with COA Memorandum No. 2014-011 dated October 21, 2014.

The attached report consists of audit observations and recommendations, which were discussed with Management officials during the Exit Conference on January 23, 2018. Management's comments and Auditor's rejoinder were incorporated therein, where appropriate.

Pursuant to Section 88 of the General Provisions of the General Appropriations Act of 2017 (RA 10924), may we request for a status report on the actions taken on our audit recommendations within 60 days from receipt of this report by accomplishing the attached Agency Action Plan on the Status of Implementation (AAPSI) form as required under COA Memorandum No. 2014-002 dated March 18, 2014.

We express our appreciation for the valuable support and cooperation extended by the officials and staff of the Agency to the Audit Team.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Rita Angelyn T. Torino".

**RITA ANGELYN T. TORINO**  
State Auditor IV  
OIC- Regional Supervising Auditor



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Cluster 5- Education and Employment

National Government Sector  
*Office of the Audit Team Leader*  
TESDA – Lupon School of Fisheries  
Lupon, Davao Oriental

February 08, 2018


**MS. RITA ANGELYN T. TORINO**  
State Auditor IV  
OIC- Regional Supervising Auditor  
Commission on Audit XI  
Davao City

Madam:

We are submitting herewith the Summary of Audit Observations and Recommendations and the Status of Implementation of Prior Years' Audit Recommendation on the audit of the Technical Education and Skills Development Authority (TESDA) – Lupon School of Fisheries, Davao Oriental, for Calendar Year 2017 with information that out of three prior years' audit recommendation, two are fully implemented and one is partially implemented.

Please acknowledge receipt hereof.

Very truly yours,

  
**EDEN JANE R. INTENCION**  
State Auditor IV  
Audit Team Leader

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY XI  
LUPON SCHOOL OF FISHERIES

**SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS (SAOR)**  
For the Calendar Year Ended December 31, 2017

Ref./AOM No./Date	Observation	Recommendation	Management Comment	Auditor's Rejoinder
Memo/ Letter on Qtrly. Conference & Validation dated December 20, 2017.	Accounts Receivable from officers and employees with a total amount of P315,802.13, arising from purchase on credit of school's IGP products, remained uncollected as of December 31, 2017.	Require the Administrative Officer to cause the collection thru salary deduction from January to December 2018.  Minimize granting additional purchases on credit unless all previous accounts have been fully settled.	Management will conduct meeting with the concerned employees-creditors for the immediate settlement of their accounts thru salary deduction.  To intensify collections of old accounts before extending additional credits.	The Audit Team has yet to validate the implementation of the recommendation.
2 AOM No. 2018-01 dated January 9, 2018.	The completeness, accuracy and reliability of the Inventory and PPE Account balances is inadequate due to non-maintenance of Supplies & Equipment Ledger Cards, Stock & PPE Cards, and Property Cards are not updated as required under Chapters 8 & 10 of the Government Accounting Manual (GAM).	The Accounting & Supply Units should strictly implement the requirement of GAM pertaining to preparation and maintenance of different accounting forms, records and reports order to present fairly the Inventory & PPE Accounts in the Financial Statements.	The Agency Head advise the Administrative Officer to monitor compliance by both the Accounting Supply Units to audit recommendation.	The Audit Team has yet to validate the implementation of the recommendation.
3 AOM No. 2018-02 dated January 9, 2018.	Unserviceable equipment with a total cost of P1,937,364.06 still carried in the books as of December 31, 2017 affecting the true condition of recorded assets in the financial statements contrary to Section 40, Vol. I of the GAM.	Require the Supply Officer to prepare report of Unserviceable PPE, and prepare the new RPCPP after deducting the unserviceable items.  Forward copies of the reports to accounting unit for proper adjustments in the books. And submit reports to COA not later	The Agency Head will advise the Administrative Officer to monitor the submission of the required reports to COA within the period committed during the audit exit conference.	The Audit Team has yet to validate the implementation of the recommendation.

Ref./AOM No./Date	Observation	Recommendation	Management Comment	Auditor's Rejoinder
		than March 31, 2018.		
4 AOM No. 2018-03 dated January 20, 2018.	The scheduled scholarship trainings were not conducted within the prescribed time caused by spilled-over trainings of previous year, shortfall of beneficiaries, overlapping of trainings, handled by one or two trainers, and lack of assessment centers, hence affected the utilization of program funds in an appropriate standards of timeliness and in an economical, efficient and equitable manner.	<p>We recommended that before the current or 2018 scholarship vouchers/slots be released; prioritize all on-going trainings from the previous year.</p> <p>For conducted and completed trainings, submit all documents to the TESDA Provincial Office of Davao Oriental to collect training costs incurred.</p> <p>As a training provider, the LSF should give urgency to have a Certificate of TVET Program Registration (CTPR, as well as absorptive training capacity in terms of facilities, tools, equipment and trainers, not only for Agricultural Crops Production NC I, but also for other qualifications.</p> <p>Give full support to applicant-assessors to undergo the required training-immersion for each qualification.</p>	The Agency Head will call a meeting with Technical Group headed by the Scholarship Program Point Person to discuss the audit observation and recommendations pertaining to status of implementation of scholarship program,	For validation after between April & May 2018.

**EDEN JANE R. INTENCION**  
State Auditor IV  
Audit Team Leader

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY XI  
LUPON SCHOOL OF FISHERIES

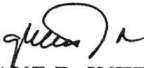
STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS  
As at December 31, 2017

Of the three audit recommendations contained in the previous Summary of Audit Observations and Recommendations, two are fully implemented during the year, and one is partially as stated below.


Observation and Recommendation	Ref.	Action Taken By The Management	Result of Auditor's Validation
<p>1. 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.</p> <p>a) Direct the Supply and Property Officer and In-Charge-Agricultural Fishery Unit to give priority on establishing the Biological Assets of the agency in compliance with the General Accounting Manual.</p> <p>b) Submit reports to the Accounting Unit for proper recording in the books. Furnish COA of the report on or before June 30, 2016.</p>	SAOR 2016	<p>Fully implemented.</p> <p>The Committee on Inventory conducted physical account of biological assets on August 2017 with the presence of the COA.</p>	<p>The Committee on Inventory conducted physical account of biological assets on August 2017 with the presence of the COA. Copy of the Report was received as of September 2016.</p>
<p>2. The lack of scholar-applicants for TWSP and BUB programs resulted to sixty-four (64) unutilized SVs/slots had affected the objective of the scholarship programs to provide skills and knowledge and also lost opportunities to others who were interested the programs.</p> <p>a) Strengthen coordination with the Local Government Unit in implementing the BUB scholarship program.</p>	2016	<p>Fully implemented.</p> <p>Management conducted consultative meeting with LGUs' Representatives on targeted beneficiaries of all scholarship trainings of TESDA.</p>	<p>Verified that unutilized SVs/Slots were remitted to BTr as of Dec. 31, 2017.</p>

Observation and Recommendation	Ref.	Action Taken By The Management	Result of Auditor's Validation
b) Assist the LGU in identifying beneficiaries to reach out all unemployed and out of school youth to benefit the program of the government to become self-sufficient and provide income for their families			
3. The TESDA-LSF has no ownership of the school's Main Campus owned by LGU, Lupon, Davao Oriental.  Work-out with LGU of Lupon, Davao Oriental, and the transfer of ownership of the area.	2012	Partially implemented.  Sent follow-up letter and continuous meetings with LGU top management.	On the last quarter of 2017, the Administrative Officer of LSF reported that the Assessor's Office of LGU, Lupon, Davao Oriental, has awarded the tax declaration of the Main Campus School Area.

Prepared by:

  
**EDEN JANE R. INTENCION**  
 State Auditor IV  
 Audit Team Leader

Noted by:

  
**RITA ANGELYN T. TORINO**  
 State Auditor IV  
 OIC - Regional Supervising Auditor