

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA)
TESDA REGION IX
AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION (AAPS)
Audit Observations and Recommendations
For the Calendar Year 2022
As of August 31, 2022

Ref	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Delay / Non-Implementation	Actions Taken/Actions to be Taken
			Action Plan	Person / Dept. Responsible	Target Implementation Date				
					FROM	TO			
AOM No. 2021-001(2021) dated October 26, 2021	Financial Statements, Disbursement Vouchers and other related Financial Reports were not submitted to the Audit Team within the deadline prescribed by Section 7.2 of COA Circular No. 2009-006 and Section 60, Chapter 19, Volume I of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), which precluded the prompt audit of accounts and financial transactions and timely reporting of the audit results to	We reiterate our previous year's audit recommendation that Management requires the Accountant to: a.) Submit the unsubmitted disbursement vouchers with its supporting documents and the monthly and quarterly financial reports to the Audit Team for audit; and b.) Adhere to the mandated timelines prescribed in the submission of required reports to allow timely audit and review of transactions.	The late submissions were caused by the backlogs even before the new administrative positions were opened last March 2021. Nonetheless, the recommendation is well taken and the management, together with the newly appointed Administrative Officers are working double-time to submit Financial Statements, Disbursement Vouchers, and other related Financial Reports within the deadline.	FA	November 2021	December 2022	IMPLEMENTED		Disbursement Vouchers and other related Financial Reports as of the month of AUGUST 2022 have already been submitted before the deadline.
AOM No. 2022-01(2021) dated January 25, 2022	Invitations to observe the agency's procurement activities are sent at least 1 day or even after the scheduled procurement activity which is not in keeping with Section 13.3 of Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184, thus precluding the attendance of observers to procurement activities	We recommend that Management direct the BAC to send out invitations to observers for all the enumerated procurement activities in Section 13.1 of the RIRR of RA No. 9184 at least five (5) calendar days before the scheduled activities in compliance with Section 13.1 of the RIRR of RA No. 9184.	The management already instructed the BAC to send out invitations to observers atleast (5) calendar days before the scheduled meeting.	BAC	February 2022	December 2022	IMPLEMENTED		The BAC sends out invitations 5 calendar days before the scheduled meetings.
AOM No. 2022-02(2021) dated March 10, 2022	Prepaid Insurance and Prepaid Registration accounts are understated by P5,486.06 and P1,830.41, respectively, while the related expenses accounts are also misstated by a total amount of P7,316.47 due to a.) the recognition of premium payments for insurance and fidelity bond expenses and renewal of motor vehicle registration totaling P9,092.46 as outright expenses, and b.) erroneous charging of motor vehicle insurance of P3,913.40 against Taxes, Licenses and Duties, all of which are contrary to International Public Sector Accounting Standards (IPSAS) 1 on the Presentation of Financial Statements (FS).	We recommend that Management direct the Financial Analyst to record expenses relating to the year incurred, using the proper account and set up the pertinent prepayment accounts (i.e. Prepaid Registration and Prepaid Insurance) so that the FS of the Center may be fairly presented.	The management already directed the Financial Analyst to reclassify all accounts that were erroneously recorded so that the FS of the Center may be fairly presented. Adjusting journal entries based on the recommendation shall be made accordingly.	FA	April 2022	December 2022	IMPLEMENTED		Recommended adjusting entries already made accordingly. JEV# 2022-002 Dr. Prepaid Insurance P5,486.06 Cr. Accum. Surplus/(Deficit) P5,486.06 JEV# 2022-003 Dr. Prepaid Registration P1,830.41 Cr. Accum. Surplus/(Deficit) P1,830.41

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AOM No. 2022-03(2021) dated March 10, 2022	Cash advances for travelling expenses of P3,450.00 and payment of book/instructional materials allowances of 2019 Universal Access to Quality Tertiary Education Act (UAQTEA) scholars/learners totaling P640,000.00 recorded under Advances to Officers and Employees and Advances to Special Disbursing Officer, respectively, remained unliquidated contrary to the provisions of COA Circular No. 97-002, affecting the timely reporting of the expenses in the Financial Statements (FS) of the Center.	<p>We recommend that Management direct the DO to prioritize the full liquidation of the cash advance by ensuring that the remaining allowances and training materials are distributed to the trainees immediately.</p> <p>We also recommend that in future transactions of the same nature, the guidelines on the distribution/release of allowances and the requirements of COA Circular No. 97-002 be faithfully adhered to.</p>	<p>The CA for traveling expenses amounting to P 3,450.00 was actually already paid by the Accountable Employee before December 31, 2021, since she was not able to attend the 2021 YEPA. The payment was given directly to the Financial Analyst, but the Cashier designate was on travel, therefore the payment was not issued a receipt immediately.</p> <p>The unused cash advance was already remitted to the cashier with O.R. No. 02895048 dated March 15, 2022.</p> <p>***</p> <p>The unliquidated CA amounting to P 640,000.00 is equivalent to 128 pieces of Learning Materials/Books. As of today, 91 pieces were already released. The 37 pieces are still for release to the following number of trainees:</p> <ol style="list-style-type: none"> 1. Carpentry- 4 Trainees 2. Auto. Servicing NC II – 4 Trainees 3. SMAW NC II – 9 Trainees 4. SMAW NC II – 3 Trainees 5. Auto. Servicing NC II and Driving NC II (Bundled) – 9 Trainees <p>The management is continuously in contact with the remaining 29 trainees who haven't claimed</p>	FA/SDO	March 2022	March 2022	IMPLEMENTED	All cited cash advances were already liquidated.
AOM No. 2022-04(2021) dated March 10, 2022	An error in the beginning balances of Cash – Collecting Officers account as of January 1, 2020 resulted to a negative balance of P50.00 in the said account as of December 31, 2021, while the reciprocal accounts Due from Other Funds and Due to Other Funds reported under the Sariling Sikap Program (SSP) Fund and the General Fund (GF), respectively, do not reconcile by P4,700.84, resulting in the understatement of Due to BIR and Due from Other Funds in the SSP Fund by the same amount at year-end, all contrary to IPSAS 1 on the Presentation of Financial Statements (FS).	<p>We recommend that Management direct the Financial Analyst to:</p> <ol style="list-style-type: none"> a. Coordinate with the Regional Accountant to verify the cause of the discrepancy noted in Cash – Collecting Officers; b. Prepare the necessary adjusting journal entry to correct the negative/debit balance in Cash – Collecting Officer and the understatement in the Due from Other Funds and Due to BIR accounts, all under the SSP Fund; and, c. Prepare JEVs simultaneously when the Due to and Due from accounts are involved to ensure that the transactions are recorded in all funds affected. 	<p>The Financial Analyst already coordinated with the Regional Accountant. The error is traced back from 2019 transactions but can't be accounted for.</p> <p>The financial analyst shall therefore prepare the suggested adjusting journal entry:</p> <p>Debit: Cash-Collecting Officer P50.00</p> <p>Credit: Accum. Surplus/(Deficit) P50.00</p> <p>***</p> <p>Also, the management already directed the Financial Analyst to reclassify all accounts that were erroneously recorded so that the FS of the Center may be fairly presented. Adjusting journal entries based on the recommendation shall be made accordingly.</p> <p>***</p> <p>Recommendation for the simultaneous preparation of JEVs for transactions that affect all funds is well noted.</p>	FA	April 2022	December 2022	IMPLEMENTED	<p>Recommended adjusting entries already made accordingly.</p> <p>JEV# 2022-001 Dr. Cash Collecting Officer P50.00 Cr. Accum. Surplus/(Deficit) P50.00</p> <p>JEV# 2022-004 Dr. Due from Other Funds P4,700.84 Cr. Due to BIR P4,700.84</p>

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AOM No. 2022-05(2021) dated March 10, 2022	Deficiencies in the application of guidelines related to the management and accounting of Inventories resulted to the a. non-observance of the perpetual inventory method in the recording of various supplies and materials totaling P2,038,461.35 and b. erroneous recognition of an item of property, plant and equipment (PPE) of P58,800.00, issued semi-expendable assets totaling P205,882.00, office supplies of P67,838.50 and repair costs of P21,962.00 as part of Other Supplies and Materials expenses, thus misstating the related asset and expense accounts by the same amounts, contrary to the provisions specified in Chapter 8, Volume I of the Government Accounting Manual for National Government Agencies (GAM for NGAs).	We recommend that Management direct the Financial Analyst and the Supply/Property Officer to familiarize themselves with the guidelines on management and accounting of Inventories as provided in Chapter 8 of the GAM for NGAS to be able to appropriately apply them to the operations of the Center. We also recommend that Management direct the 1. Financial Analyst to: a. Apply the perpetual inventory method of accounting for Inventories and prepare and maintain the Supplies Ledger Card; b. Prepare the appropriate accounting entry to reclassify the purchased bagger mixer as PPE; and c. Ensure that in future periods, the appropriate expense accounts are charged in the books of accounts of the Center. 2. Supply/Property Officer to prepare and: a. Maintain the Inventory Stock Cards in accordance with the provisions of Chapter 8 of the GAM for NGAS; and, b. Submit the monthly RSMI with the RIS to the Accounting	The management already directed the Financial Analyst to religiously adhere to the guidelines on management and accounting of Inventories. Also, the Financial Analyst shall prepare the necessary adjusting journal entry to reclassify the bagger mixer as PPE. All other recommendations are well noted.	FA/SUPPLY OFFICER	April 2022	December 2022	IMPLEMENTED	Supplies Ledger Card already maintained. Purchased Bagger Mixer already reclassified. JEV# 2022-005 Dr. Other Machineries and Equipment P58,800.00 Cr. Accum. Depreciation - OME P2,793.00 Cr. Accum. Surplus/(Deficit) P56,007.00 Inventory Stock Cards already being maintained by the Supply Officer. RSMI already submitted to the Accounting Unit as of April 2022
AOM No. 2022-06(2021) dated March 10, 2022	Twenty (20) out of forty-one (41) or forty nine (49) per cent of CY 2021 Training for Work Scholarship Program (TWSP) and Special Training for Employment Program (STEP) implemented by the Regional Training Center were not completed within the year, due to the lack of readily available trainers who are qualified to conduct the trainings as approved in the qualification map (QM), thus, the objectives of global competitiveness, workforce readiness, social equity and poverty reduction may not be immediately	We recommend that Management ensure that all training programs that are allocated to the RTC for a certain fiscal year are completed as indicated in the QM. Further, we also recommend that Management install measures or mechanisms so that all programs for implementation will have at least two possible alternate trainers who may referred to in cases of conflicting schedules or unforeseen circumstances that will affect the implementation of the programs.	The cited training programs are already being implemented.	TRAINING UNIT	April 2022	April 2022	IMPLEMENTED	All cited training programs were already implemented and lack of readily available trainers already resolved.
AOM No. 2021-009(20) dated January 25, 2021	Payments that could be made directly to suppliers by check and petty expenses chargeable to petty cash fund totaling P307,511.40 was course through cash advances and reimbursements which is not in keeping with COA Circular No. 97-002 and pertinent provision of Republic Act (RA) No. 9184 and its 2016 Revised Implementing Rules and Regulations (IRR), depriving the government of collecting taxes that could have been withheld from payments thereof.	We recommend that Management: a. refrain from payment of regular expenses and or/purchases of goods and services through reimbursements and cash advances; and b. strictly adhere to the provisions of RA 9184 and its 2016 revised IRR and COA Circular 97-002 in all its procurement activities.	Some expenses cited in this AOM are the mobile allowance of our 2 Chiefs and 1 RTC administrator. The allowance is reimbursable in nature up to a particular ceiling. It is not being paid directly to the suppliers. There were also expenses that were course thru Cash Advance: Zonal skills competition held in Davao City. Cash Advance were drawn to defray expenses (e.g. supplies and materials) for this particular purpose. It is impractical for us to procure the materials needed for the activity and be brought to the venue. There were also expensed that were reimbursed due to the exigency of the circumstance. Nonetheless, all recommendations are noted.	FA/SDO	February 2021	December 2021	IMPLEMENTED	All procurement activities of the center now adheres to the provisions of RA 9184 and its 2016 revised IRR, except in cases wherein purchases coursed thru it shall be impractical (e.g. Fresh fish, vegetables, etc. to be used in training and assessment)

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