



Republic of the Philippines  
**COMMISSION ON AUDIT**  
**NATIONAL GOVERNMENT SECTOR**  
Cluster 5 – Education and Employment  
Department of Education – Region X  
Cagayan de Oro City

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March 13, 2020

**ENGR. LEE R. CATANE**

Vocational School Administrator II  
Technical Education and Skills Development Authority  
Oroquieta Agro-Industrial School  
Villaflor, Oroquieta City

**Dear Engr. Catane:**

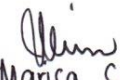
We are pleased to transmit the Management Letter on the audit of the accounts and operations of *Technical Education and Skills Development Authority, Oroquieta Agro-Industrial School, Villaflor, Oroquieta City* for the calendar year 2019, in compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provision of Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The audit was conducted to ascertain the propriety of financial transactions and compliance of the Agency's prescribed rules and regulations. It was also made to ascertain the accuracy of financial records and reports, as well as the fairness of the presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS).

The attached report consists of the Audited Financial Statements, the Observations and Recommendations which were discussed with concerned Management Officials, and the Status of Implementation of Prior Year's Audit Recommendations.


Our audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and we believe that it provides reasonable basis for the results of audit.

We request a status report, by accomplishing the attached *Agency Action Plan and Status of Implementation (AAPSI)* form, on the actions taken on the audit recommendations be submitted within 60 days from receipt of this report, pursuant to Section 99 of the General Provisions of the General Appropriations Act FY 2019 (R.A. 11260).

  
Marica S. Jumalon  
3/19/2020

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

Very truly yours,

  
**ADOLFO Q. CREAYLA**  
State Auditor V  
Regional Supervising Auditor

*Enc: As stated*  
AAC



Republic of the Philippines  
**COMMISSION ON AUDIT**  
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Cluster 5 – Education and Employment  
Technical Education and Skills Development Authority  
Cagayan de Oro City

## **MANAGEMENT LETTER**

on the audit of

**TECHNICAL EDUCATION AND  
SKILLS DEVELOPMENT AUTHORITY  
OROQUIETA AGRO-INDUSTRIAL  
SCHOOL**

**For the Year Ended December 31, 2019**



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. X  
Cagayan de Oro City

**OFFICE OF THE AUDIT TEAM LEADER**  
Audit Group NGS, Cluster 5- Education and Employment  
Audit Team No. RO-10-18

**CONFIDENTIAL**

February 17, 2020

**Engr. LEE R. CATANE**  
OIC-Vocational School Administrator  
Technical Education and Skills Development Authority  
Oroquieta Agro-Industrial School  
Villaflor, Oroquieta City

**Dear Engr. Catane:**

**Management Letter on the Audit of the  
Technical Education and Skills Development Authority-  
Oroquieta Agro-Industrial School, Villaflor, Oroquieta City  
For the Period January 1 to December 31, 2019**

1. Pursuant to Section 2, Article IX-D of the Constitution of the Philippines and Section 43 of the Government Auditing Code of the Philippines (PD 1445), we have audited the accounts and operations of Technical Education and Skills Development Authority-Oroquieta Agro-Industrial School for the period ended December 31, 2019. The audit was conducted in accordance with applicable legal and regulatory requirements and International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.
2. The audit was conducted to verify the level of assurance that may be placed on management's assertions on the financial statements; recommend agency improvement opportunities and determine the extent of implementation of prior year's audit recommendations.
3. The Agency's financial conditions, results of operations and cash flows as of December 31, 2019 are shown in the attached audited financial statements (B-F)
4. Deficiencies observed in the course of the audit were earlier communicated through Audit Observation Memoranda (AOM) and discussed with concerned Agency Officials in an exit conference conducted on February 5, 2020. Their comments were incorporated in

this letter, where appropriate. The significant audit observations and the recommendations shall be incorporated in the Consolidated Annual Audit Report (CAAR) on the Technical Education and Skills Development Authority for CY 2019.

## A. INTRODUCTION

### Agency Mandate and Organizational Structure

5. The Oroquieta Agro-Industrial School (OAIS) was created by virtue of Republic Act No. 4941 which was enacted on June 17, 1967. It started to offer secondary agricultural and industrial courses at its first campus site in Clarin Settlement, Oroquieta City. In 1977, the supervision and administration of the school was transferred to the Technical Education and Skills Development Authority (TESDA) by virtue of Republic Act No. 7796. It operated in its new and present site at Barangay Villaflor, Oroquieta City. Under TESDA, the school has built its capability of providing technical skills development to the different sectors of the society. With its vision to become one of the Center of Excellence (CENTEX) school administered by TESDA, it is committed to produce highly qualified and globally competitive manpower/workforce. Barangay Villaflor is two (2) kilometers away from the old campus site – Clarin Settlement. Students and clients take a two – kilometer ride from the heart of the city passing through cemented and passable road of the barangays. With the favorable climate, suitable agricultural land, availability of water supply and stable peace and order of the locality, OAIS has eventually expanded its services to meet the needs of its creasing clients. These visible advantages have set OAIS to work on its challenge to become a Career of Excellence as Technical Vocational Education and Training institution (TVET).

6. OAIS has equipped itself with various learning and work stations which are utilized for the actual hands-on training of the students in the different technology programs offered, as follows:

Animal Production NC II	Massage Therapy NC II
Poultry Chicken NC II	Pipefitting NC II
Ruminant NC II	Cookery NC II
Swine Production NC II	Driving NC II
Horticulture NC II	Dressmaking NC II
Food Processing NC II	Rubber Production NC II
Automotive Servicing NC I & II	Shielded Metal Arc Welding NC I & II
Beauty Care NC II– Nail Care Services	
Organic Agriculture Production NC II	
Electrical Installation & Maint. NC II	
Electronic Product Assembly & Servicing NC II	

7. OAIS has total personnel complement based on the approved DBM approved manpower complement of 28 plantilla positions, 22 were filled-up while 6 remained unfilled positions as presented in the following table:

Position	Total Plantilla	Filled Position	Unfilled Position
Vocational School Administrator II	1	1	0
Master Teacher I	2	1	1
Registrar III	1	1	0
Assistant Professor III	1	0	1
Assistant Professor I	3	3	0
Nurse II	1	0	1
Instructor II	3	3	0
Instructor I	5	3	2
School Librarian II	1	1	0
Administrative Officer II	1	1	0
Administrative Officer I	2	2	0
Administrative Aide III	2	2	0
Security Guard I	1	1	0
Farm Worker I	2	2	0
Watchman I	1	0	1
Administrative Aide I	1	1	0
<b>Total</b>	<b>28</b>	<b>22</b>	<b>6</b>

## B. Operational Highlights

Major Accomplishments:

8. For calendar year 2019, Technical Education and Skills Development Authority-Oroquieta Agro-Industrial School reported the significant accomplishments vis-à-vis its targets:

MAJOR FINAL OUTPUT (MFOs)	TARGET	ACCOMPLISHMENT	% OF ACCOMPLISHMENT
A. SCHOOL BASED TRAINING			
-Enrolled	1511	2795	184.98%
-Graduated	1450	2671	184%
B. COMMUNITY BASED TRAINING			
-Enrolled	463	628	136%
-Graduated	447	628	140%
C. DUALIZED TRAINING PROGRAM		(Enterprise-Based Training)	
-Enrolled	84	110	131%

-Graduated	81	91	112%
D. EMPLOYMENT			
-Wage-Employed TVET Graduates		31	
-Self-Employed TVET Graduates		308	
TOTAL EMPLOYMENT	395	339	85.82%
E. ASSESSMENT (ALL CLIENTS)			
-Total Assessed	4328	5800	134%
-Total Certified	3982	5489	138%
F. YP4SC (Career Guidance Profiling)		N/A	

### C. Financial Highlights

9. OAIS had an Agency Specific Budget of ₱14,481,000.00 under RA No. 11260, the General Appropriation Act (GAA) for Fiscal Year (FY) 2019. Allotments received from Regular Appropriations totaling ₱14,192,511.03 is augmented by allotments of ₱1,709,806.00 from the Special Purpose Fund and ₱1,056,403.20 from Automatic Appropriations, bringing the total allotments of ₱16,958,720.23. Out of the total allotments of ₱16,958,720.23, obligations amounted to ₱16,943,656.49, leaving an unobligated balance of ₱15,063.74 at year end, as shown in the following table:

Source of Funds	Appropriations	Allotments	Obligations Incurred	Unobligated Balance
<b>1. Agency Specific Budget</b>				
PS	10,835,000.00	12,261,422.45	12,261,422.45	-
MOOE	2,670,000.00	1,931,088.58	1,931,088.58	-
CO	-	-	-	-
<b>Total, Regular Appropriations</b>	<b>13,505,000.00</b>	<b>14,192,511.03</b>	<b>14,192,511.03</b>	<b>-</b>
<b>2. Specific Purpose Fund</b>				
Miscellaneous Personnel Benefit Fund(MPBF)	-	563,000.00	563,000.00	-
Pension Gratuity Fund (PGF)	-	1,146,806.00	1,146,806.00	-
<b>Total Special Purpose Fund</b>	<b>-</b>	<b>1,709,806.00</b>	<b>1,709,806.00</b>	<b>-</b>
<b>3. Automatic Appropriations</b>				
RLIP	976,000.00	1,056,403.20	1,041,339.46	15,063.74
Customs duties and taxes, including tax expenditures	-	-	-	-

<b>Total Automatic Appropriations</b>	<b>976,000.00</b>	<b>1,056,403.20</b>	1,041,339.46	15,063.74
<b>Grand Total</b>	<b>14,481,000.00</b>	<b>16,958,720.23</b>	<b>16,943,656.49</b>	<b>15,063.74</b>

10. The Agency's financial position and financial performance for CY 2019 with comparative figures for CY 2018 are shown below:

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
<b>Financial Position</b>		
Total Assets	55,886,835.34	38,084,019.66
Total Liabilities	(2,239,266.46)	(793,060.72)
Total Equity	53,647,568.88	37,290,958.94
<b>Financial Performance</b>		
Total Income	58,458,396.05	6,067,772.78
Less: Current Operating Expenses		
Personnel Services	15,098,282.44	13,113,861.58
Maintenance and Other Operating Expenses	43,810,536.40	11,357,059.83
Financial Expenses	1,760,761.55	-
Surplus (deficit) from Current Appropriation	(2,211,184.34)	(18,403,148.63)
Net Financial Assistance Subsidy	16,079,545.87	14,432,892.38

**Scope of Audit:**

11. The audit covered the accounts and operations of the TESDA Oroquieta Agro-Industrial School for Calendar Year (CY) 2019. The objectives of the audit were to ascertain the fairness of presentation of the accounts in the financial statements in accordance with International Public Sector Accounting Standards (IPSASs), determine the validity and propriety of the financial transactions and ascertain compliance with laws, rules and regulations. The audit focus for CY 2019 with reference to the unnumbered memorandum dated December 27, 2018 from NGS Cluster 5 Cluster Director regarding Specific Audit Instructions on the Audit of CY 2019 accounts and operations and the preparation of CY 2019 Management Letter are: (1) Cash, (2) Cash Advances, (3) Advances to Department of Budget and Management-Procurement Service (DBM-PS), (4) Receivables, (5) Inventories, (6) Prepayments, (7) Property, Plant and Equipment, (8) Other Payables, and (9) Revenue, (10) Expenses, (11) Fund Transfer, and (12) Fund Utilization.



## **B. SUMMARY OF SIGNIFICANT AUDIT OBSERVATIONS AND RECOMMENDATIONS**

12. The following is a summary of significant observations and recommendation among others, the details of which are discussed in Part C of the observations and recommendations of this ML.

13. Agency disbursements for payment of Other Remuneration Received and Suppliers of Agricultural Products amounting to P1,653,435.68 were not deducted of the applicable withholding tax, inconsistent with Section 2.78.1 and 2.57.2 of BIR Revenue Regulation No. 2-98 as amended thus, can become a revenue loss.

14. **We recommended that the Financial Management Section would compute for the applicable withholding taxes and communicate to those individuals/suppliers concerned so that their withholding taxes for the period shall be deducted from their subsequent claims for payment and to be remitted to the Bureau of Internal Revenue.**

## **C. DETAILED OBSERVATIONS AND RECOMMENDATIONS**

### **FINANCIAL AUDIT**

#### **Non-deduction of Applicable Withholding Tax**

15. **Agency disbursements for payment of Other Remuneration Received and Suppliers of Agricultural Products amounting to P1,653,435.68 were not deducted of the applicable withholding tax, inconsistent with Section 2.78.1 and 2.57.2 of BIR Revenue Regulation No. 2-98 as amended thus, can become a revenue loss.**

16. Section 2.78.1 provides for the definition of the kinds of Compensation subject to withholding taxes particularly letter "j" in the enumeration thereof. Other related concerns including the tax tables were also provided under this section.

17. Section 2.57.2 of the same regulation also provides for the Income Payments subject to Creditable Withholding Tax and Rates Prescribed thereon.

18. We have audited the Liquidation Documents for the period November 2018 to February 2019, consisting of 160 disbursements vouchers in the total amount of P4,882,184.50. Results of our audit showed that, out of the total disbursement, P1,653,435.68 were not deducted with the applicable withholding tax. The details are discussed in the succeeding paragraphs.

**Table 1: Summary of Disbursement Without Withholding Tax**

DATE	CHECK NO.	PAYEE	QUALIFICATION	Amount
<b>HONORIA OF TRAINER</b>				
28/11/2018	1481115	Minda S. Perales	Cookery	27,315.00
25/11/2018	1481116	Minda S. Perales	Cookery	25,266.38
17/12/2018	1481122	Minda S. Perales	Cookery	13,657.50
28/12/2018	1481132	Minda S. Perales	Cookery	6,145.88
15/01/2019	1481146	Minda S. Perales	Dressmaking	2,731.50
28/11/2018	1481115	Minda S. Perales	Dressmaking	10,926.00
28/11/2018	1481116	Minda S. Perales	Dressmaking	25,949.25
17/12/2018	1481122	Minda S. Perales	Dressmaking	13,657.50
28/12/2019	1481132	Minda S. Perales	Dressmaking	9,560.25
28/11/2018	1481115	Minda S. Perales	Pipefitting	10,926.00
28/11/2018	1481116	Minda S. Perales	Pipefitting	25,949.25
17/12/2018	1481122	Minda S. Perales	Pipefitting	9,560.25
28/11/2018	1481115	Minda S. Perales	Beauty Care	15,023.25
28/11/2018	1481116	Minda S. Perales	Beauty Care	25,949.25
17/12/2018	1481122	Minda S. Perales	Beauty Care	8,194.50
28/11/2018	1481115	Minda S. Perales	Automotive Servicing	30,046.50
28/11/2018	1481116	Minda S. Perales	Automotive Servicing	25,949.25
17/12/2018	1481122	Minda S. Perales	Automotive Servicing	13,657.50
15/01/2019	1481146	Minda S. Perales	Automotive Servicing	9,560.25
01/02/2019	1481152	Minda S. Perales	Automotive Servicing	19,120.50
11/02/2019	1481159	Minda S. Perales	Automotive Servicing	10,926.00
28/02/2019	1481160	Minda S. Perales	Automotive Servicing	10,926.00
28/11/2018	1481115	Minda S. Perales	Driving	10,926.00
28/11/2018	1481116	Minda S. Perales	Driving	16,389.00
15/01/2019	1481146	Minda S. Perales	Driving	12,291.75
01/02/2019	1481152	Minda S. Perales	Driving	15,023.25
15/02/2019	1481159	Minda S. Perales	Driving	12,291.75
28/02/2019	1481160	Minda S. Perales	Driving	6,828.75
<b>ALLOWANCE (LIVING)</b>				
10/12/2018	1481118	Minda S. Perales	Cookery	40,000.00
17/12/2018	1481120	Minda S. Perales	Cookery	40,000.00
15/01/2019	1481145	Minda S. Perales	Cookery	40,000.00
21/01/2019	1481148	Minda S. Perales	Cookery	40,000.00

08/02/2019	1481153	Minda S. Perales	Cookery	52,000.00
10/12/2018	1481118	Minda S. Perales	Dressmaking	40,000.00
17/12/2018	1481120	Minda S. Perales	Dressmaking	40,000.00
15/01/2019	1481145	Minda S. Perales	Dressmaking	40,000.00
21/01/2019	1481148	Minda S. Perales	Dressmaking	40,000.00
28/01/2019	1481151	Minda S. Perales	Dressmaking	24,000.00
10/12/2018	1481118	Minda S. Perales	Pipefitting	40,000.00
17/12/2018	1481120	Minda S. Perales	Pipefitting	40,000.00
15/01/2019	1481145	Minda S. Perales	Pipefitting	40,000.00
21/01/2019	1481148	Minda S. Perales	Pipefitting	16,000.00
10/12/2018	1481118	Minda S. Perales	Beauty Care	40,000.00
17/12/2018	1481120	Minda S. Perales	Beauty Care	40,000.00
15/01/2019	1481145	Minda S. Perales	Beauty Care	40,000.00
21/01/2019	1481148	Minda S. Perales	Beauty Care	24,000.00
10/12/2018	1481118	Minda S. Perales	Automotive Servicing	40,000.00
17/12/2018	1481120	Minda S. Perales	Automotive Servicing	40,000.00
15/01/2019	1481145	Minda S. Perales	Automotive Servicing	40,000.00
21/01/2019	1481148	Minda S. Perales	Automotive Servicing	40,000.00
28/01/2019	1481151	Minda S. Perales	Automotive Servicing	40,000.00
11/02/2019	1481158	Minda S. Perales	Automotive Servicing	40,000.00
10/12/2018	1481118	Minda S. Perales	Driving	40,000.00
17/12/2018	1481120	Minda S. Perales	Driving	40,000.00
21/01/2019	1481148	Minda S. Perales	Driving	40,000.00
28/01/2019	1481151	Minda S. Perales	Driving	40,000.00
11/02/2019	1481158	Minda S. Perales	Driving	40,000.00
<b>T-SHIRTS</b>				
28/12/2018	1481131	OAIS	Cookery	11,250.00
28/12/2018	1481131	OAIS	Dressmaking	11,250.00
28/12/2018	1481131	OAIS	Beauty Care	11,250.00
18/12/2018	1481131	OAIS	Driving	11,250.00
<b>SUPPLIES AND MATERIALS</b>				
04/01/2019	1481133	Lee R. Catane	Cookery	23,610.00
17/12/2018	1481123	Procurement Services	Pipefitting	14,492.16
09/01/2019	1481140	Procurement Services	Pipefitting	26,830.26
28/11/2018	1481112	Ruben A. Torremucha	Beauty Care	955.00
28/11/2018	1481117	Minda S. Perales	Driving	1,800.00
<b>TOTAL</b>				<b>1,653,435.68</b>

19. We recommended that the Financial Management Section would compute for the applicable withholding taxes and communicate to those individuals/suppliers concerned so that their withholding taxes for the period shall be deducted from their subsequent claims for payment and to be remitted to the Bureau of Internal Revenue.

20. The management commented that their office immediately reviewed all the vouchers submitted and were found out that no deductions made to the applicable withholding tax individuals/suppliers. However, we facilitate and deducted all the necessary taxable items to all concerned for their subsequent claims and ensure payment and remittances to Bureau of Internal Revenue (BIR). For this, we are now keen in observing deductions to those individuals/suppliers who are entitled/applicable for withholding taxes.

#### COMPLIANCE AUDIT

21. There were no deficiencies noted in the compliance audit.

#### SETTLEMENT OF SUSPENSIONS, DISALLOWANCES AND CHARGES

22. For Calendar Year 2019 status of suspensions, disallowances and charges of TESDA-OAIS is shown hereunder:

	Beginning Balance As of December 31, 2018	This period January 1 to December 31, 2019 (See Below)		Ending Balance As of December 31, 2019
		NS/ND/NC	NSSDC	
Notice of Suspensions	₱2,149,089.24	41,468.70	2,154,107.94	36,450.00
Notice of Disallowance	333,500.00	0.00	333,500.00	0.00
Notice of Charge	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>₱2,482,589.24</b>	<b>41,468.70</b>	<b>2,487,607.94</b>	<b>36,450.00</b>

#### GENDER AND DEVELOPMENT

23. For CY 2019, the school designed a plan that recognizes the fundamental equality before the law of men and women. In line with these objectives, the Agency expended P555,412.00, out of the total appropriation of P555,000.00.

24. Hereunder, are the Gender and Development Activities of the school as per accomplishment shown below:

GAD Activity	Performance Indicator /Targets	Actual Result (Outputs/ Outcomes)	Total Agency Approved Budget	Actual Cost /Expenditure
<b>Client-Focused</b>				
Conduct training on basic competencies with Gender Sensitive Curriculum and Trainer's Manual developed under GREAT Women Project	Number of male and female enrollees trained on basic competencies with Gender Sensitive Curriculum TARGET: Male =3290 Female= 1269	<b>1,279 = Male 1,516 = Female enrollees trained in basic competencies with Gender Sensitive Modules</b>	13,100.00	46,114.00
Conduct short term training (cluster of competencies) specific to the needs of women in the selected barangays/communities	Number of short-term training (cluster of competencies) conducted TARGET:773	<b>459 = female conducted short term training in various qualifications in the barangays</b>	54,800.00	54,521.00
Provide skills training program according to the needs/skills requirements of Indigenous Peoples (IPs)/Cultural Communities and submit monitoring reports on the skills training program provided	"Number of women IPs provided with skills training program and number of monitoring reports prepared	<b>•5 special skills training program conducted, Re; Poultry-chicken, Swine, Ruminants, Dressmaking and Cookery. •557 IPs provided with Special Skills training; Male = 98 pax Female= 459 pax</b>	15,570.00	14,570.00
Refer/indorse female TVET graduates to job opportunities	Number of female TVET graduates referred/indorsed for job opportunities TARGET: Female = 692	<b>136 TVET graduates refered for employment (100=Male, 36=female)</b>	7,645.00	7,500.00
	Number of skills training program conducted Target: 23	<b>17 Male victims of drug related cases conducted training in 6 qualifications; Re; Animal</b>	37,800.00	33,014.00

GAD Activity	Performance Indicator /Targets	Actual Result (Outputs/ Outcomes)	Total Agency Approved Budget	Actual Cost /Expenditure
		<b>Production (Ruminants), Pipefitting, EIM, EPAS, Cookery and SMAW NC II</b>		
Provide application for training and scholarship program to the women in the remote barangays thru Barangay Skills Needs Survey (BSNS)	Number of women applicants in the remote barangays provided training/scholarships program and Number of monitoring reports prepared and submitted TARGET: 330 TARGET: 15 reports	<b>156 = female provided skills training in the remote barangays thru Barangay Skills Needs Survey (BSNS)</b>	39,361.00	14,570.00
Coordinate/refer/provide/conduct free competency assessment and certification to skilled women workers and prepare/submit monitoring reports	Number of skilled women workers referred/provide d free competency assessment and certification and monitoring reports prepared and submitted - TARGET: 1232	<b>156 Female enrolled and graduated in non-traditional qualifications; Re; Automotive Servicing= 2 Carpentry= 38 SMAW=10 Pipefitting=8 EIM=8 EPAS= 28 Masonry= 62</b>	26,554.00	14,570.00
Provide livelihood/skills training program for the repatriated/displaced OFW women according to their needs/skills requirements	Number of livelihood/skills training program provided to the repatriated/displ aced OFW women TARGET: 8 with 56 beneficiaries	<b>6 skills training/ program provided to OFWs according their skills requirements</b>	43,827.00	34,660.00

GAD Activity	Performance Indicator /Targets	Actual Result (Outputs/ Outcomes)	Total Agency Approved Budget	Actual Cost /Expenditure
<b>Organization-Focused</b>				
Organize and or participate in activities in support of the 18-Day Campaign to End VAW	Number of activities organized and or participated in support of the 18-Day Campaign to End VAW and Number of participants attended - TARGET: 11 with 75 participants	<b>1= activity participated in support of the 18th day Campaign to end VAW (Parade at the Prov'l Capitol on November 25, 2019)</b>	14,097.00	11,144.00
Provide TESDA-10 members of GFPS and GAD focals capacity building programs on GAD and or send to conferences/ meetings, forum, seminars on GAD related concerns/training/programs	Number of TESDA-10 GFPS, GAD focals provided/conducted with capacity building programs on GAD and or attended conferences/meetings, forum, seminars on GAD related concerns/programs TARGET: = 60 in 2 batches	<b>2 GAD Focals</b>	23,103.00	17,575.00
Organize and or participate in the activities in celebration of the National Women's Month	Number of activities organized and or participated in celebration of Women's Month and Number of participants attended TARGET: 16 with 87 staff/personnel	<b>1 =activity participated (LGU-Parade) in celebration of 2019 Women's Month</b>	22,748.00	17,344.00

GAD Activity	Performance Indicator /Targets	Actual Result (Outputs/ Outcomes)	Total Agency Approved Budget	Actual Cost /Expenditure
Process and update sex disaggregated EGACE data in the TESDA Monitoring System	Number of reports on sex disaggregated database processed and updated monthly- TARGET: 192	1 sex disaggregated EGACE data maintained & updated monthly by the MoNet focal	23,139.00	41,119.00
Develop advocacy materials (brochures, flyers, newsletter, success stories, video, etc. ) on GAD/TESDA programs and services	Number of advocacy materials (brochures, flyers, newsletter, success stories, etc.) developed - TARGET: 1283	600 = flyers/brochures/newsletters developed 4=Success Stories submitted/document ed	13,620.00	3,620.00
Conduct workshop among GFPS members to formulate the Annual GAD Plan and Budget and GAD Accomplishment Report of TESDA Region 10	Number of consolidated GAD Plan and Budget (GPB) and Accomplishment Report (AR) prepared and submitted- TARGET: 16 Operating Units 2021 GPB and 2019 GAD AR reviewed and 1 Region 10 consolidated report of 2021 GPB and 2019 GAD-AR submitted online to PCW GMMS	1 GAD Accomplishment Report and 1 GAD 2020 Plan & Budget prepared & submitted	27,673.00	24,692.00
Coordinate and establish connections with NGAs/ LGU/NGOs during the conduct of activities such. National Women's Month Celebration, Livelihood skills training program for women, and other GAD related activities, etc. .	Number of organizations/ partners collaborated for GAD related programs - TARGET: 18	1= partner organization collaborated (LGU-Oroquieta )	7,500.00	10,291.00



GAD Activity	Performance Indicator /Targets	Actual Result (Outputs/ Outcomes)	Total Agency Approved Budget	Actual Cost /Expenditure
Provide/Conduct capacity building on GAD programs (GST, gender analysis, etc.) and other GAD related training to TTI employees who are not members of the GFPS	Number of capacity building programs on GAD (GST, gender analysis, etc.) and other GAD related training provided/conducted to TTI employees who are not members of the GFPS TARGET: = 8, 181 pax	<b>1= Capability Building/GST on GAD conducted 1=good practice replicated 29= employees attended (November 7-9, 2019 @ Lazi Technical Institute, Siquijor) P 210,108.00)</b>	184,463.00	210,108.00

#### COMPLIANCE WITH TAX LAWS

25. During the year 2019, the agency was able to withheld taxes from the salaries of its employees and officials and from purchases of goods and services in the total amount of ₱461,800.15 in compliance to revenue regulations. Total remittances to the Bureau of Internal Revenue were ₱432,427.49 of taxes withheld from the salaries of its officials and employees and ₱29,372.66 from purchases of goods and services. Details are shown below

MONTH	TAXES WITHHELD	AMOUNT WITHHELD	AMOUNT REMITTED	BALANCE
January 1 to December 31, 2019	Employees withholding tax	432,427.49	432,427.49	0.00
January 1 to December 31, 2019	Taxes withheld from purchases of goods & services	843,631.12	843,631.12	0.00
<b>TOTAL</b>		<b>1,276,058.61</b>	<b>1,276,058.61</b>	<b>0.00</b>

**D. STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT  
RECOMMENDATIONS**

26. We made a follow-up on the action taken by the Management to implement the recommendations of prior years and noted the following:

<b>Status of Implementation</b>	<b>No. of Recommendations</b>
Fully Implemented	9
Partially Implemented	8
<b>Total</b>	<b>17</b>

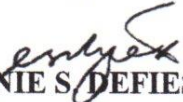
27. The results of the validation of the implementation of prior year's recommendations are presented in Annex J.

**E. ACKNOWLEDGMENT**

28. We wish to express our appreciation to the Management and Staff of Technical Education and Skills Development Authority-Oroquieta Agro-Industrial School for the cooperation and assistance extended to our audit team during the audit.

29. We request a status report, by accomplishing the attached Agency Action Plan and Status of Implementation (AAPSI) form, on the actions taken on the audit recommendations be submitted within 60 days from receipt of this report, pursuant to Section 99 of the General Provisions of the General Appropriations Act FY 2019 (R.A. 11260).

Very truly yours,

  
**ELNIE S. DEFIESTA**  
State Auditor IV  
Audit Team Leader

Copy furnished:

**The Supervising Auditor**  
Commission on Audit Cluster 5  
Education and Employment  
Quezon City

**The Regional Director**  
Commission on Audit  
Regional Office No. X  
Cagayan de Oro City

**The Regional Supervising Auditor**  
Commission on Audit  
Regional Office No. X  
Cluster 5- Education and Employment  
Cagayan de Oro City

File

AGENCY ACTION PLAN and STATUS of IMPLEMENTATION  
 Audit Observations and Recommendations  
 For the Calendar Year 2019

Ref	Audit Observation	Audit Recommendation	Agency Action Plan				Status of Implementation	Reason for Delay/ Partial/ Non-implementation if applicable	Action Taken/ Action to be Taken	Auditor's Validation
			Action Plan	Person/ Dept. Responsible	Target Implementation date					
					From	To				

## *ANNEXES*

<b>Annex Letter</b>	<b>Particulars</b>
<b>A</b>	Statement of Management's Responsibility for Financial Statements
<b>B</b>	Condensed Statement of Financial Position for CY 2019 with Comparative Figures for CY 2018
<b>C</b>	Detailed Statement of Financial Position CY 2019 With Comparative Figures for CY 2018
<b>D</b>	Condensed Statement of Financial Performance for CY 2019 with Comparative Figures for CY 2018
<b>E</b>	Detailed Statement of Financial Performance for CY 2019 with Comparative Figures for CY 201
<b>F</b>	Comparative Cash Flows for CY 2019
<b>G</b>	Statement of Changes in Net Assets/Equity for CY 2019 with Comparative Figures for CY 2018
<b>H</b>	Statement of Comparison of Budget and Actual Amount for CY 2019
<b>I</b>	Notes to Financial Statements
<b>J</b>	Status of Implementation of Prior Year's Audit Recommendations



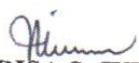
Republic of the Philippines  
**Technical Education and Skills Development Authority**  
Region – 10  
**OROQUIETA AGRO-INDUSTRIAL SCHOOL**  
*Purok 3, Villaflor, Oroquieta City*



## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of OROQUIETA AGRO-INDUSTRIAL SCHOOL is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2019 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the quarter ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

  
**MARISA S. JUMALON**  
Administrative Officer II

  
**ENGR. LEE R. CATANE**  
Head of Agency

*Annex B*

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY-10  
 Oroquieta Agro- Industrial School  
 CONDENSED STATEMENT OF FINANCIAL POSITION  
 ALL FUNDS  
 AS OF DECEMBER 31, 2019  
 (with comparative figures of CY 2018)

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	16,163,637.20	2,646,045.39
Receivables	474,665.41	793,665.41
Inventories	10,327,335.02	9,596,216.09
Investments	0.00	0.00
Other Current Assets	0.00	0.00
<b>Total Current Assets</b>	<u>26,965,637.63</u>	<u>13,035,926.89</u>
<b>Non - Current Assets</b>		
Investments	0.00	0.00
Investment Property	0.00	0.00
Property, Plant and Equipment	24,555,125.04	22,965,312.83
Biological Assets	907,686.84	907,686.84
Intangible Assets	0.00	0.00
Other Assets	3,458,385.83	1,175,093.10
<b>Total Non-Current Assets</b>	<u>28,921,197.71</u>	<u>25,048,092.77</u>
<b>Total Assets</b>	<u><u>55,886,835.34</u></u>	<u><u>38,084,019.66</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Financial Liabilities	0.00	0.00
Inter-Agency Payables	2,239,266.46	793,060.72
Intra-Agency Payables	0.00	0.00
Trust Liabilities	0.00	0.00
Deferred Credits/Unearned Income	0.00	0.00
<b>Total Current Liabilities</b>	<u>2,239,266.46</u>	<u>793,060.72</u>
<b>Total Liabilities</b>	<u><u>2,239,266.46</u></u>	<u><u>793,060.72</u></u>
<b>NET ASSETS/EQUITY</b>		
Accumulated Surplus/(Deficit)	17,984,134.90	(1,555,581.33)
<b>Net Assets/Equity</b>	<u>53,647,568.88</u>	<u>37,290,958.94</u>
<b>Total Net Assets/Equity</b>	<u><u>55,886,835.34</u></u>	<u><u>38,084,019.66</u></u>

*Annex C*

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY-10**  
**Oroquieta Agro- Industrial School**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**ALL FUNDS**  
**AS OF DECEMBER 31, 2019**  
*(with comparative figures of CY 2018)*

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	<b>16,163,637.20</b>	<b>2,646,045.39</b>
Treasury/Agency Cash Accounts		<b>0.00</b>
Cash Modified Disbursement System (MDS)		
Trust Account		0.00
Cash in Bank - Local Currency	<b>16,163,637.20</b>	<b>2,646,045.39</b>
Cash in Bank - Local Currency, Current Account		2,646,045.39
Receivables	<b>474,665.41</b>	<b>793,665.41</b>
Loans and Receivable Accounts	<b>454,430.87</b>	<b>773,430.87</b>
Accounts Receivable	157,530.00	476,530.00
<i>Allowance for Impairment - Accounts Receivable</i>		
<i>Net Value - Accounts Receivable</i>		
<i>Due from Bureaus</i>	296,900.87	296,900.87
Other Receivables	<b>20,234.54</b>	<b>20,234.54</b>
Due from Officers and Employees		
Other Receivables	20,234.54	20,234.54
Inventories	<b>10,327,335.02</b>	<b>9,596,216.09</b>
Inventory Held for Consumption	10,327,335.02	9,596,216.09



Office Supplies Inventory	745,347.33	384,639.02
Other Supplies and Materials Inventory	8,079,775.35	7,483,094.00
Accountable Forms, Plates and Stickers	39,502.50	39,502.50
Drugs and Medicines Inventory	74,519.80	57,810.80
Fuel, Oil and Lubricants Inventory	136,963.67	156,988.98
Agricultural and Marine Supplies Inventory	201,773.88	179,727.30
Textbooks and Instructional Materials Inventory	3,244.00	3,244.00
Construction Materials Inventory	1,046,208.49	1,291,209.49
<b>Total Current Assets</b>	<b>26,965,637.63</b>	<b>13,035,926.89</b>
<b>Property, Plant and Equipment</b>	<b>24,555,125.04</b>	<b>22,965,312.83</b>
Land	<b>3,384,603.15</b>	<b>3,384,603.15</b>
Land	3,384,603.15	3,384,603.15
Accumulated Impairment Losses- Land		
Net Value	3,384,603.15	3,384,603.15
Land Improvements	<b>464,379.74</b>	<b>46,379.74</b>
Other Land Improvements	881,797.36	463,797.36
Accumulated Depreciation - Other Land Improvements	(417,417.62)	(417,417.62)
Net Value	464,379.74	46,379.74
Buildings and Other Structures	<b>9,021,340.28</b>	<b>6,912,136.86</b>
School Buildings	11,655,206.97	11,655,206.97
<i>Accumulated Depreciation - School Buildings</i>	(6,215,146.27)	(5,736,240.17)
<i>Accumulated Impairment Losses - School Buildings</i>		
Net Value	<b>5,440,060.70</b>	<b>5,918,966.80</b>
<i>Hostels and Dormitories</i>	2,646,396.55	2,646,396.55
<i>Accumulated Depreciation- Hostels and Dormitories</i>	(1,844,384.97)	(1,653,226.49)

<i>Net Value</i>	<b>802,011.58</b>	<b>993,170.06</b>
Machinery and Equipment	<b>9,265,283.06</b>	<b>10,983,285.62</b>
Machinery	114,982.00	238,381.20
Accumulated Depreciation- Machinery	(103,483.80)	(193,843.08)
<i>Net Value</i>	<b>11,498.20</b>	<b>44,538.12</b>
Office Equipment	2,538,190.07	12,030,403.92
<i>Accumulated Depreciation - Office Equipment</i>	(1,724,945.77)	(9,797,856.83)
<i>Accumulated Impairment Losses - Office Equipment</i>		
<i>Net Value</i>	<b>813,244.30</b>	<b>2,232,547.09</b>
Information and Communication Technology Equipment	11,263,013.21	11,847,853.01
<i>Accumulated Depreciation - Information and Communication Technology Equipment</i>	(4,626,722.98)	(4,577,051.35)
<i>Accumulated Impairment Losses - Information and Communication Technology Equipment</i>		
<i>Net Value</i>	<b>6,636,290.23</b>	<b>7,270,801.66</b>
Communication Equipment	82,980.00	163,279.00
<i>Accumulated Depreciation - Communication Equipment</i>	(74,682.00)	(126,894.60)
<i>Accumulated Impairment Losses - Communication Equipment</i>		
<i>Net Value</i>	<b>8,298.00</b>	<b>36,384.40</b>
Construction and Heavy Equipment	214,200.00	286,654.00
<i>Accumulated Depreciation- Construction &amp; Heavy Equipment</i>	(172,488.60)	(138,288.60)
<i>Net Value</i>	<b>41,711.40</b>	<b>148,365.40</b>
Disaster Response and Rescue Equipment	5,600.00	106,370.00
<i>Accumulated Depreciation - Disaster Response and Rescue Equipment</i>		(95,733.00)
<i>Accumulated Impairment Losses - Disaster Response and Rescue Equipment</i>		
<i>Net Value</i>	<b>5,600.00</b>	<b>10,637.00</b>

Technical and Scientific Equipment	11,174,204.25	4,453,880.23
<i>Accumulated Depreciation - Technical and Scientific Equipment</i>	<u>(9,695,271.32)</u>	<u>(3,727,192.08)</u>
<i>Accumulated Impairment Losses - Technical and Scientific Equipment</i>		
<i>Net Value</i>	<u><b>1,478,932.93</b></u>	<u><b>726,688.15</b></u>
<i>Other Machinery and Equipment</i>	1,335,380.00	1,889,638.05
<i>Accumulated Depreciation- Other Machinery &amp; Equipment</i>	<u>(1,065,672.00)</u>	<u>(1,376,314.25)</u>
<i>Net Value</i>	<u><b>269,708.00</b></u>	<u><b>513,323.80</b></u>
Transportation Equipment	<u><b>1,546,708.38</b></u>	<u><b>196,765.90</b></u>
Motor Vehicles	2,239,554.00	839,554.00
<i>Accumulated Depreciation - Motor Vehicles</i>	<u>(692,845.62)</u>	<u>(642,788.10)</u>
<i>Accumulated Impairment Losses - Motor Vehicles</i>		
<i>Net Value</i>	<u><b>1,546,708.38</b></u>	<u><b>196,765.90</b></u>
Furniture, Fixtures and Books	<u><b>872,810.43</b></u>	<u><b>1,442,141.56</b></u>
Furniture and Fixtures	1,085,205.00	2,206,109.99
<i>Accumulated Depreciation - Furniture and Fixtures</i>	<u>(751,449.60)</u>	<u>(1,303,023.46)</u>
<i>Accumulated Impairment Losses - Furniture and Fixtures</i>		
<i>Net Value</i>	<u><b>333,755.40</b></u>	<u><b>903,086.53</b></u>
Books	1,909,260.29	1,909,260.29
<i>Accumulated Depreciation - Books</i>	<u>(1,370,205.26)</u>	<u>(1,370,205.26)</u>
<i>Accumulated Impairment Losses - Books</i>		
<i>Net Value</i>	<u><b>539,055.03</b></u>	<u><b>539,055.03</b></u>
<b>Biological Assets</b>		
Bearer Biological Assets	<u>907,686.84</u>	<u>907,686.84</u>
Breeding Stocks	907,686.84	907,686.84
Accumulated Impairment Loses- Breeding Stocks	<u>0</u>	<u>0.00</u>

Net Value	907,686.84	907,686.84
<b>Other Non- Current Assets</b>	<u>3,458,385.83</u>	<u>1,175,093.10</u>
Other Assets	6,646,369.18	630,803.31
Accumulated Impairment Losses- Other Assets	<u>(4,158,790.63)</u>	<u>                    </u>
Net Value	2,487,578.55	630,803.31
Confiscated.Assets	397,194.00	397,194.00
Accumulated Impairment Losses- Confiscated Assets	<u>                    </u>	<u>0.00</u>
Net Value	397,194.00	397,194.00
Advances	<u>515,497.49</u>	<u>88,980.00</u>
Advances to Contractors	88,980.00	88,980.00
Advances to Officers and Employees	426,517.49	
Prepayments	<u>49,217.00</u>	<u>49,217.00</u>
Prepaid Registration	23,620.00	23,620.00
Prepaid Insurance	25,597.00	25,597.00
Deposits	<u>8,898.79</u>	<u>8,898.79</u>
Guaranty Deposits	8,898.79	8,898.79
<b>Total Non-Current Assets</b>	<u>4,366,072.67</u>	<u>25,048,092.77</u>
<b>TOTAL ASSETS</b>	<u><u>55,886,835.34</u></u>	<u><u>38,084,019.66</u></u>
<b>Liabilities</b>		
<b>Current Liabilities</b>	2,239,266.46	793,060.72
Financial Liabilities		
Payables		
Accounts Payable	2,915.00	0.00

Inter-Agency Payables	<u>2,236,351.46</u>	<u>793,060.72</u>
Due to Pag-ibig	13,291.75	385.96
Due to Philhealth	232.55	(0.81)
Due to BIR	568,728.09	481,191.30
Due to GSIS	(11,064.23)	(7,399.85)
Other Payables	<u>69,038.55</u>	<u>318,884.12</u>
<b>Total Current Liabilities</b>	<u>2,236,351.46</u>	<u>793,060.72</u>
<b>Total Liabilities</b>	<u>2,239,266.46</u>	<u>793,060.72</u>
Equity	<u>35,663,433.98</u>	<u>38,846,540.27</u>
Accumulated Surplus/(Deficit)	17,984,134.90	(1,555,581.33)
Accumulated Surplus/(Deficit)		
<b>Net Assets/Equity</b>	<u>53,647,568.88</u>	<u>37,290,958.94</u>
<b>Total Net Assets/Equity</b>	<u><u>55,886,835.34</u></u>	<u><u>38,084,019.66</u></u>

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY-10**  
**Oroquieta Agro- Industrial School**  
**CONDENSED STATEMENT OF FINANCIAL PERFORMANCE**  
**ALL FUNDS**  
**For the Year Ended December 31, 2019**  
*(with comparative figures of CY 2018)*

	<u>2019</u>	<u>2018</u>
<b>Revenue</b>		
Tax Revenue	0.00	0.00
Service Income & Business Income	58,458,396.05	6,067,772.78
Shares, Grants and Donations		75,124.40
Subsidy Income From National Government	16,079,545.87	14,432,892.38
Subsidy Income From Other National Government Agencies		0.00
Subsidy from Regional Office	942,914.23	712,025.56
Due to Regional Offices	3,172,859.14	1,627,524.96
Donation - Kind	0.00	0.00
<b>Total Revenue</b>	<u>78,653,715.29</u>	<u>22,915,340.08</u>
<b>Less: Current Operating Expenses</b>		
Personnel Services	15,098,282.44	13,113,861.58
Maintenance and Other Operating Expenses	43,810,536.40	11,357,059.83
Financial Expenses	1,760,761.55	0.00
Direct Costs		0.00
Non-Cash Expenses		0.00
<b>Current Operating Expenses</b>	<u>60,669,580.39</u>	<u>24,470,921.41</u>
<b>Surplus/(Deficit) from Current Operations</b>	<u>17,984,134.90</u>	<u>(1,555,581.33)</u>

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY-10**  
**Oroquieta Agro- Industrial School**  
**DETAILED STATEMENT OF FINANCIAL PERFORMANCE**  
**ALL FUNDS**  
**FOR THE YEAR ENDED, DECEMBER 31, 2019**  
*(with comparative figures of CY 2018)*

	<u>2019</u>	<u>2018</u>
<b>Revenue</b>		
<b>Service and Business Income</b>		
Service Income	-	4,732,771.75
Business Income	<u>58,458,396.05</u>	<u>1,335,001.03</u>
<b>Total Service and Business Income</b>	<u>58,458,396.05</u>	<u>6,067,772.78</u>
<b>Shares, Grants and Donations</b>		
Income from Grants and Donations - Kind	-	<u>75,124.40</u>
<b>Total Grants and Donations</b>		<u>75,124.40</u>
<b>Subsidy Income From National Govt.</b>	16,079,545.87	14,432,892.38
<b>Subsidy from Other National Govt.</b>	-	-
Subsidy from Regional Office	942,914.23	712,025.56
Due to Regional Offices	3,172,859.14	1,627,524.96
Donation - Kind		<u>0.00</u>
<b>Total Revenue</b>	<u>78,653,715.29</u>	<u>22,915,340.08</u>
<b>Less Current Operating Expenses</b>		
<b>Personnel Services</b>		
<b>Salaries and Wages</b>		
Salaries and Wages - Regular	8,258,225.85	7,876,885.50
Salaries and Wages - Casual	<u>420,456.79</u>	<u>345,398.79</u>
<b>Total Salaries and Wages</b>	<u>8,678,682.64</u>	<u>8,222,284.29</u>
<b>Other Compensation</b>		

Personal Economic Relief Allowance (PERA)	716,000.00	713,354.84
Representation Allowance (RA)	60,000.00	60,000.00
Transportation Allowance (TA)	60,000.00	60,000.00
Clothing/Uniform Allowance	180,000.00	174,000.00
Subsistence Allowance	23,760.00	23,760.00
Productivity Incentive Allowance		
Step Increment		
Other Bonuses and Allowances	348,204.00	-
Bonus- Civilian	1,437,802.00	1,492,678.50
Cash Gift- Civilian	135,000.00	-
PEI	140,000.00	-
Performance Based Bonus Civilian	537,500.00	-
Year End Bonus	-	-
<b>Total Other Compensation</b>	<b><u>3,638,266.00</u></b>	<b><u>2,523,793.34</u></b>
<b>Personnel Benefit Contributions</b>		
Retirement and Life Insurance Premiums	1,014,924.18	984,687.95
Pag-IBIG Contributions	32,800.00	35,900.00
PhilHealth Contributions	111,166.43	108,314.55
Employees Compensation Insurance Premiums	35,068.00	35,368.00
<b>Total Personnel Benefits</b>	<b><u>1,193,958.61</u></b>	<b><u>1,164,270.50</u></b>
<b>Other Personnel Benefits</b>		
Terminal Leave Benefits		-
Productivity Enhancement Incentives		
Other Personnel Benefits	1,587,375.19	1,203,513.45
<b>Total Other Personnel Benefits</b>	<b><u>1,587,375.19</u></b>	<b><u>1,203,513.45</u></b>
<b>Total Personnel Services</b>	<b><u>15,098,282.44</u></b>	<b><u>13,113,861.58</u></b>
<b>Maintenance and Other Operating Expenses</b>		
<b>Traveling Expenses</b>		
Traveling Expenses - Local	1,900,303.94	625,099.10
Traveling Expenses - Foreign	-	-



<b>Total Travelling Expense</b>	<b><u>1,900,303.94</u></b>	<b><u>625,099.10</u></b>
<b>Training and Scholarship Expenses</b>		
Training Expenses	18,570,756.19	4,265,473.82
Scholarship Grants/Expenses	<u>7,364,900.00</u>	<u>240,100.00</u>
<b>Total Training and Scholarship Expense</b>	<b><u>25,935,656.19</u></b>	<b><u>4,505,573.82</u></b>
<b>Supplies and Materials Expenses</b>		
Office Supplies Expenses	194,593.02	234,344.53
Drugs and Medicines Expenses	13,582.15	-
Fuel, Oil and Lubricants Expenses	190,029.90	108,030.16
Other Supplies and Materials Expenses	4,956,016.76	237,371.98
Agricultural and Marine Supplies Expense	<u>1,482,293.31</u>	<u>1,495,150.28</u>
<b>Total Supplies and Materials Expense</b>	<b><u>6,836,515.14</u></b>	<b><u>2,074,896.95</u></b>
<b>Utility Expenses</b>		
Water Expenses	11,518.31	23,797.97
Electricity Expenses	<u>108,928.65</u>	<u>565,151.46</u>
<b>Total Utility Expense</b>	<b><u>120,446.96</u></b>	<b><u>588,949.43</u></b>
<b>Communication Expenses</b>		
Postage and Courier Services	2,799.84	1,864.00
Telephone Expenses- mobile	47,303.02	40,238.71
Telephone Expenses - landline	114,354.17	66,084.88
Internet Subscription Expenses	8,495.60	55,335.15
Cable, Satellite, Telegraph and Radio Expenses	<u>-</u>	<u>-</u>
<b>Total Communication Expense</b>	<b><u>172,952.63</u></b>	<b><u>163,522.74</u></b>
<b>Professional Services</b>		
Legal Services	4,850.00	16,800.00
Consultancy Services	-	-
Awards/Rewards Expenses	<u>125,000.00</u>	<u>25,000.00</u>

Auditing Services	-	-
Other Professional Services	1,575,700.00	282,300.00
<b>Total Professional Services</b>	<b>1,705,550.00</b>	<b>324,100.00</b>
<b>General Services</b>		
Advertising Expense	-	-
Rent/ Lease Expense	-	-
Janitorial Services	-	-
Security Services	479,675.48	404,800.00
Other General Services	4,957,802.74	1,112,704.46
Transportation & Delivery Expense	7,010.91	-
<b>Total General Services</b>	<b>5,444,489.13</b>	<b>1,517,504.46</b>
<b>Repairs and Maintenance</b>		
Repairs and Maintenance- School Building	323,662.00	60,950.00
Repairs and Maintenance- Furniture and Fixtures	13,700.00	2,400.00
Repairs and Maintenance -Buildings and Other Structure	-	-
Repairs and Maintenance - Machinery and Equipment	52,900.00	6,060.81
Repairs and Maintenance - Transportation Equipment	114,358.24	3,162.81
Repairs and Maintenance - Furniture and Fixtures	-	-
Repairs and Maintenance - Other Property, Plant and Equipment	-	-
Repairs and Maintenance- Motor Vehicles	-	-
<b>Total Repairs and Maintenance</b>	<b>504,620.24</b>	<b>72,573.62</b>
<b>Taxes, Insurance Premiums and Other Fees</b>		
Taxes, Duties & Licenses	-	-
Fidelity Bond Premium	366,715.85	-
Insurance Expenses	15,704.12	11,312.29
<b>Total Taxes, Insurance Premiums and Other Fees</b>	<b>382,419.97</b>	<b>11,312.29</b>
<b>Other Maintenance and Operating Expenses</b>		
Advertising Expenses	2,500.00	10,500.00
Rent/ Lease Expenses	-	-
Printing and Publication Expenses	-	-
Representation Expenses	-	-

Bank Charges	100.00	10,000.00
Cable, Satellite, Telegraph & Radio Expenses	-	-
Other Maintenance and Operating Expenses	804,982.20	1,453,027.42
Accountable Form Expense	-	-
<b>Total Other Maintenance and Other Operating Expense</b>	<b>807,582.20</b>	<b>1,473,527.42</b>
<b>Total Maintenance and Other Operating Expenses</b>	<b>43,810,536.40</b>	<b>11,357,059.83</b>
<b>Depreciation</b>		
Depn-Land Improvements	-	-
Depn-Hostels & Dormitories	191,158.48	-
Depn-Communication Equipment	11,078.10	-
Depn- Building & Other Structure	478,906.10	-
Depn-Office Equipment	42,498.90	-
Depn-Construction & Heavy Equipment	34,200.00	-
Depn-ICT	3,330.00	-
Depn- Building & Other Structure	-	-
Depn-Communication Equipment	-	-
Depn-Machinery	10,060.65	-
Depn-Office Equipment	-	-
Depn-Disaster Response and Rescue Equipment	-	-
Depn-Other Machinery & Equipment	694,370.44	-
Depn-Furniture & Fixture	244,291.36	-
Depn-Books	-	-
Depn-Motor Vehicle	50,057.52	-
Depn-Technical and Scientific Equipment	810.00	-
<b>Total Depreciation</b>	<b>1,760,761.55</b>	<b>-</b>
<b>Current Operating Expenses</b>	<b>60,669,580.39</b>	<b>24,470,921.41</b>
<b>Surplus (Deficit) for the period</b>	<b>17,984,134.90</b>	<b>(1,555,581.33)</b>

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY- 10**  
**Oroquieta Agro-Industrial School**  
**COMPARATIVE STATEMENT OF CASH FLOWS**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
*(with comparative figures of CY 2018)*

	<u>2019</u>	<u>2018</u>
<b>Cash Flow from Operating Activities</b>		
<b>Cash Inflows:</b>		
Collection of Income/Revenues	78,653,715.29	22,915,340.08
Collection of Business and Service Income	58,458,396.05	6,067,772.78
Receipt of Notice of Cash Allocation	20,195,319.24	16,772,442.90
Receipt of Shares, Grants and Donation-Kind	-	75,124.40
Other Payables	-	-
Adjustments	-	-
<b>Total Cash Inflows</b>	<u><b>78,653,715.29</b></u>	<u><b>22,915,340.08</b></u>
<b>Cash Outflows:</b>		
Payment of Expenses		
Payment of Accounts Payable		
Payment of Inventories	(6,867,531.35)	(1,404,529.68)
Grants of Cash Advances		
Remittance of Personnel Benefit Contributions	640,226.71	(7,014.70)
Payment of personnel services	(15,098,282.44)	(13,113,861.58)
Payment of Maintenance and Other Operating Expenses	(43,810,536.40)	(10,937,416.09)
<b>Total Cash Outflows</b>	<u><b>(65,136,123.48)</b></u>	<u><b>(25,462,822.05)</b></u>
<b>Cash Provided by Operating Activities</b>	13,517,591.81	(2,547,481.97)
<b>Cash Flow from Investing Activities</b>		
Cash Inflows		
Cash Outflows		
<b>Total Cash Outflows</b>		
<b>Cash provided by Operating, Investing Activities</b>	13,517,591.81	(2,547,481.97)
<b>Cash Flow from Financing Activities</b>		
<b>Total Cash Provided by Operating, Investing &amp; Financing Activities</b>	<u>13,517,591.81</u>	<u>(2,547,481.97)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	-	-
<b>Effects of Exchange Rate Changes on Cash and Equivalents</b>	-	-
<b>Cash and Cash Equivalents, January 1.</b>	<u><b>2,646,045.39</b></u>	<u><b>5,193,527.36</b></u>
<b>Cash Balance, Ending December 31.</b>	<u><u><b>16,163,637.20</b></u></u>	<u><u><b>2,646,045.39</b></u></u>

## TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY- 10

Oroquieta Agro-Industrial School  
STATEMENT OF CHANGES IN NET ASSETS/EQUITY

ALL FUNDS

FOR THE PERIOD ENDED DECEMBER 31, 2019

*(with comparative figures of CY 2018)*

		<u>2019</u>	<u>2018</u>
<b>Balance at January 1</b>	P	37,290,958.94	38,846,540.27
Changes in Accounting Policy			
Prior Period Adjustments/Unrecorded Income and Expenses			
Other Adjustments		4,800,384.10	
Restated balance	P	<u>32,490,574.84</u>	<u>38,846,540.27</u>
<b>Changes in Net Assets/Equity for the Calendar Year</b>			
Adjusted of Net Revenue recognized directly in net assets/equity			
Surplus for the period		<u>17,984,134.90</u>	<u>(1,555,581.33)</u>
Total recognized revenue and expense for the period	P	<u>17,984,134.90</u>	<u>(1,555,581.33)</u>
<b>Others</b>			
<b>Balance at December 31</b>	P	<u><u>50,474,709.74</u></u>	<u><u>37,290,958.94</u></u>

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY-10**  
**Oroquieta Agro- Industrial School**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT**  
**ALL FUNDS**  
**AS OF DECEMBER 31, 2019**

Particulars	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
<b>RECEIPTS</b>				
Tax Revenue	-	-	-	-
Services and Business Income	-	58,458,396.05	57,458,396.05	-
Assistance and Subsidy	-	20,195,319.24	20,195,319.24	-
Shares, Grants and Donations	-	-	-	-
Gains	-	-	-	-
Others	-	-	-	-
	-	-	-	-
<b>Total Receipts</b>	-	<b>78,653,715.29</b>	<b>78,653,715.29</b>	-
<b>PAYMENTS</b>				
Personnel Services	-	15,098,282.44	13,113,861.58	-
Maintenance and Other Operating Expenses	-	43,810,536.40	11,357,059.83	-
Capital Outlay	-	-	-	-
Financial Expenses	-	-	-	-
Others	-	-	-	-
	-	-	-	-
<b>Total Payments</b>	-	<b>54,182,793.88</b>	<b>54,182,793.88</b>	-

**Republic of the Philippines**  
**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY**  
**Region X**  
**Oroquieta Agro-Industrial School**  
**Oroquieta City**

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**

**I. BASIS OF FINANCIAL STATEMENTS PRESENTATIONS**

For Year ended December 2019, OAIS maintained three (3) sets of books of accounts namely: Fund 101, Fund 101-UAQTEA & Fund 161. Books are maintained and prepared in accordance with generally accepted New Government Accounting System (NGAS) principle and standards. Financial Statements were presented in the report as follows:

1. Condensed & Detailed Statement of Financial Position
2. Condensed & Detailed Statement of Financial Performance
3. Statement of Cash Flows
4. Statement of Changes in Net Assets/Equity

**II SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. The agency used the accrual basis of accounting. All expenses are recognized when incurred and reported in the financial statement on accruals basis except when new method is introduced.
2. Notice of Cash Allocation (NCA) is recorded in the Regular Agency Books, General Fund) in the National Government (NG)
3. Income/Receipts which the agency are not authorized to use are remitted to the National Treasury and are also recorded in the National Government (NG) Books.
4. The Modified Obligation System is used to record allotments received and obligations incurred. Separate entries are maintained for each allotment class and object of expenditures.
5. Accounting Books, registries and other records are use in recording all transactions within the quarter.

**III CHANGE IN ACCOUNTING TREATMENT**

At the start of the year the accounts were classified based on the New Standard Chart of Accounts the New Government Accounting Standard (NGAS). When the year ended these accounts were converted into a new account title and

account codes known as the Unified Account Code Structures as per Joint Circular No.2013-1 dated August 6, 2013.

#### IV CASH AND OTHER CASH ACCOUNT

The account was broken downs as follows:

<b>Account Title</b>	<b>Fund 101</b>	<b>Fund 161</b>	<b>Fund 101- UAQTEA</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Cash In Bank – Local Currency, LBP	P 749,267.90	P 12,642,367.40	P 2,772,001.90	<b>P16,163,637.20</b>	<b>P2,646,045.39</b>

- Cash in Bank Local Currency Current Account in Fund 101 is composed of the unremitted GSIS, Pag-ibig loan repayments and monthly premiums of Teachers and Employees.
- Cash in Bank Local Currency Current Account for Fund 161 is for the continues support on poultry and swine and large and small ruminant animal supplies, feeds and other training supplies for the training program and other services of the school. This includes the training cost and training allowance of trainees on Local Economic Enterprise Development thru Skills Training for Employment and Productivity and Partnering Scheme (LEED thru STEPPS) to the different Municipalities of Misamis Occidental.
- Cash in Bank Local Currency Current Account for Fund 101-UAQTEA

#### V RECEIVABLES

This account consists of:

<b>Account Title</b>	<b>Fund 101</b>	<b>Fund 161</b>	<b>Fund 101- UAQTEA</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Accounts Receivable	0.00	157,530.00	0.00	454,430.87	476,530.00
Due from National Treasury	296,900.87	0.00	0.00	0.00	296,900.87
Receivable- Disallowances/Charges	20,234.54	0.00	0.00	20,234.54	20,234.54
<b>TOTAL</b>	<b>317,135.41</b>	<b>157,530.00</b>	<b>0.00</b>	<b>474,665.41</b>	<b>793,665.41</b>



- a. The account Accounts Receivable in Fund 161 represents the unpaid school fees of students enrolled on prior years.
- b. Due From National Treasury account in the Fund 101 is the amount deposited/remitted to the Bureau of the Treasury, from the collection of refunds of prior years' transactions as of December 31, 2019.
- c. The account Receivable –Disallowances/Charges in the Fund 101 represents the balance of unpaid audit of disallowance from previous Certificate of Settlement and Balances (CSB) and Certificate of Settlement and Disallowance (CSD) issued by the auditors.

## VI. INVENTORIES

This Inventory accounts consist of:

Account Title	Fund 101	Fund 161	Fund 101- UAQTEA	<u>2019</u>	<u>2018</u>
Office Supplies Inventory	218,405.82	526,941.51	0.00	745,347.33	382,114.02
Accountable Forms, Plates and Stickers Inventory	0.00	39,502.50	0.00	39,502.50	39,502.50
Drugs and Medicine Inventory	0.00	55,311.50	0.00	55,311.50	57,810.80
Agricultural and Marine Supplies Inventory	0.00	201,773.88	0.00	201,773.88	179,727.30
Textbook & Instructional Materials Inventory	0.00	0.00	0.00	0.00	3,244.00
Fuel, Oil & Lubricants Inventory	16,005.07	120,958.60	0	136,963.67	156,988.98
Other Supplies & Materials Inventory	2,304,714.19	5,747,195.16	0	8,051,909.35	7,426,497.00
Construction Materials Inventory	610,365.91	435,842.58	0	1,046,208.49	1,291,209.49
<b>TOTAL</b>	<b>3,149,490.99</b>	<b>7,127,525.73</b>	<b>0</b>	<b>10,277,016.72</b>	<b>9,537,094.09</b>

The Inventory accounts on Fund 101, Fund 101-UAQTEA and Fund 161 are to be adjusted starting on January 2020 upon the receipt of the issuance report (RSMI) from the Supply Officer/Administrative Officer I as basis for adjustment.

VII. A. PROPERTY, PLANT AND EQUIPMENT  
COST OF PPE:

2019				
Account Title	Gross Amount	Accumulated Depreciation	Accumulated Impairment	Net
Land	3,384,603.15	-	-	3,384,603.15
Other Land Improvements	463,797.36	417,417.62	-	46,379.74
School Buildings	11,655,206.97	6,215,146.27	-	5,440,060.70
Other Structures	2,646,396.55	1,844,384.97	-	802,011.58
Office Equipment	2,538,190.07	1,724,945.77	-	813,244.30
Furniture and Fixtures	1,085,205.00	751,449.60	-	333,755.40
ICT Equipment	11,263,013.21	4,626,722.98	-	6,636,290.23
Books	1,909,260.29	1,370,205.26	-	539,055.03
Machinery	114,982.00	103,483.80	-	11,498.20
Communication Equipment	82,980.00	74,682.00	-	8,298.00
Construction & Heavy Equipment	214,200.00	172,488.60	-	41,711.40
Disaster Response and Rescue Equipment	5,600.00	-	-	5,600.00
Technical and Scientific Equipment	11,174,204.25	9,695,271.32	-	1,478,932.93
Other Machinery and Equipment	1,335,380.00	1,065,672.00	-	269,708.00
Motor Vehicles	2,239,554.00	692,845.62	-	1,546,708.38
Breeding Stocks	907,686.84	-	-	907,686.84
<b>TOTAL</b>	<b>51,020,259.69</b>	<b>28,754,715.81</b>	<b>-</b>	<b>22,265,543.88</b>

2018				
Account Title	Gross Amount	Accumulated Depreciation	Accumulated Impairment	Net
Land	3,384,603.15	-	-	3,384,603.15
Other Land Improvements	463,797.36	417,417.62	-	46,379.74
School Buildings	11,655,206.97	5,736,240.17	-	5,918,966.80
Other Structures	2,646,396.55	1,653,226.49	-	993,170.06
Office Equipment	12,030,403.92	9,797,856.83	-	2,232,547.09
Furniture and Fixtures	2,206,109.99	1,303,023.46	-	903,086.53
ICT Equipment	11,847,853.01	4,577,051.35	-	7,270,801.66
Books	1,909,260.29	1,370,205.26	-	539,055.03
Machinery	238,381.20	193,843.08	-	44,538.12
Communication Equipment	163,279.00	126,894.60	-	36,384.40
Construction & Heavy Equipment	286,654.00	138,288.60	-	148,365.40
Disaster Response and Rescue Equipment	106,370.00	95,733.00	-	10,637.00
Technical and Scientific Equipment	4,453,880.23	3,727,192.08	-	726,688.15
Other Machinery and Equipment	1,889,638.05	233,494.25	-	1,656,143.80
Motor Vehicles	839,554.00	642,788.10	-	196,765.90
Breeding Stocks	907,686.84	0	-	907,686.84
<b>TOTAL</b>	<b>55,029,074.56</b>	<b>30,013,254.89</b>	<b>-</b>	<b>25,015,819.67</b>

VI. SUBSIDY INCOME FROM THE NATIONAL GOVERNMENT AND FROM REGIONAL OFFICE/INTER-AGENCY FUND TRANSFER

Program/Project/Activity	PS	MOOE	2019	2018
A. Agency Specific Budget	10,835,000.00	2,670,000.00	13,505,000.00	12,223,000.00
B. Special Purpose Fund				
Miscellaneous Personal Benefits Fund	598,000.00	0.00	598,000.00	1,744,500.00
Pension and Gratuity Fund	1,146,806.00	0.00	1,146,806.00	0.00
Current	0.00	0.00		0.00
Monetization	0.00	0.00		0.00
Performance Based-Bonus	0.00	0.00		0.00
Current	0.00	0.00		0.00
C. Appropriations from Regional Office - Training	931,825.65	11,088.58	942,914.23	712,025.56
RLIP	976,000.00	0.00	976,000.00	861,000.00
<b>TOTAL</b>	<b>12,847,725.56</b>	<b>2,692,800.00</b>	<b>17,168,720.23</b>	<b>15,540,525.56</b>

This subsidy includes the regular appropriations of the year PS, MOOE and RLIP per GAA no. RA 10633. Other personnel benefits Represents the grant of FY 2019.

Pension and Gratuity Fund of which to cover the funding requirements for monetization of Thirty (30) personnel of OAIS.

I. INCOME/COLLECTIONS

Income/collections derived from the refund of prior years transactions recorded in the books and was remitted to the Bureau of the Treasury. Collection of income in fund (161) was deposited to Government Depository Bank (LBP).

Income collections consist of:

Account Title	<u>2019</u>	<u>2018</u>
Service Income	0.00	4,732,771.75
Business Income	58,458,396.05	1,335,001.03

Grants and Donations - Kind	0.00	75,124.40
TOTAL	<u>58,458,396.05</u>	<u>6,142,897.18</u>

II. Obligations/EXPENSES

Account Title	Fund (101)	Fund (161)	<b>2019</b>	<b>2018</b>
Personal Services	15,098,282.44	0.00	15,098,282.44	13,113,861.58
Maintenance and Other Operating Expenses	1,840,587.03	43,730,710.92	45,571,297.95	10,937,416.09
TOTAL	16,938,869.47	43,730,710.92	60,669,580.39	24,051,277.67

- a. Fund 101 expenses represent the expenses incurred in the regular operation of the school.
- b. Fund 161 expenses referred to the payment of honoraria/assessor's fee of trainees of the different qualifications and training materials, other expenses represent the expenses of the Sariling Sikap Programs of the school.
- c. Fund 101 Trust Fund expenses represent the expenses incurred in the Unified Access to Quality Education Act Scholarship Programs for FY 2018.

**PART II – STATUS OF IMPLEMENTATION OF PRIOR YEARS’  
RECOMMENDATIONS**

OBSERVATION AND RECOMMENDATION	REF.	MANAGEMENT ACTION	STATUS OF IMPLEMENTATION	REASON FOR PARTIAL/NON IMPLEMENTATION
<p><b>1. Receivable accounts amounting to ₱880,665.41 remained uncollected for more than 2 years, thus manifesting a very poor collection efficiency and thereby depriving the School of funds which could be used for its operations.</b></p> <p><b>Recommendations:</b></p> <p>a. Exert all efforts to locate the documents pertaining to the accounts to substantiate their balances;</p> <p>b. Require the Financial Analyst to regularly monitor the settlement of the receivables from students and other agencies and coordinate with the Registrar on the status of student-sourced receivables to facilitate collection; to send collection or <i>demand</i> letters to all debtors.</p>	ML 2017	The management has collected some of the accounts.	Partially Implemented	<p>The management have not yet able to collect receivables at full amount due to difficulty in communicating and locating the debtors.</p> <p>Furthermore, the list of the students the of the amount to be collected to each student cannot be identified.</p>
<p><b>2. Biological assets with undetermined fair value are not recognized in the books of accounts, contrary to Chapter 11 (Agriculture), Volume 1, Government Accounting</b></p>	ML 2017	The management has counted the quantity of the biological assets for livestock/breeding	Partially Implemented	Due to lack of manpower, the management has yet to create an appraisal committee to determine the

<p><b>Manual for National Government Agencies, thus understating the Assets as well as the Government Equity of the Institution.</b></p> <p><b>Recommendations:</b></p> <p>a. Require the Accounting Division and the Property Custodian/Caretakers to inventory all biological assets and prepare/maintain/update "Biological Assets Property Card" (Appendix 78) and "Quarterly Report of Biological Assets" (Appendix 79);</p> <p>b. Create an Appraisal Committee to facilitate guidelines to determine proper valuation of the Biological Assets; and</p> <p>c. Book up the Biological Assets.</p>		<p>inventory but has yet to appraise the value and account for other biological assets.</p>		<p>valuation of the Biological Assets.</p>
<p><b>3. Depreciation Expenses for all depreciable PPE assets costing ₱49,476,513.02 were not recognized for more than 2 years, thus rendering Financial Statements grossly unreliable and incompetent resulting from understated expenses and overstated assets.</b></p>	<p>ML 2017</p>	<p>The management has complied the depreciation in accordance with the recommendation and submitted a JEV.</p>	<p>Fully Implemented</p>	

<p><b>Recommendations:</b></p> <p>Required the Financial Analyst to verify the provision of depreciation cost of Property, Plant and Equipment and compute the amount of depreciation charges; and effect the adjusting entries to record the correct and true valuation of PPE accounts.</p>				
<p><b>4. Out of 93.3 hectare land area of the School with a recorded cost of ₱3,384,603.15 in the Agency's Books, 48% or 44.65 hectares costing ₱1,399,270.75 do not possess any document of conveyance evidencing ownership recorded in the Agency's Books, thereby casting doubt as to the agency's rights over the property and reliability of the Land account.</b></p> <p><b>Recommendation:</b></p> <p>a. Exhaust earnest efforts in retrieving documents of conveyances over the parcels of land evidencing the School's ownership and their respective amounts booked up;</p> <p>b. Institute an action for the transfer of title over the parcels of land for the parcels only evidenced by Tax Declarations and Deed of</p>	<p>ML 2017</p>	<p>The management has exerted efforts in retrieving the land titles and discussed it with the DENR.</p>	<p>Partially Implemented</p>	<p>The land without land titles are now categorized as part of the forest land, as mentioned by the DENR to the management. Management will ask the DENR to have this statement in writing.</p>



Extrajudicial Settlement of Estate with Sale.				
<p><b>5. The cash in Bank account of Fund 161 was understated by Php1,710 due to non-recognition of Stale Check, inconsistent with Section 97 of P.D. 1445, thus resulting to the misstatement of the Cash in Bank account balances.</b></p> <p><b>Recommendation:</b></p> <p>We recommended the management to prepare the adjusting journal entry to adjust the Cash in Bank account and submit a copy of the JEV to the COA Office.</p> <p>a. To recognize cancellation of stale check: Cash in Bank 1,710.00 Accounts Payable 1,710.00</p> <p>b. Upon replacement of check: Accounts Payable 1,710.00 Cash in Bank 1,710.00</p>	ML 2018	The management submitted a copy of the Adjusting Journal entry to adjust the Cash in bank account.	Fully Implemented	
<p><b>6. The total Property, Plant and Equipment (PPE) amounting to Php23,448,313.67 were not provided with depreciation for two years, various semi-expendable items were still recorded as PPE, Construction-in-Progress and Biological assets were not accounted for inconsistent with the</b></p>	ML 2018	The management took out the semi-expendable items from the PPE account, Identified the unserviceable properties and submitted the following:	Partially Implemented	Unsubmitted Journal Entry Voucher (JEV) for construction-in-progress.

<p>provisions of Section 27, Chapter 10 and Sec. 10, Chapter 8 and Section 6, Chapter 11 of GAM Volume I due to lack of personnel. In addition, unserviceable property were not derecognized from the books of accounts and disposed of inconsistent with PPSAS 17, Sections 39 and 40, Chapter 10 of the GAM, Volume I and Section 79 of P.D. 1445, thus affecting the reliability in the fairness of presentation of the Financial Statements.</p> <p><b>Recommendation:</b></p> <p>We recommended the Management to:</p> <ul style="list-style-type: none"> <li>• draw the following recommended adjusting journal entry voucher to recognize depreciation for the years 2017 and 2018 (Appendix 1 to 3);</li> <li>• record under the Construction-in-Progress account, the cost of the on-going construction of the new Garage and the new Piggery building based on labor cost and applied construction supplies and materials;</li> <li>• create a Valuation and Appraisal Committee to</li> </ul>		<ul style="list-style-type: none"> <li>• Schedule of Property Plant and Equipment and related depreciation.</li> <li>• Inventory and inspection Report of Unserviceable Property with Journal Entry Voucher</li> <li>• Memorandum as to Team of the created Appraisal Committee.</li> </ul>		
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<p>provide costing of the Livestock/Breeding Stocks as basis for recording in the books of accounts;</p> <ul style="list-style-type: none"> <li>• through the Valuation and Appraisal Committee, provide costing of the Trees for recording in the books under the Biological Asset account (Section 6, Chapter 11, GAM Volume I and PPSAS No. 27);</li> <li>• make a new Development Program for the Clarin Settlement School Campus and make representation with the local, provincial and national officials for the possible rehabilitation and development and preservation of the former 40-hectare school campus of TESDA-OAIS;</li> <li>• provide for an alternate employee to ensure continuance of operations for effective management and utilization of government resources;</li> <li>• identify disposable property and dispose of them, in accordance with Section 79 of P.D. 1445 and draw journal entry voucher to record the derecognition of the unserviceable property; and</li> <li>• prepare and submit separate inventory report</li> </ul>				
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<p><b>for PPE and Semi-Expendable Property at year end. Observe the PPE threshold of Php15,000.00. Below the capitalization threshold of Php15,000.00 shall be accounted as Semi-Expendable Property account and shall be recognized as expenses upon issuance to the end-user, pursuant to Section 10 of GAM, Volume I.</b></p>				
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