



Republic of the Philippines
Department of Education
REGION XI
SCHOOLS DIVISION OF PANABO CITY

Office of the Schools Division Superintendent

DIVISION MEMORANDUM

OSDS-2024-0043

To : Assistant Schools Division Superintendent
School Heads/Principals – Implementing Units
All Others Concerned

Subject: **ATTENDANCE TO THE 2023 COA JOINT EXIT CONFERENCE**

Date : March 11, 2024

Attached is the letter from the Commission on Audit Regional Office No. XI dated March 5, 2024, inviting this Office to the **Joint Exit Conference** with the Division of Davao del Norte on **March 12, 2024** at **9:00 o'clock in the morning** at **Miko's Brew, Apokon Rd., Tagum City**, to discuss the results of the Financial and Compliance Audit for CY 2023, and the issuance of Audit Observation Memoranda (AOM).

The participants to this conference are the following:

NAME	DESIGNATION
Jinky B. Firman PhD, CESO VI	OIC-Schools Division Superintendent
Basilio P. Mana-ay Jr., CESO VI	Asst. Schools Division Superintendent
Glenn B. Separis, CPA, CESE	Division Accountant
Rosalie C. Estimada	Budget Officer
Raul E. Gacus	Administrative Officer V
Maya Flaminda G. Juanich	Supply Officer
Kathryn Gae D. Jayoma	Cash Officer
Richel Chin E. Lim	Administrative Officer II

Further, the **School Head, Bookkeeper** and **Supply Officer** of the Implementing Unit (IU) Schools are advised to attend the aforementioned conference.

All participants are required to prepare an amount of Eight Hundred Pesos (P800.00) each, to defray for the lunch and two (2) snacks, to be served during the



Schools Division of Panabo City
City Hall Compound, Panabo City
Tel. No. (084) 823-1469
Email: panabocity.division@deped.gov.ph






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conference, and shall be paid directly to the cashier.

Travel, meals and incidental expenses related to the attendance of this activity shall be charged against the Division MOOE/School MOOE, subject to the usual accounting and auditing rules and regulations.

Immediate dissemination of this Memorandum is required.


JINKY B. FIRMAN PhPD, CESO VI
Assistant Schools Division Superintendent
Officer-In-Charge
Office of the Schools Division Superintendent

RELEASED

MAR 1 1 2024

RECORDS SECTION-SDO PANABO CITY
BY: 

Enclosed: As stated
OSDS/jbf/jdmj



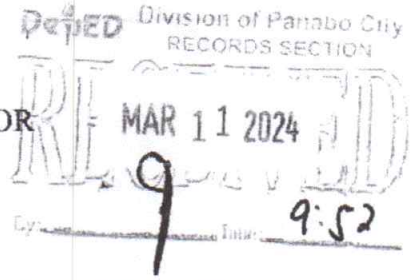
Schools Division of Panabo City
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providing quality education, MATATAG for all.



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. XI
NATIONAL GOVERNMENT AUDIT SECTOR
Cluster 5-Education and Employment
C.P. Garcia National Highway, Davao City

Office of the Supervising Auditor



March 5, 2024

JINKY B. FIRMAN, CESO VI
OIC-Schools Division Superintendent
DepEd, Division of Panabo City
J.P. Laurel, Panabo City

Dear Madam:

In compliance with COA Memorandum No. 2014-011 dated October 21, 2014, this Office respectfully invites you to the Joint Exit Conference with DepEd Division of Davao del Norte on **March 12, 2024 at 9:00 am** at the **Conference Room of DepEd Davao del Norte**, to discuss the results of the Financial and Compliance Audit for CY 2023, and solicit your comments to the audit observations and recommendations earlier communicated through the issuance of Audit Observation Memorandum (AOMs).

You may also invite some officials/employees who had direct and active participation in the processing of financial transactions or implementation of projects, programs and activities covered by the AOMs.

Attached is the Summary of Audit Observations and Recommendations (SAOR) for the audit of CY 2023 for your ready reference.

Thank you.

Very truly yours,

COA Signed
2024-03-08
20:55:05

HELENA L. VALDEZ
State Auditor V
Supervising Auditor



Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS

For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin
<p>AOM No. 2023-018</p> <p>December 14, 2023</p>	<p>The daily rate per contract of Job Order personnel hired by DepEd DO is below the daily rate of comparable positions in the government inconsistent with Item 9.0 of COA-DBM JC No. 2, s. 2020.</p>	<p>We recommended that the Schools Division Superintendent consider the following</p> <ol style="list-style-type: none"> 1. Adjust the daily rate of JO personnel to be commensurate of the daily rate of comparable positions in the government starting January 1, 2024; and 2. Include a provision in the JO personnel's contracts stating that a premium of up to 20% of the wage/salary, may be paid monthly, in lump sum or in tranches (i.e. mid-year and year-end payments), payment of which will be subject to the availability of funds in FY 2024. 		
<p>AOM No. 2024-001</p> <p>January 9, 2024</p>	<p>Forty-nine (49) paid Disbursement Vouchers (DVs) and their supporting documents in the total amount of P19,356,233.51 were not submitted to the Office of the COA Auditor contrary to Section 107 of P.D. No. 1445 and Section 6.05 of COA Circular 95-006, thus hindering the Auditor from performing timely review thereof and recommending corrective measures if there were deficiencies found in audit.</p>	<p>We recommended that Management:</p> <ol style="list-style-type: none"> 1. Direct the Division Accountant to immediately submit to the Office of the Auditor the forty-nine (49) paid Disbursement Vouchers (DVs) and their supporting documents totalin P19,356,233.51 on or before January 23, 2024 to preclude the issuance of Notice of Suspension (NS) to the persons responsible; and 2. Require the Division Accountant to submit a written explanation/justification on why the 49 paid DVs and their supporting documents were not submitted to the Office of the Auditor as required under Section 107 of P.D. 		

Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS

For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin									
		No. 1445 and Section 6.05 of COA Circular 95-006.											
AOM No. 2024-002 January 9, 2024	The accuracy of Other Receivables account in the total amount of P509,089.10 cannot be ascertained due to erroneous classification of accounts, resulting in the overstatement of the said account by the same amount as of October 31, 2023.	<p>We recommended that Management:</p> <ol style="list-style-type: none"> Instruct the Accountant to prepare adjusting journal entries to classify accounts as to their prescribed classification as follows: <table border="1"> <thead> <tr> <th>Account Title</th> <th>Debit</th> <th>Credit</th> </tr> </thead> <tbody> <tr> <td>Due from Officers and Employees</td> <td>P440,541.02</td> <td></td> </tr> <tr> <td>Other Receivables</td> <td></td> <td>P440,541.02</td> </tr> </tbody> </table> <ol style="list-style-type: none"> Direct the Accountant to record the result of the reconciliation made for the fully paid transactions in the ledger and submit the result of reconciliation for verification to the Office of the Auditor on or before January 23, 2024. 	Account Title	Debit	Credit	Due from Officers and Employees	P440,541.02		Other Receivables		P440,541.02		
Account Title	Debit	Credit											
Due from Officers and Employees	P440,541.02												
Other Receivables		P440,541.02											
AOM No. 2024-003 January 10, 2024	Bank Reconciliation Statement (BRS) was not properly prepared and the reconciling items per book balance as reflected in the BRS under the Provident Fund totaling P88,885.00 were neither adjusted nor recorded in the books of accounts thus affecting the accuracy of the Cash in Bank-LCCA account balance amounting to P3,750,292.09.	<p>We recommended Management to:</p> <ol style="list-style-type: none"> Direct the Division Cashier to record deposits received from the Central Office in the Cash Receipts Record. Require the Division Accountant to prepare Journal Entry Vouchers to record the deposits received from the Central Office and the payments made for the salary of COS Employee, using the suggested journal entries: 											

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS

For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin																														
		<table border="1" data-bbox="981 432 1458 1058"> <thead> <tr> <th data-bbox="987 432 1249 488">Account</th> <th data-bbox="1249 432 1346 488">Debit</th> <th data-bbox="1346 432 1451 488">Credit</th> </tr> </thead> <tbody> <tr> <td colspan="3" data-bbox="987 488 1451 539"><i>To record the deposits received</i></td> </tr> <tr> <td data-bbox="987 539 1249 595">Cash in Bank - LCCA</td> <td data-bbox="1249 539 1346 595">xxx</td> <td data-bbox="1346 539 1451 595"></td> </tr> <tr> <td data-bbox="987 595 1249 651">Appropriate Account</td> <td data-bbox="1249 595 1346 651"></td> <td data-bbox="1346 595 1451 651">xxx</td> </tr> <tr> <td colspan="3" data-bbox="987 651 1451 738"><i>To record the payments made for the salary of COS Employee</i></td> </tr> <tr> <td data-bbox="987 738 1249 799">Accumulated Surplus/(Deficit)</td> <td data-bbox="1249 738 1346 799">xxx</td> <td data-bbox="1346 738 1451 799"></td> </tr> <tr> <td data-bbox="987 799 1249 855">Cash in Bank - LCCA</td> <td data-bbox="1249 799 1346 855"></td> <td data-bbox="1346 799 1451 855">xxx</td> </tr> <tr> <td colspan="3" data-bbox="987 855 1451 938"><i>To record the remittance to the National Treasury, if any</i></td> </tr> <tr> <td data-bbox="987 938 1249 999">Cash-Treasury/Agency Deposit, Regular</td> <td data-bbox="1249 938 1346 999">xxx</td> <td data-bbox="1346 938 1451 999"></td> </tr> <tr> <td data-bbox="987 999 1249 1058">Cash in Bank - LCCA</td> <td data-bbox="1249 999 1346 1058"></td> <td data-bbox="1346 999 1451 1058">xxx</td> </tr> </tbody> </table> <p data-bbox="981 1090 1473 1334">3. Require the Division Accountant and the Division Cashier to trace the unreconciled amount between their records and submit to the Office of the Auditor the updated subsidiary ledger and the updated check disbursement record not later than January 26, 2024;</p> <p data-bbox="981 1369 1473 1428">4. After reconciliation of records, remit to the National Treasury any</p>	Account	Debit	Credit	<i>To record the deposits received</i>			Cash in Bank - LCCA	xxx		Appropriate Account		xxx	<i>To record the payments made for the salary of COS Employee</i>			Accumulated Surplus/(Deficit)	xxx		Cash in Bank - LCCA		xxx	<i>To record the remittance to the National Treasury, if any</i>			Cash-Treasury/Agency Deposit, Regular	xxx		Cash in Bank - LCCA		xxx		
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Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS

For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin
		<p>unexpended balance of the deposits received from Central Office and submit to the Office of the Auditor the summary of the report;</p> <p>5. Submit a correct Bank Reconciliation Statement as of December 31, 2023 based on the procedures set forth in Section 8 of GAM, Volume I not later than January 26, 2024; and</p> <p>6. Require the Division Accountant to submit an explanation on the unadjusted/unrecorded book reconciling items which remained unresolved in the financial statements as of November 30, 2023.</p>		
<p>AOM No. 2024-004 February 19, 2024</p>	<p>The year-end balances of the Due to BIR, Due to GSIS, Due to Pag-Ibig and Due to PhilHealth Accounts totaling P5,521,444.78 could not be ascertained due to the unaccounted balances amounting to P4,286,639.38, thus raising doubt on the accuracy and fair presentation of accounts in the financial statements as at December 31, 2023.</p>	<p>We recommended the Division Accountant to trace the unaccounted/unreconciled balances amounting to P4,286,639.38, prepare adjusting journal entries for traced/reconciled errors, and submit to the Auditor the adjusted JEV for verification.</p> <p>In addition, make a disclosure in the Notes to FS for the unaccounted amount of the inter-agency balances supported with the proof that the Schools Division Superintendent took action on the enforcement of the reconciliation of the balances through the Accounting Unit.</p>		
<p>AOM No. 2024-005</p>	<p>The existence and completeness of the Inventories accounts with year-end balance</p>	<p>We recommended that the Division Accountant prepare a JEV to record the</p>		

Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS
For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoinder
February 21, 2024	totaling P15,076,613.33 cannot be ascertained due to unrecorded issuances thus, resulted in the overstatements of the accounts by the same amount in the financial statements.	issuance of inventories in the amount of P15,076,613.33 based on the RSMI and RSPI, and/or certification from the recipient School Heads that they have received the items procured by the DepEd Central Office, Regional Office and LGU. Likewise, provide the copy of the JEV to the Auditor not later than May 15, 2024.		
AOM No. 2024-006 February 23, 2024	Unrecorded settlement of the Notice of Finality of Decision and the erroneous entry made amounting to P31,364.72 and P2,250.00 respectively, due to lack of monitoring of the ledger of person's liable, were inconsistent with Section 7.2 of COA Circular No. 2009-006, resulting in the overstatement of Receivables-Disallowances/Charges account by P29,114.72 as at December 31, 2023.	We recommended that the Division Accountant prepare adjusting journal entries to record the accounting errors with a net effect of P29,114.72, copy furnish the Audit Team on or before April 30, 2024.		
AOM No. 2024-007 February 23, 2024	Detailed specifications of products quoted by the winning suppliers totaling P1,175,348.10 were not reflected in Purchase Orders of 9 Non-Implementing Schools, hence delivered items may not conform to the specifications and requirements of the products procured.	We recommended that those in charge of the preparation of POs completely fill out the necessary data, especially the brand names and item specifications, to have a reliable basis in checking the conformity of the delivered goods.. Likewise, submit the RegSPI to the Office of the Auditor for verification on or before April 15, 2024 for us to come up with an audit decision.		

Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS
For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoinder
AOM No. 2024-008 February 28, 2024	The accuracy of the Guaranty/Security Deposits Payable account with a reported balance of P1,073,177.43 cannot be ascertained due to erroneous entries resulting in the overstatement by P528,751.73 as at December 31, 2023.	We recommended that the Division Accountant prepare an adjusting journal entry to record the accounting errors made in the amount of P 528,751.73.		
AOM No. 2024-009 February 26, 2024	The validity, existence, and the rights and obligations of the balance of the Accounts Payable with an aggregate amount of P3,395,758.89 as at December 31, 2023 is doubtful due to recognition of claims without valid claimants and/or incomplete/without supporting documents, and the non-reversion of long outstanding accounts payable aged two years and above, inconsistent with Section 4, item (6) of Presidential Decree (P.D.) No. 1445 and Section 37, Chapter 2 of Government Accounting Manual (GAM) Volume I.	We recommended the Division Accountant to substantiate the obligations/payables amounting to P3,331,404.89 (net of long outstanding A/P) recognized as accounts payable as at December 31, 2023 for validation, otherwise make adjustment for its derecognition. Also, provide the Auditor copy of the JEV for recording the reversion of long outstanding A/P in the amount of P64,354.00 to the Accumulated Surplus or Deficit of the General Fund on or before April 30, 2024.		
AOM No. 2024-010 February 26, 2024	School Buildings and Other Structures totaling P90,240,453.51 constructed thru DPWH and LGU Panabo City were not recorded in the books of DepEd Division of Panabo City, the entity that has control and benefits over these assets, inconsistent with the recognition criteria of an asset set out in International Public Sector Accounting Standards (IPSAS), resulting in the understatement of the PPE accounts balances by the same amount, and affecting fair presentation of the financial statements at year-end.	We recommended that: 1. The Schools Division Superintendent to make representation with the Local Chief Executive of the LGU Panabo City by requesting the transfer of the identified PPE items to DepEd Division of Panabo City, which has control and benefits over the assets, in compliance with the International Public Sector Accounting Standards (IPSAS), with the primordial purpose of presenting fairly the financial statements of the entity at year-end; and		

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS
For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin
		<p>2. The Division Accountant to secure from the DPWH Accountant certified copy of the JEVs recording the transfer of completed School Buildings as enumerated in Table 3 with a total amount of P63,429,812.36.</p>		
<p>AOM No. 2024-011 February 29, 2024</p>	<p>The accuracy, completeness and existence of the PPE accounts with aggregate acquisition cost of P1,404,037,699.75 could not be ascertained due to the lapses in the procedural guidelines provided in COA Circular No. 2020-006 or the one-time cleansing of PPE accounts brought about by the lack of proper planning and coordination by the Inventory Committee, Property/Supply Unit and Accounting Section that resulted in the unaccounted difference between the recorded PPE and RPCPPE balances totaling P14,123,941.68 thus affecting the fairness of presentation of the PPE accounts in the financial statements.</p>	<p>We recommended for the:</p> <p>1. Division Office and Schools' Inventory Committee to:</p> <ul style="list-style-type: none"> a) put Property Stickers containing the vital information stated in Sec. 5.7 of COA Circular No. 2020-006 on all PPEs found at station; and/or b) conduct investigation and prepare the necessary investigation reports for unaccounted PPE items which are still recorded in the books documents and submit this to the Office of the Auditor on or before June 30, 2024; <p>2. Division Office and Schools' Property/Supply Section to:</p> <ul style="list-style-type: none"> a) update all PCs and renew all PARs of all PPEs found at station and to provide a list of the property updated property numbers to the Accounting Section; and b) indicate in the RPCPPE the assigned property number per item; 		

Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS
For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin
		<p>3. Accounting Section to:</p> <p>a) update all PPELC and PPE Lapsing Schedules to reflect the property numbers that match with the property numbers in the PCs and PARs of the Division and Schools' Property/Supply Section;</p> <p>b) record all PPEs found at station which were not yet recorded as of December 31, 2023;</p> <p>c) record the adjustments for properties that are for transfer and erroneous entries made in prior years; and/or</p> <p>d) review the amounts in the request for derecognition of missing or non-existent PPEs and ensure that all recorded PPEs which are non-existing are included in the request.</p>		
<p>AOM No. 2024-012 February 29, 2024</p>	<p>Tangible items totaling P13,715,078.21 which have met the definition and recognition criteria of Property, Plant and Equipment (PPE) but cost is below P50,000.00, acquired and issued prior to CY 2023, were not accounted in the books of the agency as semi-expendable property, thereby overstating the PPE and Accumulated Surplus/Deficit accounts by the same amount as of December 31, 2023.</p>	<p>We recommended the Division Accountant to prepare an adjusting journal entry for the reclassification of tangible items totaling P13,715,078.21 which have met the definition and recognition criteria of PPE, but cost is below P50,000.00 and submit to the Office of the Auditor on or before April 15, 2024.</p>		
<p>AOM No. 2024-013</p>	<p>The accuracy and completeness of the Cash - Treasury/Agency Deposit, Trust account</p>	<p>We recommended that:</p>		

Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS
For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin
February 29, 2024	balance totaling P6,349,035.52 cannot be ascertained due to non-recording of the BTr Certification which signifies valid deposits made for the Service Fees, hence overstating the Cash - Treasury/Agency Deposit, Trust and Accumulated Surplus/Deficit accounts in the financial statement as at December 31, 2023.	<ol style="list-style-type: none"> 1. The Division Accountant prepare adjusting journal entries (AJE) to close the account Cash- Treasury/Agency Deposit, Trust Account to Accumulated Surplus/(Deficit) for service fees collected and remitted based on the BTr Certification provided by the Division Cashier, including those 2021 and prior years' transactions and provide the AJE to the Audit Team on or before April 30, 2024; 2. The Division Accountant and School's Bookkeepers to record the collection and remittance of service fees in the General Fund under the Cash-Treasury/Agency Deposit, Trust Account based on the pro forma entries provided by the Regional Office attached as Annex A for CY 2024 transactions; and 3. The Disbursing Officers of the Implementing Schools request the Certification from the BTr Regional Office No. XI immediately after deposits of the collection of service fees are done and provide this copy to the Bookkeeper as basis for the recording of transfer of trust liability accounts to RO XI to come up with the actual monthly balance of the trust liability account. 		
AOM No. 2024-014 March 1, 2024	Liquidation Reports were used to liquidate the Advances for Operating Expenses totaling P36,416,988.10 instead of the Report of Cash Disbursement (RCDisb).	We recommend the School Heads to prepare the Report of Cash Disbursement (RCDisb) for the liquidation of cash advances for operating expenses undertaking for CY 2024		

Department of Education, Division of Panabo City

SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS

For the Calendar Year Ended December 31, 2023

Reference	Observations	Recommendations	Management Comments	Auditor's Rejoin
	inconsistent with Section 23, Chapter VI of Government Accounting Manual Volume I.	transactions, instead of the Liquidation Reports.		
AOM No. 2024-015 March 5, 2024	The basis in the preparation of the financial statements as indicated in the Notes to the FS of the Agency is the Philippine Public Sector Accounting Standards (PPSAS) instead of the International Public Sector Accounting Standards (IPSAS) inconsistent with COA Circular No. 2021-004, hence non-conforming to the guidelines set by the Commission.	We recommended that the Division Accountant comply with the renaming to IPSASs of all PPSASs that were presented in the Financial Reports in accordance with COA Circular 2021-004 dated July 21, 2021 and resubmit the same to the Auditor.		