

TESDA ISABELA SCHOOL OF ARTS AND TRADES
Calamagui 2nd, City of Ilagan, Isabela

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
As of December 31, 2021

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION									
Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-implementation, if applicable	Action Taken/ Action to be Taken
			Action Plan	Person/ Dept.	Target				
					From	To			
ML 2020	Receipt of fund transfer from TESDA Isabela Provincial Office and disbursements therefrom in the form of cash advance amounting to ₱6,915,820.37 and P4,526,060.00, respectively, were recorded as revenue and expenses instead of Due to Operating Units, of which ₱347,180.00 of the cash advances were recorded as liquidated as of December 31, 2020 and recorded as expense in the books though not supported with documents resulting in the misstated assets, liability, revenue and expenses in the Financial Statements contrary to Sections 30 and 63(d) Chapter 6, Volume I of the Government Accounting Manual for National Government Agencies (NGAs).	We recommended and management agreed to advise the Accountant to adjust entries in the books of accounts relative to the recording of receipt of funds from TESDA Isabela PO of P6,915,820.37; liquidation and refund of cash advance; and restoration of the erroneous recording of liquidation of ₱347,180.00 pursuant to Sections 30 and Section 63(d), Chapter 6 Volume I of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), for fair presentation of accounts in the financial statements.	We have restated the balance of revenue and expense account for the mobilization paid by the TESDA PO Isabela by recognizing a liability account which is Due to NGAs. Any remaining balance at the end of the training will be recognized as income	John Edward Bernardez/ Finance Office	Feb-21	Mar-21	Implemented		
ML 2020	Training, Entrepreneurship and Assessment Fees due from TESDA Isabela Provincial Office (PO) and TESDA Batanes PO during CY 2020 amounting to P2,565,575.00 were not recorded in the books of accounts caused by: a) non-coordination among the Accountant, Registrar and Scholarship Focal, and b) non-submission of billing statements to TESDA Batanes PO resulting in the misstatement of asset and revenue contrary to paragraph 7, Philippine Public Sector Accounting Standards (PPSAS) 1 and Section 7, Chapter 5 of the Government Accounting Manual (GAM), Volume I for NGAs.	We recommended and Management agreed to instruct the Accountant to take up receivable amounting to ₱2,565,575.00 using the accrual system pursuant to the provisions of PPSAS 1 and Section 7(3), Chapter 5, Volume I of the Government Accounting Manual (GAM) for NGAs.	We have restate the accounts receivable balance based on the actual billings submitted by Registrar's Office and Assessment office and received by the TESDA Isabela Provincial Office but were not yet recorded in the Accounting Office. We also conducted a meeting between the head of the Accounting, Registrar and Assessment Office regarding the harmonization of the billing process. It was agreed that all billings made by the Registrar and Assessment Office must be signed and recorded by the Accounting Office before submitting it to the TESDA P.O. Isabela for proper monitoring and recognition of Accounts Receivables in implemented scholarship programs.	John Edward Bernardez/ Christopher Dacquil/ Femia Calacsan	Feb-21	Mar-21	Implemented		

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ML 2020	Acquisition of Property, Plant and Equipment (PPE) and Semi-Expendable Equipment for prior years and CY 2020 amounting to ₱971,350.00 and ₱807,763.00, respectively, were recorded as Textbooks and Instructional Materials Expense and not reflected in the Report on the Physical Count of PPE despite its existence which eliminates the accountability of persons with custody of the asset and resulted in the understatement of Property, Plant and Equipment and non-recording of depreciation for CY 2020 contrary to Sections 10 and 11, Chapter 8 and Sections 3, 4 and 27, Chapter 10, Volume I of the Government Accounting Manual for National Government Agencies (NGAs).	We recommended and management agreed to advise the Accountant to adjust entries in the books of accounts relative to the: a) recognition of PPE and semi-expendable properties amounting to ₱971,350.00 and ₱807,763.00, respectively; b) recording of issuance of semi-expendable properties in the amount of ₱807,763.00 and c) recording of depreciation for CY 2020 in the amount of ₱76,854.75 pursuant to Sections 10 and 11, Chapter 8 and Sections 3, 4 and 27, Chapter 10, Volume I of the Government Accounting Manual for National Government Agencies (NGAs).	We have adjusted the entries in the books of accounts relative to the PPE and Semi-expendable properties. We have recorded the issuance of semi expendable properties and the additional depreciation of PPE not previously recognized.	Jason Agcaoili/ Finance office	Feb-21	Mar-21	Implemented		

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ML 2020	Instructional materials allowance amounting to P3,165,000.00 were not distributed to scholars under the Free TVET Program, within the prescribed period due to the delay in the transfer of fund from TESDA Regional Office No. 02 which forfeits its intended purpose contrary to Part V, Section 2 of TESDA Circular No. 60, series of 2018. Likewise, available funds to cover said allowances amounted only to P2,852,300.54 which resulted in the deficit of P312,699.46 caused by mishandling of funds contrary to Section 4 of PD 1445.	We recommended and management agreed to direct the Accountant to withdraw the amount of P332,574.47 from SSP Fund and deposit in the Trust Fund equivalent to the deficit for instructional materials allowance charged thereof, and release the amount to the intended scholars, otherwise if not claimed, return the instruction materials allowance to TESDA Regional Office No. 02 pursuant to Section 4 of PD 1445 and Part V, Section 2 of TESDA Circular No. 60, series of 2018.	The special disbursing officer is already distributing the remaining instructional materials allowance to the intended scholars in the Trust Fund. The deficit balance has been transferred to Trust fund	Jessabelle S. Pajarillo/ Finance Office	Feb-21	May-21	Implemented		
ML 2020	Auto-Debit Arrangement (ADA) and check payments for salaries of permanent employees and remittances for contributions to other government and private entities amounting to P3,195,277.02 covering the months of July to September 2020 were issued on June 30, 2020 in order to avoid the quarterly reversal of unutilized cash allocation contrary to Section 4 of DBM Circular Letter 2013-12 dated November 21, 2013 and Section 88(1) of PD 1445.	We recommended and management agreed to direct the Accountant not to allow advance payment using unutilized cash allocation at the end of every quarter, for services not yet rendered pursuant to Section 88 (1) of PD 1445. Any unutilized amount should be reverted to the Bureau of Treasury pursuant to Section 4 of DBM Circular Letter 2013-12 dated November 21, 2013. The Head of the Entity and the Accountant shall ensure that no advance payment of salaries is being processed, otherwise, both shall be held accountable for any consequences of this action.	The Accountant has been advised to ensure that no advance payment and other contract will be processed at the end of each quarter.	John Edward B. Bernardes/ Finance Office	Oct-2020	Dec-2020	Implemented		
ML 2020	Daily collections of training fee, assessment fees and refunds under the Sariling Sikap Program (SSP) Fund and UAQTEA Fund ranging from P808.02 to P3,633,090.72 were not deposited intact and daily with the authorized government depository bank thus, exposing the entity's funds to theft/misappropriation which is not in keeping with Section 69(1) of PD 1445 and Section 32, Chapter II of COA Memorandum No. 2013-004 dated July 9, 2013.	We recommended and management agreed to require the Accountable Officer to explain in writing why collections was not deposited daily and the occurrence of delay in the issuance of official receipts as required under Section 32, Chapter II of COA Memorandum No. 2013-004 dated July 9, 2013 and Section 69 of PD 1445. It is stressed that non-compliance to existing regulations by officials/personnel concerned are likewise subjected to appropriate action.	The Collecting Officer has been advised that all collections made during the day must be deposited on subsequent day to avoid theft/misappropriation of cash collected.	Jessabelle S. Pajarillo/ Finance Office	Oct-2020	Dec-2020	Implemented		
		We further recommended and management agreed to instruct the Collecting Officer to deposit all collections intact and issue the corresponding receipts for all collections within the day pursuant to the provisions of Section 69 of PD 1445 and refrain from accumulating cash in his custody to avoid risk of theft and misappropriation.							

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ML 2020	Taxes withheld for prior years up to CY 2020 for the Sariling Sikap Program (SSP) Fund and UAQTEA Fund amounting to ₱959,443.75 and ₱49,675.27, respectively, from various suppliers were not yet remitted to the Bureau of Internal Revenue as of year-end contrary to Section 251 of RA 8424 otherwise known as the National Internal Revenue Code.	We recommended and management agreed to require the Accountant and Cashier to remit immediately withheld taxes accumulated by the entity from prior years up to CY 2020 for SSP, UAQTEA and General Fund amounting to ₱959,443.75, ₱49,675.27 and ₱126,596.90, respectively, and any penalty and interest imposed therein should be borne by the employee responsible in the withholding and remittance of taxes pursuant to Section 251 of RA 8424 otherwise known as the National Internal Revenue Code.	We will settle our obligations on taxes due.	John Edward B. Bernardez/ Jessa Pajarillo Finance Office	Jan-2020	Dec-2020	Implemented		
ML 2019	Procurement of toolkits amounting to P2,084,311.25 under the partnership project with DSWD dubbed as Skills Training Towards Productive Living (STTPL) were split to fit in the requirement of using the alternative mode of procurement thereby circumventing the conduct of public bidding caused by nonfunctional Bids and Awards Committee contrary to Section 10, Rule IV and Section 54.1, Rule XVI of 2016 Revised Implementing Rules and Regulations of Republic Act 9184.	Management establish an efficient and effective Bids and Awards Committee (BAC) to ensure that the procurement process will result to the best and most advantageous offer for the entity.	We will established an effective and efficient Bids and Awards Committee (BAC).	Jason Agcaoili/ Finance office and Admin Office	Jan-2020	Dec-2020	Implemented	The institution has no intention to split the purchase but rather it only procured items for those who successfully graduated and was assessed on the qualification of their choice.	
		Management stop the practice of splitting government contracts to avoid the conduct of competitive bidding pursuant to Section 54.1, Rule XVI of 2016 Revised Implementing Rules and Regulations of Republic Act 9184.							
		Management inform the BAC of all procurement transactions and shall see to it that competitive bidding is done except under conditions where alternative mode of procurement is applicable pursuant to Section 10, Rule IV of 2016 Revised Implementing Rules and Regulations of Republic Act 9184.							
ML 2019	The entity lacks established line of authority in the approval of transactions caused by absence of organizational structure and operations manual in the carrying of day-to-day operations which resulted in the confusion among employees and weak internal control in determining the appropriate approving authority contrary to Section 123 and 124, Chapter 4 of PD 1445 otherwise known as the State Auditing Code of the Philippines.	We recommended that management develop an operations manual and revised the organizational structure to properly delineate the level of authority in the organization in order to avoid confusion among employees in the organization and create a sound internal control that could provide an effective and efficient flow of transaction and ultimately establish proper accountability and responsibility pursuant to Sections 123 and 124 of PD 1445.	The Superintendent already issued office order with regards to this matter.	Jhon Kevin S. Bruno/ Admin Office and Finance Office	Jan-2020	Dec-2020	Implemented		
ML 2019	The Accountable Officers' failed to apply and renew the expired fidelity bond as of the date of cash examination hereby possible losses might not be recovered by the entity contrary to Item 10, Chapter II of COA Memorandum 2013-004 dated July 9, 2013.	We recommended that management take cognizance on the repeated failure of the Accountable Officers to apply for fidelity bond. Likewise, advise the Accountable Officers to immediately secure fidelity bond for the current period to the Bureau of Treasury	We will process the renewal of the fidelity bond.	Finance Office	Jan-2021	Jun-2021	Implemented		

Prepared by:

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Recommending Approval:

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