



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. II
PROVINCE OF NUEVA VIZCAYA
PROVINCIAL SATELLITE AUDITING OFFICE
National Road, Magsaysay, Bayombong

**National Government Audit Sector
Cluster 5A and 5G - Team R2-16**

September 16, 2024

ORLANDO E. MANUEL, PhD, CESO V
Schools Division Superintendent
Department of Education – Division of Nueva Vizcaya
Bayombong, Nueva Vizcaya

Dear Sir:

The Commission on Audit, through the OIC Director IV, Cluster 5 – Education and Employment of the National Government Audit Sector, Ms. Marivel C. Broñola, in a Memorandum dated November 14, 2023 provided the audit thrusts of the Department of Education for CY 2024, to facilitate the preparation and submission of the Management Letters (MLs), Annual Audit Reports (AARs) and Consolidated AAR (CAAR) for the said year.

Part of our audit engagement is the conduct of an Entrance Conference with the audited agency to discuss matters relative to the conduct of the audit. Thus, may we request for an Entrance Conference with you on October 2 at 10AM in the Conference Room of SDO-NV DepEd together with your chief and unit heads.

Please count on us as your enabling partner in the delivery of efficient and effective public service.


Thank you.

Very truly yours,


LARNI T. LORENZANA
State Auditor III
OIC Audit Team Leader

Noted by:


ADELINE P. BAARDE
Regional Supervising Auditor

ADVISORY		Date: <u>9/16/24</u>	Revised (Record):
To:	<input checked="" type="checkbox"/> PSDS/DICs	<input checked="" type="checkbox"/> Elem/Sec School Heads	
	<input type="checkbox"/> Private Schools	<input type="checkbox"/> Others:	
For:	<input checked="" type="checkbox"/> Information	<input checked="" type="checkbox"/> Dissemination	
	<input checked="" type="checkbox"/> Guidance	<input checked="" type="checkbox"/> Strict Compliance	
ORLANDO E. MANUEL PhD., CESO V Office of the Schools Division Superintendent			
By:	<input type="checkbox"/> ASAC	<input type="checkbox"/> OIC Chief	<input type="checkbox"/> SDO Chief
	<input type="checkbox"/> AO	<input type="checkbox"/> Atty.	Signature: 

1. Schools Division Superintendent	Orlando E. Manuel, PhD, CESO V
2. Assistant Schools Division Superintendent	Adonis C. Ceperez, EdD, CESE
3. Legal Section	Atty. Julius Caesar G. Domingo, CPA
4. Accounting Section	Emerson B. Balut, CPA
5. Budget Section	Jeasel J. Alayu
6. Administrative Section	Maritess E. Vidad
7. Personnel Section	Princes C. Aquitania
8. Property and Supply Section	Gaye D. Castillo
9. Education Facilities	Caroline Q. Lagula, RCE
10. Chief Education Supervisor	Maricel S. Franco, PhD, CESE
11. Chief Education Supervisor	Romulo S. Ancheta, PhD
12. Secondary School Principal	Rucelle T. Borja
13. Secondary School Principal	Rodrigo C. Rosete
14. Secondary School Principal	Teresita M. Taboy
15. Secondary School Principal	Luviminda M. Cordero
16. Secondary School Principal	Amadeo B. Dulay
17. Secondary School Principal	Osmundo R. Espejo
18. Secondary School Principal	Roberto D. Cutillon, PhD
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21. Secondary School Principal	Jigger R. Marvel
22. Secondary School Principal	Virginia R. Taberna
23. Secondary School Principal	Merlita C. Padilla, PhD
24. Secondary School Principal	Menalyn A. Salvador
25. Secondary School Principal	Guilbert R. Orcales
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National Government Audit Sector
Cluster 5A and 5G - Team R2-16

Department of Education Regional Office No. II
Year-end Audit of Financial Year 2024
01 July 2024 to 31 March 2025

ENTRANCE CONFERENCE AGENDA (ECA)

Date : 02 October 2024
Time : 10:00 AM
Venue : DepEd Division Office Conference Room

A. AUDIT TEAM COMPOSITION

- | | |
|---|------------------------------|
| 1. Adeline P. Baarde, SA V | Regional Supervising Auditor |
| 2. Laarni T. Lorenzana, SA III | OIC - Audit Team Leader |
| 3. Atty. Kristina Edith Ashley C. De Castro, SA I | Audit Team Member |

B. AUDIT THRUST AREAS

In compliance with National Government Sector Cluster 5 – Education and Employment Unnumbered Memorandum dated November 14, 2023 re: Specific Audit Instructions (SAI) on the conduct of Financial and Compliance Audits for Calendar Year (CY) 2024 on the Department of Education Schools Division Office (SDO) of Nueva Vizcaya and 15 National High Schools with complete set books of accounts, and after due consideration of the critical operations and risk areas, and results of previous audits, the audit shall focus on the following areas:

Audit Thrust/Area	Auditor Responsible
1. Review of Financial Statements (FS)	
1.1 Compliance with IPSAS, GAM for NGAs, Unified Accounts Code Structure (UACS) and RCA;	LTLorenzana, KEACDeCastro
1.2 Applicable disclosures or additional information not evident on the face of the FSs and other information that need to be disclosed and incorporated in the Notes to FSs, shall include, but not limited to the following: a) Breakdown of accounts (with corresponding figures) and relevant information for each account b) Reasons for significant increase/decrease of balances c) Litigation and claims/settlements d) Related party transactions	LTLorenzana, KEACDeCastro

Audit Thrust/Area	Auditor Responsible
3.7 School-Based Feeding Program (SBFP) 3.8 Last Miles School Program	
4. Evaluation of Other Areas	
4.1 Budget Control, Execution, Monitoring and Reporting Compliance with the following audit criteria: a) Chapter 3, Volume 1 of the GAM – Budget Execution, Monitoring and Reporting; b) COA-DBM Joint Circular No. 2019-01 dated January 1, 2019 – Updated Guidelines relative to Budget and Financial Accountability Reports (BFARs) starting FY 2019; c) General Appropriations Act (GAA) FY 2024; d) Budget Utilization	LTLorenzana
4.2 Compliance with RA No. 9184 and its Revised IRR on the procurement activities of the agency. Conduct review of contracts pursuant to COA Circular No. 2009-001 dated February 12, 2009.	KEACDeCastro
4.3 Hiring of Job Orders and Contract of Service (including the provision of 20% premium) and consultants	KEACDeCastro
4.4 Provident Fund	KEACDeCastro
4.5 School Canteen Operations	LTLorenzana
4.6 Disaster Risk Reduction and Management Fund (including Clean-up Drive Fund)	LTLorenzana
4.7 Gender and Development	KEACDeCastro
4.8 Senior Citizen and Differently-Abled Persons	KEACDeCastro
4.9 Property Insurance Law	KEACDeCastro
4.10 Compliance with Tax Reforms for Acceleration and Inclusion (TRAIN) (RA No. 10963) and its IRR and other applicable laws	LTLorenzana
4.11 GSIS Act of 1917 (RA 8291)	KEACDeCastro
4.12 HDMF Law of 2009 (RA 9679) and its IRR	KEACDeCastro
4.13 National Health Insurance Act of 2013 (RA 7875 as amended by RA No. 9241 and 10606 and its IRR	KEACDeCastro
4.14 Enforcement and Settlement of Suspension and, Disallowances and Charges	LTLorenzana

Audit Thrust/Area	Auditor Responsible
5. Monitoring and Follow-up of Status of Prior Years' Audit Recommendations 5.1 Validation on the status of implementation of the audit recommendations contained in the Agency Action Plan and Status of Implementation (AAPSI)	LT.Lorenzana, KEACDeCastro

C. AUDIT OBJECTIVES

1. Financial Audit – To determine whether an agency's financial information is presented in accordance with the International Public Sector Accounting Standards (IPSAS). This is accomplished by obtaining sufficient and appropriate audit evidence to enable the auditors to express an opinion as to whether the financial information is free from material misstatement due to fraud or error. (*ISSAI 100.22*)
2. Compliance Audit – To determine whether a particular subject matter is in compliance with authorities identified as criteria. The auditors assess whether activities, financial transactions and information are, in all material respects, in compliance with the authorities which govern the audited agency. These authorities may include rules, laws and regulations, budgetary resolutions, policy, established codes, agreed terms, general principles governing sound public-sector financial management, and the conduct of public officials. (*ISSAI 100.22*)

D. AUDIT SCOPE

The audit shall cover the examination of the accounts, financial transactions and operations of the Agency for the period 01 January to 31 December 2024. Whenever necessary, the audit shall also cover transactions pertaining to prior and subsequent period as they affect the current audit. The audit thrusts and foci for CY 2024 are contained in the Memorandum dated November 14, 2023 issued by Supervising Auditor Imelda G. Celso and approved by Cluster Director Marivel C. Broñola.

E. AUDIT APPROACH AND METHODOLOGY

The general audit processes shall be as follows:

- Perform analytical review on identified accounts;
- Perform substantive tests (test of details of transactions and account balances) using appropriate sampling methodology;
- Review financial statements presentation and note disclosures based on IPSAS, applicable financial rules and regulations of the Agency; and
- Review transactions for management's compliance with laws, rules and regulations on the pre-determined audit thrusts/areas.

F. AUDIT OUTPUTS

1. Audit Observation Memoranda (AOMs) to inform management of the results of audit
2. Notice of Disallowance, Notice of Suspension, Notice of Charge, as appropriate
3. Management Letter which includes the following parts: Introduction, Summary of Audit Recommendations, Detailed Observations and Recommendations, incorporating management comments, where applicable, Status of Implementation of Prior Year's Audit Recommendations, Acknowledgement, Annexes

G. LINKAGES WITH OTHER OFFICES

1. Schools Division Office of Tuguegarao City
 - ✚ Office of the Schools Division Superintendent – official communications
 - ✚ Office of the Assistant Schools Division Superintendent – official communications
 - ✚ Office of the Administrative Officer
 - ✚ Personnel Section – personnel records
 - ✚ Accounting Section/Unit – financial reports
 - ✚ Budget Section/Unit – budgetary reports
 - ✚ Cash Section
 - ✚ Supplies and Property Unit
 - ✚ Legal Unit
2. Implementing Units (15 IUs)
 - ✚ Office of the Principals– official communications
 - ✚ Accounting Section/Unit – financial reports and budgetary reports
 - ✚ Cash Section
 - ✚ Supplies and Property Unit
3. COA DepEd Regional Office No. II
4. COA Office of the Regional Supervising Auditor NGAS 5
5. COA Office of the Regional Office No. II

H. SIGNIFICANT MILESTONES

ACTIVITIES	DATES
Entrance conference	02 October 2024
Submission of Financial Statements by Management	On or before 31 January 2025
Audit execution	01 June to 31 December 2024 01 January to 13 March 2025
Issuance of AOMs, NDs, NSs and NCs	As necessary
Exit conference	17 March 2025, 9:30 am
Issuance/Transmittal of Management Letter	On or before March 28, 2025

I. ADMINISTRATIVE MATTERS

To facilitate the conduct of the audit, the team requests management's cooperation and assistance on the following:

- Assignment of focal person/s to facilitate meetings and requests relative to the audit
- Submission of accounts and required reports/statements within the prescribed period
- Preparation and submission of schedules or analyses and providing needed documents
- Availability of process owners/concerned official for interviews and walkthroughs
- Access to the work of internal auditors to facilitate review of internal control and risk assessment related to audit of financial information
- Access to related documents/records/manuals/files and operating system
- Continued access to work area/office and other office equipment
- Facilitating requirements of the audit team/s assigned to conduct field inspections and observations
- Continued provision of office supplies for the use of the Office
- Such other assistance which the team may deem necessary in the course of the audit.

J. INITIAL DOCUMENTS NEEDED FOR THE CY 2024 AUDIT

Financial Statements

1. Financial Statements for the period ended June 30, 2024 and December 31, 2024, Consolidated and Detailed, with Notes to Financial Statements, Trial Balance, General Ledgers and Subsidiary Ledgers
2. Information Notes/Closing of Accounts Instructions relating to 2024 financial statements
3. Management Responsibility Letter

Cash and Cash Equivalents

4. Bank Reconciliation Statements of all bank accounts together with supporting schedules of reconciling items as at December 31, 2024 (i.e. Outstanding Checks)
5. List of Unreleased Checks as at December 31, 2024

Receivables

6. Schedule of Receivables as at December 31, 2024
 - Due from NGAs
 - Due from LGUs
 - Due from Operating Units
 - Due from Other Funds
 - Receivables -- Disallowances/Charges
 - Due from Officers and Employees
 - Due from NGOS/POs
 - Other Receivables
7. Aging of all Receivables Accounts as at December 31, 2024
8. Schedule of Accounts Written-off as at December 31, 2024, if any

Inventories

9. Reports on the Physical Counts of Inventories (RPCI) as at June 30, 2024 and December 31, 2024
10. Inventory Aging Report as at December 31, 2024, if any

Other Assets

11. Schedules of Advances Accounts as at December 31, 2024
 - Advances to Special Disbursing Officers
 - Advances to Officers and Employees
 - Advances to Contractors
 - Prepayments

Property, Plant and Equipment (PPE)

12. Report on the Physical Count of PPE (RCPPE) for CY 2024
13. Results of Impairment verification as at December 31, 2024, if any
14. Schedule of Construction-in-Progress Buildings and Structures as at December 31, 2024, including information on location of the project, contract amount, percentage of completion, name of contractor, expected date of completion based on contract
15. Inventory and Inspection Report of Unserviceable Property (IIRUP) for CY 2024

Financial Liabilities

16. Schedule of financial liabilities as at December 31, 2024
 - Accounts Payable

- Due to Officers and Employees

Inter-Agency Payables

17. Schedule of Inter-Agency Payables as at December 31, 2024, with information on subsequent remittance in CY 2024 (Disbursement Voucher No., Date and Amount)

- Due to BIR
- Due to GSIS
- Due to PAg-IBIG
- Due to PhilHealth
- Due to NGAs

Intra-Agency Payables

18. Schedule of Intra-Agency Payables as at December 31, 2024

- Due to Other Funds

Trust Liabilities

19. Schedule of Guaranty/Security Deposits Payables as at December 31, 2024

Other Payables

20. Schedule of Other Payables as at December 31, 2024

Prior Period Adjustments

21. Details of Prior Period Adjustments

Revenues

22. Quarterly Report of Revenue and Other Receipts (QRROR) - FAR No. 5, all quarters

23. All Registries of Revenue and Other Receipts

Expenses

24. Schedule of financial assistance to LGUs, GOCCs, NGOs/POs for the period 1 January to December 31, 2024

Gender and Development (GAD)

25. GAD Plan and Budget for CY 2024

26. GAD Accomplishment Report for CY 2024

NDRRM Funds

27. Report on the Receipt and Utilization of DRRMF Sourced from GAA, as at December 31, 2024

28. Report on the Receipt and Utilization of Cash Donations for CY 2024, if any

29. Report on the Receipt and Distribution/Issuance of Donated Relief Goods, if any

30. Report on the Receipt and Distribution/Issuance of Donated PPE, if any

31. Inventory List of Procured Items for DRRM, if any

32. Inventory List of Donated Items for DRRM, if any

Agency Appropriations, Allotments, NCAs, NTAs and Utilization

33. Complete list and submission of Special Allotment Release Orders (SAROs), Sub-Allotment Advice (SAAs) and Notices of Cash Allocation (NCAs)/Notices of Transfer of Cash Allocation (NTCAs)

34. Pertinent DepEd Department Orders

35. Modifications in allotments, if any, and appropriate approvals of such modifications


36. Registry of Allotments and Notice of Cash Allocation (RANCA)

37. Registry of Appropriations and Allotments (RAPAL)
38. Registries of Allotments, Obligations and Disbursements (RAOD) – PS, MOOE, FE and CO
39. Registries of Budget, Utilization and Disbursements (RBUD) – PS, MOOE, FE and CO
40. Report of Fund Utilization as at December 31, 2024 (all funds)
41. Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) – FAR No. 1, all quarters
42. Statement of Appropriations, Allotments, Obligations, Disbursements and Balances By Object of Expenditures (SAAODBOE) – FAR No. 1-A, all quarters
43. List of Allotments and Sub-Allotments – FAR No. 1-B
44. Statement of Approved Budget, Utilizations, Disbursements and Balances (SABUDB) – FAR No. 2, all quarters
45. Statement of Approved Budget, Utilizations, Disbursements and Balances By Object of Expenditures (SABUDBBOE) – FAR No. 2-A, all quarters
46. Aging of Unpaid Obligations – FAR No. 3 as at December 31, 2024
47. Monthly Reports of Disbursements – FAR No. 4, all months

The other documents needed will be communicated with the concerned department heads and/or focal persons as the audit progresses.

Prepared by:

Reviewed by:

 **I. ARNI T. LORENZANA**
OIC - Audit Team Leader

 **ADELINE P. BAARDE**
Regional Supervising Auditor

Proof of Receipt of ECA:

Name	Office	Designation	Signature	Date of Receipt
Orlando E. Manuel, PhD, CESO V	DepEd SDO NV	Schools Division Superintendent		
Emerson B. Balut, CPA	DepEd SDO NV	Accountant III		
Rucelle T. Borja	Alfonso Castañeda National High School	Secondary School Principal		
Rodrigo C. Rosete	Aritao High School	Secondary School Principal		
Teresita M. Taboy	Bagabag National High School	Secondary School Principal		
Luviminda M. Cordero	Bambang National High School	Secondary School Principal		
Amadeo B. Dulay	Bintawan National High School	Secondary School Principal		
Osmundo R. Espejo	Bonfal National High School	Secondary School Principal		

Name	Office	Designation	Signature	Date of Receipt
Roberto D. Cutillon, PhD	Diadi National High School	Secondary School Principal		
David John D. Uberta	Dupax del Sur National High School	Secondary School Principal		
Alvin G. Culanag	Kasibu National Agricultural School	Secondary School Principal		
Jigger R. Marvel	Lamo National High School	Secondary School Principal		
Virginia R. Taberna	Nansiakan National High School	Secondary School Principal		
Merlita C. Padilla, PhD	Nueva Vizcaya General Comprehensive High School	Secondary School Principal		
Menalyn A. Salvador	Quezon National High School	Secondary School Principal		
Guilbert R. Orcales	Salinas High School	Secondary School Principal		
Trinidad B. Logan	Solano High School	Secondary School Principal		
Noemi L. Bulan	Uddiawan National High School	Secondary School Principal		