



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. IV-A

National Government Sector
Cluster 8 – Agriculture and Environment
Department of Agriculture

Agricultural Training Institute-Regional Training Center IV-A
Brgy. Lapidario, Trece Martires City, Cavite

Office of the Auditor – Audit Team No. 43

March 25, 2022

Ms. Marites P. Cosico
Center Director
Agricultural Training Institute
Regional Training Center No. IV-A

Dear Ms. Cosico:

Management Letter on the Audit of the
AGRICULTURAL TRAINING INSTITUTE – RTC NO. IV-A
For the period January 1 to December 31, 2021

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) No.1445 we have audited the accounts and operations of the Agricultural Training Institute Regional Training Center (ATI-RTC) No. IV-A for the period ended December 31, 2021. The audit was conducted in accordance with applicable laws, rules and regulations and generally accepted auditing standards 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: (a) verify the level of assurance that may be placed on management's assertions on the financial statements; (b) evaluate the extent of compliance with laws, rules and regulations as well as propriety and validity of transactions; (c) recommend measures to improve the efficiency and effectiveness of the agency's operations; and (d) determine the extent of implementation of prior year's audit recommendations.
3. We wish to bring to your attention our audit observations and recommendations which we observed in the course of the audit and which were earlier communicated through Audit Observation Memoranda (AOMs) and discussed in an exit conference

conducted on March 25, 2022 with concerned ATI-RTC No. IV-A officials and employees. Their comments were incorporated in this letter, where appropriate. The significant audit observations and recommendations shall be incorporated in the Consolidated Annual Audit Report (CAAR) of the Agricultural Training Institute for Calendar Year (CY) 2021.

4. The Agency's financial conditions and results of operations for CY 2021 compared with that of the preceding year are summarized below and shown in detail in the attached audited financial statements marked *Annexes A-G*.

	2021	2020	Increase (Decrease)
<i>Financial Position</i>			
<i>Assets</i>	P48,273,291.26	P49,605,097.16	P(1,331,805.90)
<i>Liabilities</i>	<u>129,480.48</u>	<u>86,556.73</u>	<u>42,923.75</u>
<i>Net Assets/Equity</i>	<u>P48,143,810.78</u>	<u>P49,518,540.43</u>	<u>P(1,374,729.65)</u>
<i>Financial Position</i>			
<i>Income/Subsidy</i>	P64,339,937.55	P63,265,060.67	P1,074,876.88
<i>Operating Expenses</i>	<u>65,676,133.52</u>	<u>62,746,671.57</u>	<u>2,929,461.95</u>
<i>Surplus/(Deficit)</i>	<u>P(1,336,195.97)</u>	<u>P518,389.10</u>	<u>P(1,854,585.07)</u>

A. OBSERVATIONS AND RECOMMENDATIONS

I. Financial Audit

One thousand one hundred twenty (1,120) disbursement vouchers (DVs) amounting to P34,631,063.67 (net), were missing/did not form part of the submitted DVs to the Office of the Auditor, contrary to Section 7.2.1 (a) of the 2009 Rules and Regulations on the Settlement of Account prescribed for use by COA Circular No. 2009-006, thus preclude the evaluation/verification of the correctness of the cash balance, total expenses and other related accounts as of year-end and the timely review and verification of the transactions.

5. Section 7.2.1 (a) of COA Circular No. 2009-006 dated September 15, 2009 provides that: The Chief Accountant, Bookkeeper or other authorized official performing accounting and/or bookkeeping functions of the audited agency shall ensure that the reports and supporting documents submitted by the accountable officers are immediately recorded in the books of accounts and submitted to the Auditor within the first ten (10) days of the ensuing month.
6. Verifications of records/reports shows that 1,120 DVs totaling P34,631,063.67, net of tax, (*Annex H*), were missing/did not form part of the submitted DVs to the Audit Team.

7. The Accountant still avers that the cause of the incomplete submission of DVs was due to the ongoing Corona Virus Disease 2019 (COVID-19) pandemic coupled with the lack of manpower in the Accounting Section.
8. The non-submission of the DVs and supporting documents precluded the Audit Team from conducting evaluation/verification of the correctness of the cash balance, total expenses and other related accounts as of year-end and the timely post-audit and review of the agency's expenses and any deficiencies/error/s could not be immediately communicated to Management for correction/adjustment.
9. **We recommended and the Center Director agreed to enjoin the Accountant to submit the missing 1,120 DVs with total amount of ₱34,631,063.67 (net); and henceforth strictly comply with the prescribed period in the submission of reports to the Audit Team.**

Management's Comments:

10. The management averred that the Accountant made efforts to complete and submit the DVs to COA for FY 2021, but unfortunately due to the continuous skeletal schedule of staff during the ECQ/Alert level caused the prolonged process of completion of DVs to be submitted. Hence, the ATI4A falls short on meeting the deadlines of submission of documents.
11. The Accountant will submit the DVs for FY 2021 to the Audit Team on or before April 30, 2022. The management will then adhere strictly to the prescribed timelines of submission of DVs for the succeeding period.

The Property, Plant and Equipment (PPE) balance of ₱52,792,283.58 (gross) as of December 31, 2021 is doubtful as to existence, accuracy and reliability due to non-reconciliation of records between the Property and Accounting Sections, caused by the non-maintenance of the PPE Ledger Card (PPELC) by the Accounting Section/Unit, contrary to Section 42, Chapter 10, of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) Volume I.

12. Section 42, Chapter 10 of the GAM for NGAs provides for the Accounting and Property Records to be maintained for PPE. The Chief Accountant shall maintain the PPELC for each category of PPE including work and other animals, livestock, etc. The PPELC shall be kept to record promptly the acquisition, description, custody, estimated useful life, depreciation, impairment loss, disposal and other information about the asset. For check and balance, the Property and Supply Office/Unit shall likewise maintain PC for PPE in their custody to account for the receipt and disposition of the same. The balance per PC shall be *reconciled* with PPELC maintained by the Accounting Division/Unit. They shall also be reconciled with other property records like PAR.

13. Furthermore, Section 42(g) of the same Chapter and Manual provides for the Report on the Physical Count of Property, Plant and Equipment (RPCPPE) (Appendix 73) wherein the form shall be used to report the physical count and condition of PPE by type as at a given date, including those which are unrecorded and those which could not be accounted for. It shows the *balance of PPE per property cards* and per count and the shortage/overage, if any. It shall be rendered by the Inventory Committee, on its yearly physical count of properties owned by the entity.
14. Review of the Trial Balance for Funds 101, 103 and 106, Statement of Financial Position, Notes to Financial Statements and RPCPPE disclosed the following balances of Property, Plant and Equipment.

Account Title	Per TB	Per RPCPPE	Variance	Observation/Remarks
Other Land Improvements	₱ 3,578,341.17	₱ 3,513,041.17	₱ 65,300.00	unreconciled
Building	25,601,438.81	26,686,438.81	(1,085,000.00)	unreconciled
Other Structures	2,448,354.62	2,368,354.62	80,000.00	unreconciled
Hostel and Dormitories	7,126,032.32	7,128,032.32	(2,000.00)	unreconciled
Other Machinery and Equipment	666,156.00	977,456	(311,300.)	unreconciled
Office Equipment	2,655,952.76	2,016,652.76	639,300.00	unreconciled
Information and Communications Technology Equipment	6,682,712.35	6,608,812.35	73,900.00	unreconciled
Furniture and Fixtures	1,810,379.13	1,900,019.13	(89,640.00)	unreconciled
Other Property, Plant and Equipment	2,222,916.42	1,767,500.00	455,416.42	unreconciled
Total	₱52,792,283.58	₱52,966,307.16	₱(174,023.58)	unreconciled

15. Query disclosed that the Property Card (PC) is being maintained while the Chief Accountant does not maintain PPELC. On the other hand, the RPCPPE was submitted only on March 14, 2022 instead of January 31, 2022.
16. Moreover, analysis of the PPE gross cost per TB and RPCPPE disclosed a net variance of ₱(174,023.58) caused by unreconciled balances of each type of PPE recorded in the books coupled with the non-maintenance of the PPELC by the Accounting Section/Unit.
17. The non-maintenance of the PPELC by the Accounting Section/Unit and the non-reconciliation of their records with the PCs renders the existence and accuracy of the Property, Plant and Equipment balance per book as of December 31, 2021 unreliable.
18. **We recommended and the Center Director agreed to instruct the:**
 - a. **Regional Training Center IV-A Accountant to maintain the required PPELC for all PPE owned by the Center; and**
 - b. **Supply and Property Officer to reconcile their PCs with the PPELCs to come up with a reliable balance of the Property, Plant and Equipment as of December 31, 2021.**

The Inventory balance of ₱577,610.00 as of December 31, 2021 is doubtful as to existence, accuracy and reliability due to non-reconciliation of records between the Property and Accounting Sections, caused by the non-preparation of the Report on the Physical Count of Inventories (RPCI) for Office Supplies and Semi-Expendable Properties, contrary to Sections 13 and 17(i), Chapter 8, of the Government Accounting Manual (GAM) for National Government Agencies (NGAs) Volume I.

19. Section 13, Chapter 8, Volume I of the GAM for NGAs, provides:

x x x

“Physical count/inventory, which is required semi-annually, is an indispensable procedure for checking the integrity of property custodianship.”

20. Likewise, Section 17(i) of Chapter 8 of the GAM for NGAs provides for the preparation and submission of Report on the Physical Count of Inventories (RPCI). It shall be used to report the physical count of supplies by type of inventory as at a given date. It shows the balance of inventory items per card and per count and shortage/overage, if any. These include the semi-expendable property wherein the issue is covered by Inventory Custodian Slip (ICS).
21. Further, among the instruction excerpted in the preparation of RPCI, *“The report shall be submitted to the COA Auditor concerned not later than July 31 and January 31 of each year for the first and second semesters, respectively.”*
22. Review of the Trial Balance for Funds 101, 103 and 106, Statement of Financial Position and Notes to Financial Statements disclosed the following balances of Inventory Held for Consumption.

Account Title	Per TB	Per Schedule	Variance	Observation/Remarks
Inventory Held for Consumption				
Office Supplies	₱326,560.00	₱326,560.00	0.00	No RPCI
Semi-Expendable Office Equipment	9,000.00	9,000.00	0.00	No RPCI
Semi-Expendable Furniture and Fixtures	39,000.00	39,000.00	0.00	No RPCI
Semi-Expendable Information and Communications Technology Equipment	203,050.00	203,050.00	0.00	No RPCI
Total	₱577,610.00	₱577,610.00	0.00	No RPCI

23. Request for the submission of the required RPCI as of December 31, 2021 from the Supply and Property Officer, disclosed that there was no RPCI prepared for the abovementioned Inventory Held for Consumption.
24. The non-preparation of the RPCI for Inventory Held for Consumption renders the existence, accuracy and reliability of the inventory balance per book as of December 31, 2021 doubtful.
25. **We recommended and the Center Director agreed to instruct the:**
 - a. **Supply and Property Officer to prepare and submit the required RPCI for each classification of Inventory Held for Consumption as of December 31, 2021 and henceforth regularly submit the RPCI as prescribed in the regulations; and**
 - b. **Regional Training Center Accountant and the Supply and Property Officer to reconcile their records to come up with a reliable balance of the inventories as of December 31, 2021.**

Management's Comments:

26. The management averred that the Office Supplies (not in the proper format of RPCI) and Report on Physical Count of Semi-Expendable Properties were already submitted to the Audit Team on March 21, 2022 and the report on the reconciliation of inventory records between the Property and Accounting Sections will be submitted on or before March 31, 2022.

Auditor's Rejoinder

27. The audit Team maintains that the RPCI should be prepared in the proper format to facilitate verification and remind the Management of the prescribed period to submit the report.

II. Compliance Audit

Delayed submission of Financial Statements

The non-submission of the complete, final and signed financial reports, namely Trial Balance, Financial Statements (FS) with Notes to FS and supporting schedules for the Calendar Year (CY) 2021 within the prescribed deadlines contrary to Section 122 of Presidential Decree (PD) Number 1445 and Section 60, Chapter 19 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, precluded the prompt complete audit of accounts and financial transactions, early detection and correction of errors/deficiencies and timely reporting of the audit results to the management.

28. Section 122 of P.D. No. 1445 provides for the submission of reports and states:

“Whenever deemed necessary in the exigencies of the service, the Commission may under regulations issued by it require the agency heads, chief accountants, budget officers, cashiers, disbursing officers, administrative or personnel officers, and other responsible officials of the various agencies to submit trial balances, physical inventory reports, current plantilla of personnel, and such other reports as may be necessary for the exercise of its functions.

Failure on the part of the officials concerned to submit the documents and reports mentioned herein shall automatically cause the suspension of payment of their salaries until they shall have complied with the requirements of the Commission.

No appropriation authorized in the General Appropriations Act shall be available to pay the salary or any official or employee who violates the provisions of this section, without prejudice to any disciplinary action that may be instituted against such official or employee.”

29. On the other hand, Section 60, Chapter 19 of the GAM for NGAs, Volume I prescribe that the deadline for the submission of year-end reports of Regional/Branch Offices is on or before January 31 of the following year.
30. A soft copy of the CY 2021 financial reports of the agency consisting of Trial Balance, Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, Statement of Changes in Net Assets/Equity and Statement of Comparison of Budget and Actual Amount (SCBAA) were sent through e-mail to the Office of the Auditor on February 7, 2022. However, the supporting schedules requested by the Audit Team to facilitate verification were not provided. Moreover, there are still revisions and updates being made in the submitted soft copies of FS. Also, the Notes to FS which was sent thru email on February 20, 2022 was not in accordance with the format required in the GAM despite the Accountant being reminded of the prescribed format in the previous years. As of writing, the management has yet to submit the complete, final and signed hard copies of the CY 2021 financial reports.
31. The non-submission of the complete, final and signed copies of the financial reports has hindered the complete audit of accounts and financial transactions and early detection and correction of errors/deficiencies and is in contrary with Section 122 of PD No. 1445 and Section 60, Chapter 19 of the GAM for NGAs, Volume I.
32. **We recommended and the Center Director agreed to require the Regional Training Center Accountant to immediately submit the complete, final and signed hard copies of the CY 2021 Financial Reports and strictly adhere to the deadline set for its submission as required in Section 60, Chapter 19 of the GAM for NGAs Volume I.**

33. **We further recommended that the Management cause the suspension of payment of the salaries of the employees responsible for the non-submission of the required reports until the same has been complied pursuant to Section 122 of P.D. No. 1445.**

Management's Comments:

34. The management averred that the Regional Training Center Accountant was Covid Positive and observed the required quarantine until January 24, 2022, thus caused the delay in the submission of Financial Reports. Except for the supporting schedules for nominal accounts which will be submitted on March 31, 2022, she has already submitted the Financial Statements (FS) and the related Notes to FS in the proper format as required by GAM for NGAs.

Auditor's Rejoinder

35. The Audit Team however verified from the records that supporting schedules were yet to be submitted and remind the Management of the prescribed deadline which is January 31 of each year.

Compliance with Other Legal and Regulatory Requirements

Utilization/obligation of fund and disbursement

36. For CY 2021, the ATI RTC IV-A received a total allotment of ₱61,567,629.62 in addition to the continuing appropriation of ₱5,650,000.00, both of which was fully obligated in accordance with Section. 62, General Provisions (GP) of the Fiscal Year (FY) 2021 General Appropriations Act (GAA), as implemented by Item 3.3 of National Budget Circular No. 583, dated January 4, 2021. However, due to non-submission of complete disbursement vouchers as discussed in paragraph numbers 5 to 11 of this Management Letter, the fund utilization cannot be ascertained if in accordance with the purpose of the allotment.

Utilization of cash allocation

37. For CY 2021, the ATI RTC IV-A received a total cash allocation of ₱60,828,494.22 of which the amount of ₱60,690,965.32 was fully disbursed as of December 31, 2021, in accordance with Executive Order No. 91 dated September 9, 2019. However, due to non-submission of complete disbursement vouchers as discussed in numbers 5 to 11 of this Management Letter, the utilization/disbursement cannot be ascertained if in accordance with the purpose or objective of the program/activities.

Rice Program Budget Utilization and Disbursements

38. In support to the institute's goal of increasing rice productivity and income of rice farmers, the total allotment of ₱8,361,979.00 was fully obligated with total disbursement of ₱7,373,128.18. However, due to non-submission of complete disbursement vouchers as discussed in paragraph numbers 5 to 11 of this Management Letter, the utilization/disbursement cannot be ascertained if in accordance with the purpose or objective of the program/activities and if the supporting documents are complete. The balance of ₱988,850.82 was recorded as payables.

Rice Competitiveness Enhancement Program cash utilization

39. For Rice Competitiveness Enhancement Program, the total cash allocation of ₱6,783,990.00 was also fully disbursed. However, due to non-submission of complete disbursement vouchers as discussed in paragraph numbers 5 to 11 of this Management Letter, the utilization/disbursement cannot be ascertained if in accordance with the purpose or objective of the program/activities and if the supporting documents are complete.

Reversion, closure, transfer of balances of dormant cash, unauthorized accounts and unnecessary funds

40. The ATI RTC IV-A has no dormant cash, unauthorized accounts, unnecessary special and trust funds and related accounts for reversion as of year-end, in conformity with in conformity with Section 10 of the GP of FY 2021 GAA, as implemented by the Permanent Committee Joint Circular No. 4-2012, dated September 11, 2012, implementing Executive Order No. 431, dated May 30, 2005 and COA Circular No. 2015-001 dated January 29, 2015.

Receipt and deposit/remittance of collections and income

41. All fees, charges, assessments, and other receipts or revenues collected, trust receipts and performance bonds and deposits, among others, except as authorized by law to be retained by the agency for its use, were deposited/remitted to the National Treasury pursuant to Sections 4 to 9 and 12 to 14 of the GP of FY 2021 GAA.

Granting and liquidation of cash advances

42. Cash advances granted during the year for payroll amounting to ₱644,000.00 were utilized and liquidated in accordance with COA Circular No. 97-002 dated February 10, 1997, while cash advances for operating expenses amounting to ₱163,800.00 or 12.28 percent of the cash advances granted during the year remain unliquidated as of year-end. There were also no unliquidated cash advances in prior years.

Details of the Cash advances are as follow:

Nature of Cash Advances	Cash Advance		Liquidation		Balance As of 12/31/2021	
	CY	PYs	CY	PYs	CY	PYs
Payroll	₱ 644,000.00	₱0.00	₱ 644,000.00	₱0.00	₱ 0.00	₱0.00
Operating expenses	1,333,622.93	0.00	1,169,822.93	0.00	163,800.00	0.00
Total	₱1,977,622.93	₱0.00	₱1,813,822.93	₱0.00	₱163,800.00	₱0.00
Balance As of 12/31/2021					₱163,800.00	
% to Total	100%		91.72%		8.28%	

CY – Current Year; PYs – Prior Years

Granting and Liquidation of fund transfers to Implementing Agencies (IAs)

43. The ATI RTC IV-A has no fund transfers to implementing agencies during the year for the implementation of agency's projects in accordance with COA Circular No. 94-013. However, there were still unliquidated fund transfers in prior years amounting to ₱1,547,919.54. Details are shown below:

Implementing Agency	Cash Advance		Liquidation		Balance As of 12/31/2021	
	CY	PYs	CY	PYs	CY	PYs
LGUs	₱0.00	₱2,252,058.05	₱0.00	₱704,138.51	₱0.00	₱1,547,919.54
Total	₱0.00	₱2,252,058.05	₱0.00	₱704,138.51	₱0.00	₱1,547,919.54
Balance As of 12/31/2021						₱1,547,919.54
% to Total		100%		31.27%		68.73%

CY – Current Year; PYs – Prior Years

Granting, utilization and liquidation of advances to PS-DBM and PITC

44. The ATI RTC IV-A has no advances to Procurement Service-DBM during the year. However, there were still unliquidated advance from prior years amounting to ₱50,000.00 for its airfare deposit, as follows.

Agency	Cash Advance		Liquidation		Balance As of 12/31/2021	
	CY	PYs	CY	PYs	CY	PYs
PS-DBM	₱0.00	₱50,000.00	₱0.00	₱00.00	₱0.00	₱50,000.00
Total	₱0.00	₱50,000.00	₱0.00	₱00.00	₱0.00	₱50,000.00
Balance As of 12/31/2021						₱50,000.00
% to Total		100%				100%

Granting and Liquidation of fund transfers to NGOs/POs

45. The ATI RTC IV-A has no fund transfers to NGOs/POs during the year in accordance with Section 67 of the GP of FY 2021 GAA and COA Circular No. 2007-001. However, there were still unliquidated fund transfers from prior years amounting to ₱200,000.00 for their support for livelihood projects, as follows:

Agency	Cash Advance		Liquidation		Balance As of 12/31/2021	
	CY	PYs	CY	PYs	CY	PYs
NGOs/POs	₱0.00	₱200,000.00	₱0.00	₱0.00	₱0.00	₱200,000.00
Total	₱0.00	₱200,000.00	₱0.00	₱0.00	₱0.00	₱200,000.00
Balance As of 12/31/2021						₱200,000.00
% to Total		100%				100%

Dormant accounts for write-off

46. The ATI RTC IV-A has no dormant receivable accounts, unliquidated cash advances, and fund transfers for write-off, in accordance with Section 8.2 of COA Circular No. 2016-005 dated December 19, 2016.

Insurance of physical assets with GSIS

47. The ATI RTC IV-A insured with the Government Service Insurance System (GSIS) property amounting to ₱32,587,469.01 with corresponding insurance premiums, inclusive of tax, paid in the amount of ₱278,326.68 in accordance with Republic Act (RA) No. 656, otherwise known as the “Property Insurance Law” as amended by Presidential Decree No. 245 dated July 13, 1973.

Disposal of unserviceable property

48. Unserviceable property with a book value of ₱113,476.54 were disposed of during the year, in compliance with Section 79 of Presidential Decree (PD) No. 1445 as implemented by COA Circular No. 89-296 dated January 27, 1989 .

Procurement of goods, consultancy services and infrastructure projects

49. The ATI RTC IV-A has no procurement of goods, consultancy services and infrastructure projects, through negotiated procurement (emergency purchase), in accordance with Section 10 of Rule IV and Sections 48 to 54 of Rule XVI of 2016 Revised Implementing Rules and Regulation (IRR) of Republic Act (RA) No. 9184.

Submission of government contracts

50. Copies of government contracts, purchase orders and their supporting documents totaling 396 with corresponding amount of ₱24,901,076.03 were submitted within

the prescribed period, in accordance with items 3.1.1 and 3.2.1 of COA Circular No. 2009-001 dated February 12, 2009 and the same were verified to be complete and in order.

Withholding and remittance of GSIS contributions, loans and employer's share

51. The ATI RTC IV-A deducted properly and remitted without delay the GSIS personal share and loans of employees amounting to ₱900,549.54 and ₱735,316.04, respectively, in accordance with Republic Act (RA) No. 8291, the GSIS Act of 1997. Likewise, the employer's share amounting to ₱1,231,732.75 was also remitted without delay.

Withholding and remittance of PhilHealth contributions

52. The ATI RTC IV-A deducted properly and remitted without delay the PhilHealth personal share of employees amounting to ₱143,366.72, in accordance with RA No. 7875, as amended by RA No. 9241 (National Health Insurance Act of 1995). Likewise, the employer's share amounting to ₱143,329.64 was also remitted without delay.

Withholding and remittance of Pag-IBIG contributions, loans and employer's share

53. The ATI RTC IV-A deducted properly and remitted without delay the Pag-IBIG personal share and loans of employees amounting to ₱135,412.42 and ₱308,591.02, respectively, in accordance with RA No. 7875, as amended by RA No. 9679 (Pag-IBIG Fund Law 2009). Likewise, the employer's share amounting to ₱31,200.00 was also remitted without delay.

Withholding and remittance of taxes

54. The ATI RTC IV-A properly withheld and remitted without delay taxes on gross compensation income from officials and employees, and government purchases and contract of services from suppliers/contractors amounting to ₱669,292.04 and ₱1,802,680.18, respectively, in accordance with the Bureau of Internal Revenue (BIR) Revenue Regulation No. 10-2008 dated July 8, 2008.

Hiring and payments to job orders, contractual and consultants

55. 23 individuals covered with Contract of Service (COS) or Job Order (JO) as of December 31, 2021 were hired on a semestral basis, in accordance with CSC COA DBM Joint Circular No. 1 dated June 15, 2017, as updated by CSC COA DBM Joint Circular No. 2, s 2020, dated October 20, 2020, to augment the regular plantilla employees of 29 due to lack of manpower. Their salaries were charged against Maintenance and Other Operating Expenses (MOOE) in the total amount of ₱3,561,359.82 as authorized under DBM Circular Letter (CL) No. 2013-5 dated July 22, 2013 as implemented by COA Circular No. 89-296 dated January 27, 1989.

Gender and Development (GAD) Budget, Utilization and Accomplishments

56. The ATI-RTC IV-A allocated only ₱2,480,000.00 or 4.03 percent of the total appropriations of ₱61,567,629.62 for GAD programs and activities, contrary to Section 32 of the FY 2021 GAA. The planned activities were implemented with 100% fund utilization. Our review of disbursements disclosed no adverse observations. Moreover, the ATI-RTC IV-A has no overseas development assistance fund, thus no allocation was made for Women in Development and Nation Building Act or RA No. 7192.

Formulation and implementation of programs/activities for SCPD

57. The ATI RTC IV-A formulated and implemented plans and programs amounting to ₱909,190.00 for the Senior Citizens and Persons with Disability (SCPWD), in compliance with Section 33 of the General Provisions of the GAA for FY 2021, in addition to providing ramps, a wheelchair and priority lane for them, pursuant to Batas Pambansa Blg. 344 and RA 7277, as amended.

Receipt and utilization and implementation of FAPs and ODA Funded Projects

58. The ATI RTC IV-A has no Foreign-Assisted Projects (FAPs) and Official Development Assistance (ODA) Funded Projects in accordance with Section 79 of the GP of the GAA for CY 2021 and RA No 8182 (as amended), or the ODA Act of 1996.

Receipt and utilization of Disaster Related Fund

59. The ATI RTC IV-A did not receive Disaster Risk Reduction Management (DRRM) Fund and/or Quick Response Fund (ORF) for disaster risk reduction or mitigation, prevention and preparedness activities and for relief, recovery, reconstructions and other work services in connection with natural or human-induced calamities as provided in COA Circular No. 2014-002 dated April 15, 2014.

Enforcement of COA Audit Suspensions, Disallowances and Charges

60. There was no audit suspensions, disallowances and charges issued during the year for transactions post-audited as of December 31, 2021 as shown in the Statement of Suspensions, Disallowances and Charges (SASDC).
61. Notice of Disallowances/Notice of Charge/Notice of Suspension issued prior to effectivity of the 2009 Rules and Regulations on the Settlement of Accounts (RRSA)

are not included but are deemed disallowances/charges which shall continue to be enforced in accordance with the Rules as provided under Sec. 28 of COA Circular No. 2009-006 dated September 15, 2009.

B. Status of Implementation of Prior Years' Audit Recommendations

- 62. We made a follow-up on the action taken by the ATI-RTC IV-A to implement the two prior year's audit recommendations contained in the CY 2020 ML and noted that one was implemented and the other was not implemented.
- 63. The results of the validation of the implementation of prior year's recommendations are presented in *Annex I*.


C. Acknowledgement

- 64. We wish to express our appreciation to the Management and staff of the ATI RTC IV-A for the cooperation and assistance extended to our audit team during the audit.

Very truly yours,

COMMISSION ON AUDIT

By:


REMEDIOS M. RECONALLA
OIC-Audit Team Leader

Copy Furnished:

The Cluster Director
NGS Cluster 8

The Supervising Auditor
Department of Agriculture

The Regional Director
COA, Region IV-A

The Regional Supervising Auditor
NGS-Cluster 8, COA Region IV-A