



Republic of the Philippines  
**COMMISSION ON AUDIT**  
**Regional Office No. IV-A**  
NGS Clusters 6 and 8  
Commonwealth Avenue, Quezon City

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April 28, 2021

**Ms. MARITES P. COSICO**  
Center Director  
Agricultural Training Institute  
Regional Training Center IV-A  
Trece Martires City, Cavite

Dear **Ms. Cosico**:

We are pleased to transmit the Management Letter (ML) on the Compliance Audit of the COVID-19 Funds on the Agricultural Training Institute – Regional Training Center IV-A during the Period of State of National Emergency for Calendar Year (CY) 2020 prepared by the Audit Team headed by Ms. Remedios M. Reconalla as OIC-Audit Team Leader, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, the Government Auditing Code of the Philippines.

The audit was made to (a) evaluate the extent of compliance with laws, rules and regulations as well as propriety and validity of transactions, and (b) recommend measures to improve the efficiency and effectiveness of the agency's operations. Further, the audit was conducted in accordance with the International Standards of Supreme Audit Institutions. The details of our audit observations, as well as the corresponding recommendations, are discussed/presented in the ML.

We request that this Office be informed of the actions taken on the audit observations and recommendations in the ML within 60 days from receipt of this letter pursuant to Section 89 of the General Provisions of the General Appropriations Act FY 2020 (RA No. 11465) by accomplishing the attached Agency Action Plan and Status of Implementation (AAPSI) form required under COA Memorandum No. 2014-002 dated March 18, 2014.

We express our appreciation for the support and cooperation extended by the officials and staff of that Agency.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Maquimot".

**MARCELINA LETICIA B. MAQUIMOT**  
State Auditor V  
Regional Supervising Auditor



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. IV-A  
**NGS Cluster 8-A, B,C, Audit Team R4A-43**  
Department of Agriculture  
**Agricultural Training Institute**  
**Regional Training Center IV-A**  
Trece Martires City, Cavite

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April 27, 2021

**Ms. MARITES P. COSICO.**  
Center Director  
Agricultural Training Institute  
Regional Training Center IV-A  
Trece Martires City, Cavite

**Management Letter on the Compliance Audit of the  
COVID-19 Funds during the Period of State of National Emergency  
for Calendar Year (CY) 2020**

**I. INTRODUCTION**

Dear Ms. Cosico:

1. We have audited the COVID-19 Funds of the Agricultural Training Institute – Regional Training Center IV-A during the Period of State of National Emergency under Republic Act (RA) No. 11469 - Bayanihan to Heal as One Act and RA No. 11494 - Bayanihan to Recover as One Act for CY 2020.
2. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions on Compliance Audit. Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.
3. The audit covered the following specific areas:
  - a. Receipt, Utilization and Disbursement of Funds;
  - b. Procurement of Information, Communication Technology Equipment and accessories for the implementation of Digital Agriculture Program/Online Blended Learning;
  - c. Distribution of free range chickens for the implementation of the Ahon Lahat, Pagkaing Sapat Kontra Covid-19 Program/Expanded Livestock and Poultry Production and Livelihood project; and
  - d. Grant of personnel benefits (hazard pay), internet expenses and other expenses related to COVID initiative.

4. The audit was conducted to ascertain compliance with the laws, rules and regulations (LRRs) relating to the above specific areas:
  - a. Bayanihan Act One (RA 11469) and Bayanihan Act Two (RA 11494);
  - b. RA No. 11464 (An Act Extending the Availability of the 2019 Appropriations to December 31, 2020, amending for the purpose Section 65 of the General Provisions of RA No. 11260, the General Appropriations Act (GAA) of Fiscal Year (FY) 2019) dated 20 December 2019; Section 60, General Provisions, RA No. 11465 (GAA FY 2020) dated January 6, 2020 and Executive Order (EO) No. 91 dated September 9, 2019 on the receipt and utilization of funds;
  - c. Department of Budget and Management (DBM) National Budget Circular (NBC) No. 580 dated April 22, 2020 - Adoption of Economy Measures in the Government due to Emergency Health Situation;
  - d. Department of Agriculture Memorandum Circular No. 21 dated June 2, 2020, re-Guidelines on the Expanded Livestock and Poultry Production and Livelihood Project;
  - e. Section 36(e)(f), Chapter 2 the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume 1;
  - f. Revised Implementing Rules and Regulation (IRR) of RA No. 9184 (Procurement Law);
  - g. Administrative Order (AO) No. 26 dated March 23, 2020, authorizing the grant of COVID-19 hazard pay to government personnel, workers engaged through contract of service or job order basis, among others, who shall physically report for work during the implementation of an Enhanced Community Quarantine (ECQ); and
  - h. DBM Budget Circular (BC) No. 2020-1 dated March 24, 2020, Guidelines on the Grant of the COVID-19 Hazard Pay;
  - i. COA Circular No. 2012-003 dated October 29, 2011, Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures; and
  - j. COA Circular No. 2012-001 and its amendments on the documentary requirements for disbursements
5. We wish to bring to your attention our audit observations and recommendations which were communicated through an Audit Observation Memoranda (AOM). The same were discussed in an exit conference held on April 27, 2021 with concerned Agricultural Training Institute – Regional Training Center IV-A officials and employees. Their comments were incorporated in this letter, where appropriate.



## II. BACKGROUND INFORMATION

6. A state of national emergency was declared under RA No. 11469 or the Bayanihan to Heal as One Act (Bayanihan Act One) which was approved on March 24, 2020, in view of the adverse effect and serious threat of the Corona Virus Disease 2-019 (COVID-19) to health, safety, security and livelihood of the Filipinos. In order to sustain COVID-19 response and recovery interventions by the government, RA No. 11494 or the Bayanihan to Recover as One Act (Bayanihan Act Two) was approved on September 11, 2020.
7. In line with Bayanihan Act One, Agricultural Training Institute – Regional Training Center IV-A implemented Programs/Projects/Activities (P/P/A), which are briefly enumerated in the table below:

P/PIA	Description	Amount
<ul style="list-style-type: none"> <li>• Bayanihan Act One                             <ul style="list-style-type: none"> <li>• Program: Ahon Lahat, Pagkaing Sapat Kontra COVID-19</li> <li>• Project: Expanded Livestock and Poultry Production and Livelihood</li> </ul> </li> </ul>	Procurement/Distribution of Free Range Chickens, Training Supplies and conduct of training	P1,391,971.00
<ul style="list-style-type: none"> <li>• Bayanihan Act Two                             <ul style="list-style-type: none"> <li>• Program: Digital Agriculture</li> <li>• Project: Online Blended Learning</li> </ul> </li> </ul>	Procurement thru small value procurement (SVP) Information, Communication and Technology Equipment and accessories	221,000.00
<ul style="list-style-type: none"> <li>• Payment of hazard pay</li> </ul>	Hazard Pay of regular employees, Job Orders (JOs)/Contract of Service (COS) personnel during ECQ.	42,000.00
	Total	<u>P1,654,971.00</u>

## III. BASIS FOR THE CONCLUSION

### Receipt, utilization and disbursement of funds

8. The programmed/allocated funds for COVID-19 initiatives of P1,654,971.00 were fully utilized/obligated/dispensed, in accordance with the purpose of the realignment/program.



### **Procurement of COVID-19 ICT Equipment and accessories**

9. The processing/approval of Disbursement Voucher and Check for the payment of Information, Communication and Technology Equipment and accessories for P221,000.00 prior to the delivery and acceptance by the Management, and the lack of other documentary requirements such as PhilGEPS Registration Number and Mayor's/Business Permit, among others, is contrary to Section 36(e)(f) of Chapter 2 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, and pertinent provisions of the 2016 Revised Implementing Rules and Regulations (RIRR) of RA No. 9184 and casted doubts whether the procurement was made to a legible/qualified supplier. Moreover, the liquidated damages of P16,796.00 for late delivery was not collected.

### **Distribution of free range heritage chickens**

10. Out of the 1,440 heritage chickens procured for P1,148,800.00 there were 1,390 that remained undistributed and housed at the farm of the supplier as of December 31, 2020 due to the leave of absence of the Focal Person, thus the objectives of the Ahon Lahat, Pagkain Sapat (ALPAS) Kontra Covid-19 program under the Department of Agriculture (DA) Memorandum Circular No. 21 were defeated. Moreso, the validity and propriety of payments of chickens and other related expenses totalling P1,391,971.00 were doubtful due to defective/lacking documents.

### **Grant of Hazard Pay and Allowances**

11. Payment of COVID-19 Hazard Pay to regular personnel and Job Orders/Contract of Services (JOs/COS) in the amount of P10,500.00 and P31,500.00, respectively were devoid of proofs/documents that they are authorized to report and physically reported to work during the Enhanced Community Quarantine (ECQ) from March 17 to May 15, 2020, contrary to Administrative Order (AO) No. 26, thus validity and propriety of expenses could not be properly ascertained.

## **IV. CONCLUSION ON THE SUBJECT MATTER**

### **Receipt, utilization, and disbursement of funds**

12. The Management has satisfactorily complied the requirements of RA No. 11464, DBM NBC No. 580 on the receipt/realignment and utilization of funds.

### **Procurement of COVID-19 ICT equipment and accessories**

13. The Management has not complied with the provisions of Section 53.9 and other pertinent provisions of RIRR of RA No. 9184 (Procurement Law) in the small value procurement of ICT equipment and accessories to be used in the implementation of Digital Agriculture Program/Online Blended Learning Project.

### **Purchase and Distribution of free range heritage chickens**

14. The Management failed to attain the purpose of Ahon Lahat, Pagkaing Sapat Kontra Covid-19 Program/Expanded Livestock and Poultry Production and Livelihood project

as required in the Department of Agriculture Memorandum Circular No. 21 dated June 2, 2020 and payments of expenses were doubtful as to propriety due to lacking documents.

#### **Grant of Hazard Pay and Allowances**

15. The Management did not comply with the requirements of AO No. 26 dated March 23, 2020 and Section 4 of DBM Budget Circular (BC) No. 2020-1 dated March 24, 2020 in the grant of COVID 19 hazard pay to the regular and JOs/COs personnel who physically reported to work during the implementation of an ECQ.

### **V. DETAILED OBSERVATIONS AND RECOMMENDATIONS**

**The programmed/allocated funds for COVID-19 initiatives of P1,654,971.00 were fully utilized/obligated/dispensed, in accordance with the purpose of the allocation.**

16. RA No. 11464 extends the availability of the 2019 appropriations to December 31, 2020, amending for the purpose Sections 65 of the General Provisions of RA No. 11262, the General Appropriations Act of Fiscal Year (FY) 2019.
17. Whereas, the DBM NBC No. 580, dated April 22, 2020, provides the possible measures for the discontinuance of appropriated programs, activities and projects (PAPs) of the National Government (NG), including State Universities and Colleges (SUCs), and Government-Owned or Controlled Corporations (GOCCs) receiving budgetary appropriation authorized under the FYs 2019 and 2020 GAA, to fund the operations and response measures related to the COVID-19 emergency situation.
18. During the year, the agency's re-programmed/re-allocated funds for COVID-19 of P1,654,971.00, were fully utilized/obligated/dispensed to provide immediate response and initial recovery steps in response to COVID-19.

**Out of the 1,440 heritage chickens procured for P1,148,800.00 there were 1,390 that remained undistributed and housed at the farm of the supplier as of December 31, 2020 due to the leave absence of the Focal Person, thus the objectives of the Ahon Lahat, Pagkain Sapat (ALPAS) Kontra Covid-19 program under the Department of Agriculture (DA) Memorandum Circular No. 21 were defeated. Moreso, the validity and propriety of payments of chickens and other expenses related to the program totalling P1,391,971.00 were doubtful due to defective/lacking documents.**

19. In support to the Ahon Lahat, Pagkain Sapat (ALPAS) Kontra Covid-19 program, the Department of Agriculture issued Memorandum Circular No. 21 dated June 2, 2020 re Guidelines on the Expanded Livestock and Poultry Production and Livelihood Project which aims to contribute to food security and supply amidst the present crisis, provide livelihood and additional income to poor farmer households, and provide alternative protein source to poor farmer households in the pre-urban and African Swine Fever (ASF)-affected areas.
20. The objectives of the project are to "1) *Ensure meat and egg availability, accessibility and affordability;* (2) *Enable the farmer household (selected recipients) to produce their own food and have the opportunity to raise additional income for their family;* and (3)



*Provide assistance to cooperatives, associations and/or people's organizations (selected beneficiaries) around urban centers in the form of livelihood modules."*

21. The project will involve the distribution of livelihood enterprise modules as grant, which could either be broiler chicks, ready to lay (RTL) pullets, free range chickens (RTL), ducks, swine (for ASF free areas), and small ruminants depending on the priority of the area or the Selected Beneficiaries.
22. The Memorandum Circular also provides the process flow wherein *"DA-RFOs/DA-ATI-RTCs (Implementing Units), in coordination with the Local Government Unit (LGU), will identify the cooperatives/associations/people's organizations (Selected beneficiaries) in their jurisdiction that are qualified for the project. The Selected beneficiaries will distribute the livelihood enterprise modules to qualified farm household members (Selected recipients). During implementation of the project, technical support, training, and extension and veterinary services will be facilitated by the implementing units (DA-RFOs/DA-ATI-RTCs) to the Beneficiaries thru LGUs and SUCs."*
23. To implement the program the ATI RTC IV-A received allotment of ₱1,350,000.00 under Special Allotment Release Order (SARO) No. BMB-E-2020-001947/Advice of Sub-Allotment (ASA) No. 101-2020-08-636). As of December 31, 2020 a total of ₱1,148,800.00 was used for the purchase of 1,440 chickens for distribution to selected beneficiaries and ₱243,171.00 for the purchase of training supplies and materials of the beneficiaries/recipients. It was noted that the total disbursement of ₱1,391,971.00 exceeded the total allotment by ₱41,971.00, charged from the regular maintenance and other operating expenses (MOOE).
24. Hereunder are the data of disbursements made, viz:

Check No. / Date	DV No. / Date	Payee/Particulars	Qty.	Unit Price	Total Amount
232248 / September 23, 2020	01-2020-09-757 / September 22, 2020	Don Leon Nature Farms Inc./Purchase of chickens	920	₱770.00	₱ 708,400.00
232228 / September 23, 2020	01-2020-09-756 / September 22, 2020	Don Leon Nature Farms Inc./Purchase of chickens and trucking/delivery fees	520	770.00	400,400.00 40,000.00
		<b>Subtotal</b>	<b>1,440</b>		<b>₱1,148,800.00</b>
233392	01-2020-12-1052 / 01-2020-12-1053 / December 4, 2020	Kititay Food and Agri Products/Training Supplies			<u>243,171.00</u>
		<b>Total</b>	<b>1,440</b>		<b>₱1,391,971.00</b>

25. Review of the implementation of the program disclosed that only 50 chickens were distributed to Ms. Mary D. Gomez of Brgy. Magahis, Municipality of Tuy, Batangas who



had undergone the orientation seminar for poultry production and livelihood program. However, there was no record of date of acceptance/receipt of the beneficiary.

26. Inquiry from the Accountant and the Supply Officer disclosed that the lists of beneficiaries are not yet available as of audit date. The Focal Person of the project is still in the process of evaluating the beneficiaries and recipients who will receive the chickens but unfortunately she is on indefinite leave due to the sickness of her mother. Further inquiry with the Supply Officer/Administrative Officer II disclosed that the remaining 1,390 free range chickens were still housed at the farm of the supplier (Don Leon Nature Farms, Inc.) because the ATI-RTC IV-A has no facility/space to store the chickens.
27. Moreover, review of disbursement vouchers (DVs) totalling P1,391,971.00 related to the program disclosed deficiencies presented in detail in the attached **Annex A**, summarized hereunder, viz:
  - DVs were not signed by responsible/accountable officials/employees;
  - Sales Invoice/official receipts were not properly filled up as to date, articles, quantity, unit price and amount;
  - Abstract of quotation/canvass not attached;
  - Canvass forms/sheets were not signed by the BAC Chairman; and
  - Proof of posting of invitation or request for submission of price quotation in the PhilGEPS, Agency Website and conspicuous places, were not attached.
28. The delay in the evaluation of beneficiaries/recipients for the remaining 1,390 free range chickens defeated the purposes/objectives of the ALPAS Kontra Covid-19 program which are to contribute to food security and supply, provide livelihood and additional income to poor farmer households, among others, during this time of pandemic. Further, the deficiencies noted in the review of DVs and related supporting documents which is contrary to Section 4.6 of Presidential Decree No. 1445 which states that "*Claims against government funds shall be supported with complete documentation,*" casted doubts on their validity and propriety.
29. **We recommended that the Center Director:**
  - **assign another Focal Person to facilitate the distribution of the 1,390 chickens to the selected/evaluated beneficiaries/recipients pursuant to the Department of Agriculture Memorandum Circular No. 21 dated June 2, 2020;**
  - **instruct the Focal Person to submit to the Audit Team the list of selected beneficiaries/recipients with the number of chickens allocation and the proof/s of acknowledgment/receipt; and**
  - **enjoin the Accountant to submit the lacking documents, provide justification for the defective documents enumerated in Annex A, and refrain from processing claims with incomplete/defective papers.**

*Management's Comments:*

30. The delay of delivery of the heritage chickens was due to several occurrences during the implementation. With the present pandemic, several typhoons and tropical cyclones also hit the CALABARZON area, consequently, the supplier prioritized the safety of the chickens housed at their farm. The Focal Person also paid attention to the quality of chickens to be delivered to the beneficiaries, therefore, decided to postpone delivery for several times, until possible. As of April 20, 2021, the remaining 408 heritage chickens were ongoing delivery to the beneficiaries.
31. The selection of beneficiaries was based on the criteria that they must be an attendee of any livestock-related trainings of the Center, a displaced worker or a farmer affected with the African Swine Fever (ASF). The beneficiaries within the region were already identified in June 2020 in coordination with the different government agencies and local government units. A contract reiterating the responsibilities of the beneficiaries was entered with the Focal Person and also as proof of receipt of chickens. Furthermore, the beneficiaries are also required to construct their respective chicken coop to house the delivered chicken.
32. The Accountant and Focal Person took responsibility for the submission of the lacking documents and the additional proof of receipt until April 30, 2021. Despite the inevitable circumstances and complicated working condition during this pandemic, the management assure that the implementation of the cited projects was prioritized to attain its purpose and impact to the beneficiaries.

*Auditor's Rejoinder:*

33. The Audit Team maintains its position that there was delay in the implementation of the program. Please be reminded that this is an urgent program which aims to help to contribute to food security and supply amidst the present crisis.

**The processing/approval of Disbursement Voucher and Check for the payment of Information, Communication and Technology Equipment and accessories for P221,000.00 prior to the delivery and acceptance by the Management, and the lack of other documentary requirements such as PhilGEPS Registration Number and Mayor's/Business Permit, among others, is contrary to Section 36(e)(f) of Chapter 2 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, and pertinent provisions of the 2016 Revised Implementing Rules and Regulations (RIRR) of RA No. 9184 and casted doubts whether the procurement was made to a legible/qualified supplier. Moreover, the liquidated damages of P16,796.00 for late delivery was not collected.**

34. Section 36(e) of Chapter 2 of GAM for NGAs, Volume 1 provides for the legality of transactions and conformity with existing rules and regulations. The requesting and approving officials shall ensure that the disbursement of government funds are legal and in conformity with applicable rules and regulations. Moreover, paragraph (f) provides for the submission of proper evidence to establish validity of the claim. The Head of the Requesting Unit shall certify on the necessity and legality of charges to allotments under his/her supervision as well as the validity, propriety and legality of supporting documents. All payments of government obligations and payables shall be



covered by Disbursement Vouchers (DV)/Payrolls together with the original copy of the supporting documents which will serve as basis in the evaluation of authenticity and authority of the claim.

35. Section 53 of the RIRR of RA No. 9184 provides that negotiated procurement (such as small value procurement) is a method of procurement of goods, infrastructure projects and consulting services, whereby the Procuring Entity directly negotiates a contract with a technically, legally and financially capable supplier, contractor or consultant.
36. Section 54.5 of the same RIRR provides that *“For small value procurement, the Procuring Entity may require Performance and Warranty Securities depending on the nature of the procurement project.”* While Section 54.6 provides that *“Manufacturers, suppliers, distributors, contractors, and/or consultants are mandated to register with PhilGEPS and provide a PhilGEPS Registration Number in the alternative methods of procurement as a condition for award of the contract.”*
37. Further, Section 68 of the same RIRR provides that *“All contracts executed in accordance with the Act and this IRR shall contain a provision on liquidated damages which shall be payable by the contractor in case of breach thereof. For the procurement of Goods, Infrastructure Projects and Consulting Services, the amount of the liquidated damages shall be at least equal to one-tenth of one percent (0.001) of the cost of the unperformed portion for every day of delay. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the contract, the Procuring Entity may rescind or terminate the contract, without prejudice to other courses of action and remedies available under the circumstances.”*
38. Moreover, Appendix A (*Documentary Requirement, Alternative Methods of Procurement*) of Annex “H” of RIRR of RA No. 9184 requires the submission of the Mayor’s/Business Permit, PhilGEPS Registration Number and Omnibus Sworn Statement of the Supplier before the issuance of Notice of Award.
39. Internal Control on Disbursement requires that Disbursement Voucher are processed with complete documentation before effecting payment to establish the validity and propriety of the expenses incurred by the agency.
40. For CY 2020, the ATI RTC IV-A received Special Allotment Release Order (SARO) No. BME-E-200018508 and Advice of Sub-Allotment (ASA) No. 101-2020-11-874 for Bayanihan Two in the amount of P221,000.00. The amount was intended for the procurement of Information and Communication Technology Equipment, and accessories for the conduct of Digital Agriculture Program/Online Blended Learning project in the CALABARZON Region. The allotment was fully obligated/disbursed.
41. The Audit Team requested for the copy of disbursement voucher (DV) and its supporting documents for our evaluation. However, only the duplicate copies of DV No. 01-2020-12-1089 dated December 9, 2020, Check No. 233870 dated December 16, 2020, Obligation Request and Status (ORS), Purchase Order (PO), Purchase Request (PR) and check were sent to the Office of the Audit Team, DENR Regional Office IV-A on February 5, 2021. Per inquiry, the Accountant disclosed that the check was not yet released to the supplier and the items were not yet fully delivered.



42. On April 19, 2021, the Audit team requested for the submission of the original copies of DV No. 01-2020-12-1089 dated December 9, 2020 and its supporting documents. Post-audit of the original DV and supporting document received on April 22, 2021 disclosed that the items listed in the PO Number 2020-12-007D dated December 7, 2020 due for delivery on December 23, 2020 was delivered by EPD School, Office Supplies & General Merchandise, and accepted by the ATI RTC IV-A on March 8, 2021 per Sales Invoice No. 6213 and Inspection and Acceptance Report. However the liquidated damages of P16,796.00 for 76 calendar days late delivery was not imposed/collected.
43. Also, it was noted that the following supporting documents required under Small Value Procurement were not attached, viz:
- Certified photocopies of Performance and Warranty securities;
  - PhilGEPS registration Number of respondent-suppliers;
  - Certified photocopy of Mayor's/Business Permit;
  - Omnibus Sworn Statement of the Supplier before issuance of Notice of Award; and
  - Notice of Award received by the supplier.
44. The processing/approval of check without the Sales Invoice and IAR which establish that the items were already delivered and accepted, and the absence of other documentary requirements is contrary to the aforementioned law, rules and regulations and casted doubts whether procurement was made to eligible/qualified supplier.
45. **We recommended that the Center Director instruct the:**
- **Accountant to: (a) ensure that all claims against government funds are completely supported with the necessary documents before processing for payment; and (b) collect from the supplier the liquidated damages of P16,796.00; and**
  - **Accountant, BAC and BAC Secretariat to submit the lacking documents;**

*Management's Comments:*

46. The delay of delivery of some of the procured items was due to the unexpected unavailability of stocks in the market during this difficult time of Covid-19 pandemic, in consent with the Procuring Entity. The Management as the Procuring Entity, at their discretion, does not require Performance and Warranty Securities for this nature of transaction. They furthered that the PhilGEPS registration number and the Mayor's /Business Permit were filed and maintained in the records of the Procuring Entity. The Omnibus Sworn Statement was annexed to the reply and the Notice of Award was reflected as the Purchase Order, in this transaction. They promised that the Accountant and the BAC Secretariat took the responsibility for the submission of the cited lacking documents until April 30, 2021.

**Payment of COVID-19 Hazard Pay to regular personnel and Job Orders/Contract of Services (JOs/COS) in the amount of P10,500.00 and P31,500.00, respectively were devoid of proofs/documents that they are authorized to report for work and physically reported to work during the Enhanced Community Quarantine (ECQ) from March 17 to May 15, 2020, contrary to Administrative Order (AO) No. 26 and Department of Budget and Management (DBM) Budget Circular (BC) No. 2020-1, thus validity and propriety of expenses could not be properly ascertained.**

47. AO No. 26 dated March 23, 2020 was mandated, authorizing the grant of hazard pay to government employees and workers engaged through contract of service (COS) or job order (JO) basis who physically report for work during the period of implementation of an Enhanced Community Quarantine (ECQ) in an amount not exceeding P500.00/day per person.
48. Likewise, Section 4 of the DBM BC No. 2020-1 dated March 24, 2020 provides that the heads of government agencies may grant COVID-19 hazard pay of P500 per day to the personnel/workers who have been authorized to physically report for work at their respective offices or work stations on the prescribed official working hours by the head of agency/office during the period of implementation of Enhanced Community Quarantine (ECQ) measures in the area of such office or work station.
49. The memorandum from the Office of the Executive Secretary dated March 16, 2020 placed the entire Luzon under ECQ from March 17 to April 13, 2020, and extended until April 30, 2020, through a Memorandum from the same Office dated April 7, 2020. Furthermore, Executive Order (EO) No. 112 dated April 30, 2020, imposed an ECQ in High-Risk Geographic Areas including NCR and Region IV – CALABARZON from May 1 to May 15, 2020.
50. ATI RTC No. IV-A paid the abovementioned hazard pay from March 17 to May 15, 2020 to the following JOs/COS under ADA No. 06-013 dated June 25, 2020, viz:

<b>Disbursement Voucher (DV) No.</b>	<b>Payee</b>	<b>Amount</b>
01-2020-06-0402	Crissel A. Tenolete	₱ 500.00
01-2020-06-0403	Earl Jerom F. Dimapilis	500.00
01-2020-06-0404	Lovely Ravelo	500.00
01-2020-06-0405	Jeffrey S. Mapalo	500.00
01-2020-06-0406	Arianne T. Guerra	1,500.00
01-2020-06-0407	Lady Joane B. Herrera	500.00
01-2020-06-0408	John Francis F. Herrera	500.00
01-2020-06-0409	John Mendoza	500.00
01-2020-06-0410	Darren B. Bayna	2,500.00
01-2020-06-0411	Jordan Acueza	500.00
01-2020-06-0412	Crispin Arnaiz, Jr.	500.00
01-2020-06-0413	Edwin E. Cerrado	1,500.00
01-2020-06-0414	Arnold Venzon	2,000.00
01-2020-06-0415	Ma. Cristina B. Erni	500.00
01-2020-06-0416	Gregorio Q. Flores	12,000.00
01-2020-06-0417	Renato Ferrer	2,000.00



Disbursement Voucher (DV) No.	Payee	Amount
01-2020-06-0418	Alberto Limbo	4,500.00
01-2020-06-0419	Loradelle Q. Adona	500.00
		<b>P31,500.00</b>

51. Furthermore, 18 regular personnel were paid hazard pay totalling P10,500.00 under DV No. 01-2020-12-1129 and Check No. 234209 dated December 16, 2020, details are shown on the next page:

	Payee	Amount
1	Sherylou C. Alfaro	P 500.00
2	Angela S. Amoloza	500.00
3	Janine L. Cailo	500.00
4	Marites P. Cosico	500.00
5	Abegail L. Del Rosario	500.00
6	Juvelyn V. Dela Cruz	500.00
7	Lucina O. Desnacido	500.00
8	Hans Christopher C. Flores	500.00
9	John Mark M. Gomez	500.00
10	Angelo H. Hernandez	500.00
11	Daynon Kristoff S. Imperial	500.00
12	Vira Elyssa L. Jamolin	500.00
13	Mary Grace P. Leida	500.00
14	Rolando V. Maningas	500.00
15	Virgilio R. Nueva	2,000.00
16	Elmer S. Pasco	500.00
17	Jaypee V. Patricio	500.00
18	Romeo D. Rodil	500.00
	<b>Total</b>	<b><u>P10,500.00</u></b>

52. Our audit of related DVs disclosed that these were lacking with proofs that they are authorized to report and physically reported to work during the ECQ from March 17 to May 15, 2021, such as approved Daily Time Records (DTRs), Daily Accomplishment Reports and accreditation order/certification as member of the designated Skeleton Work Force. Thus, casted doubts on the validity and propriety of such expenditures.
53. **We recommended and the Center Director agreed to direct the:**
- a. **Accountant and all persons concerned to submit immediately their Daily Time Records (DTRs), Daily Accomplishment Reports and accreditation order/certification as member of the designated Skeleton Work Force from March 17 to May15, 2021, for further evaluation; and**
  - b. **Accountant to refrain from processing claims with incomplete documentation.**



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

54. No compliance audit was conducted in prior year, hence, there is no data for this section.

**VII. ACKNOWLEDGMENT**

55. We wish to express our appreciation to the Management and staff of the Ecosystems Research and Development Bureau for the cooperation and assistance extended to our Audit Team during the audit.

Very truly yours,

**For the Commission on Audit**

By:

  
**REMEDIOS M. RECONALLA**  
OIC-Audit Team Leader

Copy furnished:

The Supervising Auditor  
Department of Environment and Natural Resources (DENR)

The Cluster Director  
NGS Cluster 8

The Regional Director  
COA Regional Office IV-A

The Regional Supervising Auditor  
Clusters 6 & 8, Region IV-A

**Agricultural Training Institute - Regional Training Center IV-A**

Trece Martires City, Cavite

Schedule of Disbursements - Expanded Livestock and Poultry Production and Livelihood Project with Lacking/Defective Documents  
Bayanihan Act 1

Check No.	Date of Check	DV No.	Date of DV	Particulars	Name of Payee	Gross	Tax Deducted	Net Amount	Lacking Documents/Deficiencies
232248	September 23, 2020	01-2020-09-757	September 22, 2020	Payment of 920 heads of heritage chickens @ P770.00 per head, for the conduct of Bayanihan Heal as One Act. Advocacy Campaign on Back to Basics Sustainable Livestock and Poultry Production	Noel Gutierrez	P 708,400.00	P 28,336.00	P 680,064.00	1. Official Receipt No. 0080 from Supplier (Don Leon Nature Farms Inc.) had no date, no amount received, no particulars of payment 2. Box A of Obligation Request and Status (ORS) not signed; 3. Box A of Disbursement Voucher (DV) not signed; 4. Sales Invoice No. 1209 from Don Leon Nature Farms Inc. had no date, articles, quantity, unit price and amount 5. Abstract of quotations 6. Canvass forms were not signed by the BAC Chairperson; 7. Proof of posting of invitation or request for submission of price quotation in the PhilGEPS website on September 10, 2020
232228	September 23, 2020	01-2020-09-756	September 22, 2020	Payment of 520 heads of heritage chickens @ P770.00 per head plus P40,000.00 for Delivery and Trucking fee for the conduct of training	Noel Gutierrez	440,400.00	17,600.00	422,400.00	1. Abstract of Quotations 2. Canvass form for amount P450,600.00 was not signed by BAC Chairperson and had no Supplier's name and address; 3. Proof of posting of invitation or request for submission of price quotation in the PhilGEPS website on June 13, 2020.
233362	December 10, 2020	01-2020-12-1053	December 4, 2020	Payment for training supplies (agricultural supplies and livestock) for the Establishment of Learning Site for Agriculture (livestock program)	Kittlay Food and Agri Products	149,946.00	5,997.84	143,948.16	1. Purchase Request 2. Abstract of Quotations 3. Canvass forms not signed by Canvasser, have no unit price and total price

Check No.	Date of Check	DV No.	Date of DV	Particulars	Name of Payee	Gross	Tax Deducted	Net Amount	Lacking Documents/Deficiencies
233392	December 10, 2020	01-2020-12-1052	December 4, 2020	Payment for Training Supplies (55 sacks Chicken Laying Mash Feeds) for Livestock Program "Ating Manukan"	Kittay Food and Agri Products	93,225.00	3,729.00	89,496.00	1. Box E (Receipt of Payment) not signed by payee; 2. Inspection and Acceptance Report was undated. 3. Sales Invoice No. 1945 was undated. 4. Abstract of Quotations 5. Canvass forms not signed by Canvasser, have no unit price and total price
Total Disbursement						<u>₱ 1,391,971.00</u>	<u>₱ 55,662.84</u>	<u>₱ 1,335,908.16</u>	