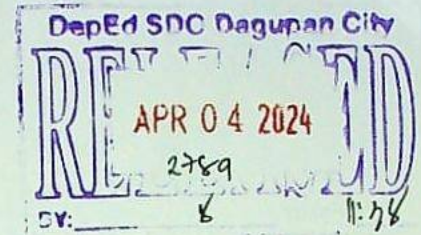




Republic of the Philippines
Department of Education
REGION I
SCHOOLS DIVISION OF DAGUPAN CITY



DIVISION MEMORANDUM

No. 143 s. 2024


TO: Asst. Schools Division Superintendent
Chiefs, CID & SGOD
Education Program Supervisors
Public Schools District Supervisors
Public School Principals/SHs (Elem & Sec)
All others concerned

FROM: **DR. ROWENA C. BANZON, CESO V**
Schools Division Superintendent

DATE: April 03, 2024

SUBJECT: Submission of Individual answer/justification and needed reports re: AOM of COA

1. As per AOM of COA, the Schools Division Office directs all school heads of non-IUs to submit individual answer/justification and needed reports on **April 04, 2024** to the Office of the School Governance and Operations Division Chief.
2. Attached herein is the copy of the following AOM from the COA regarding:
 - Donations received by non-IUs during Brigada Eskwela SY 2023-2024
 - Voluntary Service Contributions (VSC) collected by non-IUs
3. Immediate and widest dissemination of this memorandum is desired.


DR. ROWENA C. BANZON, CESO V
Schools Division Superintendent



Address: DepEd SDO, Burgos St., Dagupan City
Telephone No.: (075)615-2645/(075)615-2641
Email Address: dagupan.city@deped.gov.ph



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. I

NGAS Cluster 5 – Education and Employment
Office of the Auditor – Team R1-20
DepEd – Division of City Schools – Dagupan City

AOM No.: DODC-2024-007

Date: February 23, 2024

AUDIT OBSERVATION MEMORANDUM (AOM)

For: ROWENA C. BANZON, CESO V
Schools Division Superintendent
Division of City Schools of Dagupan
Dagupan City

Attention: EDILBERTO R. ABALOS
Chief, School Governance and Operations Division

HARKING C. REYES
Accountant III

CLARITA F. TAMAYO
Supply Officer II

All Non-IUs Brigada Eskwela Coordinator

We have audited the Donations from Brigada Eskwela SY 2023-2024 of Schools Division Office of Dagupan City for the Calendar Year 2023 and observed that:

Donations received by various schools of non-IUs during the implementation of Brigada Eskwela in the total amount of ₱2,956,999.54 we're not taken up in the books, which is not in accordance with the pertinent provisions of Section 12, Chapter 5 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, Section 63 of Presidential Decree (PD) No. 1445 and DepEd Order No. 021, s. 2023 dated August 3, 2023 hence, the related income, asset, and expense accounts were not fairly presented in the financial statements

Section 12, Chapter 5, Volume I of GAM for NGAs, states that:

Sec. 12. Recognition of Revenue from Non-Exchange Transactions. The cash basis of accounting shall be applied by all government agencies in the recognition of revenue from

non-exchange transactions until a reliable model of measurement of this revenue is developed. Therefore, assets and the corresponding revenue or liability that arises from non-exchange transactions shall be recognized when collected or when these are measurable and legally collectible.

- a. xxx
- c. Goods in-kind received without conditions shall be recognized as revenue immediately.
- d. Donation in cash or in kind shall be recognized as revenue

Relatedly, Section 63 of PD No. 1445, otherwise known as the Government Auditing Code of the Philippines states:

Section 63. Accounting for moneys and property received by public officials. Except as may otherwise be specifically provided by law or competent authority all moneys and property officially received by a public officer in any capacity or upon any occasion must be accounted for as government funds and government property. Government property shall be taken up in the books of the agency concerned at acquisition cost or an appraised value.

Finally, DepEd Order No. 021, s. 2023 dated August 3, 2023, provides that "School Heads shall ensure that all donated items xxx are properly recorded in the books of accounts as stipulated in DepEd Order No. 082 s. 2011 xxx. The documents required to support the recording in the book of accounts are as follows:

- (a) Inventory Custodian Slip for donated properties with a value below P50,000.00; and
- (b) Property Acknowledgment Receipt for donated properties above P50,000.00.

From the above provisions of laws, rules, and regulations, donations regardless of nature, received by government agencies or by their respective authorized representatives must be properly accounted for and recognized in the books. The accounting and recognition of said funds and properties are necessary for the pursuit of sound financial reporting.

It is worth noting that the prior year's received in-kind donations were already recorded in the books under Journal Entry Voucher No. 01-2023-06-002364 dated June 23, 2023 by the Division Accountant. Likewise, PPE received in a form of donations were properly accounted for and recorded in the RPCPPE.

However, review of the year-end financial statements of the SDODC for CY 2023 disclosed that donations for SY 2023-2024 received during the implementation of Brigada

Eskwela, presented in the table below, were still not recorded in the books thus, affecting the fair presentation of the related asset, income, and expense accounts in the financial statements.

Nature of Donations	Total Cost (P)
School Building (Major Repair)	440,000.00
Supplies and Materials	1,899,555.54
Semi-Expendable – Machinery and Equipment	617,444.00
Total	2,956,999.54

There is a need to recognize the total cost of the donated items in the corresponding accounts although based in the review of the RPCPPE of the Property Unit, the above donations were properly accounted and recorded in the Property Unit.

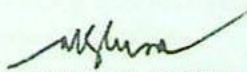
Inquiry disclosed that the non-recording of said donations in the books of the Division Office was attributable to the failure of schools of non-IUs to furnish the Accounting Office with the report and the corresponding acknowledgment receipts/deeds of donation of the above funds and properties.

We recommend that:

- a) **The BE coordinators thru the SGOD forward the report containing all verified donations received by the school of non-IUs to the Division Accounting Office a; and**
- b) **The Schools Division Superintendent require the Division Accountant to record in the books all donations received by Schools of Non-IUs.**

May we have your comments on the foregoing audit observations within fifteen (15) calendar days from receipt hereof.


KRISTEL ANN C. VELOSO
Audit Team Leader


ALMA L. LUNA
Regional Supervising Auditor
NGS Cluster 5

Proof or Receipt of AOM:

Name of Person Responsible	Position	Received by (Please print & sign)	Date
Rowena C. Banzon	Schools Division Superintendent		
Edilberto R. Abalos	Chief, SGOD		
Harking C. Reyes	Accountant III		
Clarita F. Tamayo	Supply Officer		
All Non-IUs Brigada Eskwela Coordinator			



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. I

NGAS Cluster 5 – Education and Employment
Office of the Auditor – Team R1-20
DepEd – Division of City Schools – Dagupan City

AOM No.: DODC-2024-009
Date: February 23, 2024

AUDIT OBSERVATION MEMORANDUM (AOM)

For: ROWENA C. BANZON, CESO V
Schools Division Superintendent
Division of City Schools of Dagupan
Dagupan City

Attention: EDILBERTO R. ABALOS
Chief, School Governance and
Operations Division (SGOD)

ALL SCHOOL HEAD CONCERNED
Non-Implementing Units

We have audited the compliance of the non-implementing units with DepEd Orders and observed the following deficiencies:

Voluntary service contributions (VSC) from learners were being collected by the School instead of the Parent-Teachers Association (PTA), contrary to Section 26, Article VII of the DepEd Order No. 13, S. 2022, hence, it defeats the purpose of the DepEd Order to make the PTA as an avenue in addressing school-learner related problems to promote harmonious, active, and collaborative engagement among teachers, parents, and the community in the implementation of school programs for learners' welfare as well as add to the responsibilities/workloads of teachers.

The DepEd Order No. 13, S. 2022 sets the omnibus guidelines on the regulation of operations of PTA to promote harmonious, active, and collaborative engagement among teachers, parents, and the community in the implementation of school programs for learners' welfare as well as the establishment of the crucial roles of the PTA as a dynamic school-based association concerned with partnership and programs for the best interest of the learners.

As the DepEd urged all concerned the need to minimize, if not eliminate, financial constraints among parents/guardians during the opening of classes, the "no collection policy" has been strictly enforced. Nonetheless, the Department issued policies that allowed the collection of voluntary school contributions that would fund activities of certain organizations (i.e. Boy Scouts of the Philippines, Girls Scouts of the Philippines, Philippine Red Cross, Anti-TB Fund Drive, PTAs, School Publication, and learner's organizations) and would support activities in its School Improvement Plan (SIP). In line with this, DepEd stressed that payment of these fees is voluntary in nature, and in no case shall non-payment be made as a basis for admission, non-promotion, or non-issuance of clearance to a student by the school concerned.

Section 26, Article VII of the said DepEd Order contained the general policies on financial transactions of Homeroom and School PTAs. The following provisions state that:

- "26.1 Consistent with existing laws, rules and regulations implementing DepEd's "No Collection Policy," the collection of VSCs shall only be allowed through the PTAs: Provided that, the collection of VSCs and performance of other financial transactions shall only be allowed whenever they support the programs and activities identified in the SIP: Provided further, that it shall be done in close coordination with the homeroom adviser and/or the school head concerned.
- 26.2.3.5 VSCs shall be collected by the PTA Treasurer and/or the duly authorized representative as approved by the SPTABOD, who shall issue pre-numbered receipts for every collection made.
Xxx
- 26.2.3.6 No other school personnel, except those allowed under Sections 26.2.3.5, 26.2.3.7, 29.1 and other relevant sections hereof, shall collect fees from learners, nor shall they safekeep and/or disburse such funds.
- 26.2.3.7 Learner organizations may authorize the PTAs to collect their VSCs for the organizations' Programs, projects, or activities. The amount collected by the PTAs shall be remitted immediately to the Treasurer of the learner organization concerned or to the authorized representative of the school on the day it was collected. No service fee shall be charged against any learner organization by the PTAs."

Moreover, section 29 of the DepEd Order states the turnover of PTA Records, Activities, and Funds, as follows:

- 29.1 At the end of the SY, all PTA documents, records, passbooks, and the official logbook of activities and other resources must be properly accounted for and turned over to the school head...

The turnover shall be done in a meeting solely called for the purpose. The school head shall acknowledge receipt in writing of all resources being turned over by the previous PTA, safekeep and protect them until a new set of PTA officers is elected and qualified.

Upon gathering data regarding the collection of voluntary service contributions from learners made by the non-implementing units of the Division of City Schools of Dagupan, it was observed that the majority of the schools under the Schools Division collect such VSCs instead of by the PTA, which is not in conformity with the above-mentioned Order. This had been the practice over the past years

Analysis of the gathered data revealed that 97% of the total non-implementing units (non-IUs) or 35 schools have been collecting VSCs from learners. These are being collected by either a school teacher or an administrative personnel. While only 3% or one school of the total non-IUs have PTAs collecting such VSCs. In addition, PTA fees are being collected by PTA officers of the non-IUs. Details are shown in Annex A.

Further review disclosed that the VSCs being collected by the majority of schools consist of contributions for Boy Scouts of the Philippines, Girls Scouts of the Philippines, and School Publication.

Inquiry from various school personnel revealed that it has been a practice of the school to collect VSCs from students and assured that these fees remained voluntary in nature and were never used as a basis for the admission, promotion, or issuance of any clearances to the students.


Although the nature of the collection of VSCs remained voluntary, the act itself of the school, instead of the PTA, collecting these fees is contrary to the provisions DepEd Order No. 13, S. 2022, thus it defeats the purpose of the DepEd Order to make the PTA as an avenue in addressing school-learner related problems to promote harmonious, active, and collaborative engagement among teachers, parents, and the community in the implementation of school programs for learners' welfare as well as add to the responsibilities/workloads of teachers.

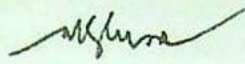
We recommend that:

- a. The School Head ensure that the Parents-Teachers Association is organized in accordance with the provisions of DepEd Order No. 13, S. 2022, and coordinate with the PTA President and the PTA Board of Directors regarding collection activity of the association;**
- b. The Collecting Officer refrain from collecting voluntary school contributions from learners; and**
- c. The School Head monitor the Parents-Teachers Association Treasurer to avoid collecting contributions which have no legal basis, like for mental**

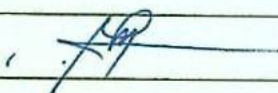
health, and observe the list of allowed Voluntary Service Contributions under DepEd Order 19 s. 2008.

May we have your comments on the foregoing audit observations within fifteen (15) calendar days from receipt hereof.


KRISTEL ANN C. VELOSO
Audit Team Leader


ALMA L. LUNA
Regional Supervising Auditor
NGS Cluster 5

Proof or Receipt of AOM:

Name of Person Responsible	Position	Received by (Please print & sign)	Date
Rowena C. Banzon	Schools Division Superintendent		
Edilberto R. Abalos	Chief, SGOD		04/01/24
	School Heads		