



Republic of the Philippines
Department of Education
Region X
DIVISION OF EL SALVADOR CITY





Zone 3, Poblacion, El Salvador City
Telefax No: (088) 555-0475 | Email Address: elsalvador.city@deped.gov.ph | Website: depedelsalvadorcity.net

DIVISION MEMORANDUM

No. 260, s. 2019

TO: Public Elementary School Heads
Public Secondary School Heads

From: 
JESNAR DEMAS S. TORRES, Ph.D., CESE
Assistant Schools Division Superintendent
OIC, Office of the Schools Division Superintendent 

Subject: Audit Observation Memorandum No. 2019-03

Date: October 8, 2019

1. This is to give you a copy of Audit Observation Memorandum No. 2019-03 re: School Canteen (school-managed canteen and teachers' cooperative managed canteen) of the Division of El Salvador City who did not submit financial reports in violation of Section 5.3.1, 5.4.3 of DO No. 8 s. 2007.
2. Further, you are hereby directed to submit your reply on the audit findings cited by Commission on Audit on or before October 14, 2019 to facilitate the deadline of our submission.
3. For immediate action and strict compliance.

COPIES FURNISHED:

RECORDS OFFICE
PERSONS CONCERNED
ACCOUNTING OFFICE



Republic of the Philippines
COMMISSION ON AUDIT
 Regional Office No. 10
 Cagayan de Oro City



NATIONAL GOVERNMENT SECTOR
 Cluster 5- Education and Employment
 Department of Education- Division of El Salvador City

AOM No. 2019 - 03
 Sept. 27, 2019

AUDIT OBSERVATION MEMORANDUM

For: JESNAR DEMS S. TORRES, Ph.D.
 OIC – Schools Division Superintendent
 Department of Education
 Division of El Salvador
 El Salvador City

Attention: MS. MARICEL B. JANGAO
 Accountant III

We have audited the accounts of Division of El Salvador City, El Salvador City for the period January 1, 2019 to June 30, 2019 and observed the following deficiencies/errors:

The school canteen (school-managed canteen and teachers’ cooperative managed canteen) of the Division of El Salvador City did not submit financial reports in violation of Section 5.3.1, 5.4.1 and 5.4.3 of DO No. 8 s.2007.

Section 5.3.1 of DO No. 8 s. 2007 mandated all entities operating and managing a school canteen, including the laboratory canteen, shall regularly prepare the following reportorial requirements to be submitted to the DepEd and/or CDA, whichever is applicable:

Category of Reports	Types of Reports	Date of Submission
Category A		
➤ To be submitted to the Department of Education, specifically to the school head in case of teachers’ coop-managed, and division office in case of school-managed canteens	<ul style="list-style-type: none"> ➤ Statement of Financial Condition; ➤ Statement of Operations; ➤ Statement of Cash Flows ➤ Notes to Interim Financial Statement and Other Disclosures; and ➤ Summary of Cost of Sales 	<ul style="list-style-type: none"> ➤ Quarterly submission with deadline dates of May 15, August 25, November 15, and February 15.
Category B		
To be submitted on an annual basis to or as required by the Cooperative Development Authority (CDA) (for teachers’ cooperative only), copy furnished the school head/principal	<ol style="list-style-type: none"> 1. Audited Financial Statements including notes and disclosures; 2. Financial Performance Standards; 3. Annual Report to CDA 4. List of Directors and Officers; 	<ul style="list-style-type: none"> ➤ May 15 ➤ May 15 ➤ 60 days after end of fiscal year ➤ 30 days after the GA meeting; and 15 days following assumption of office.

	5. Report on Crimes and Losses.	➤ To be submitted as crime/incident occurs, on the 5 th business day after knowledge of the crime/incident.
--	---------------------------------	--

While Section 5.4.1 of the same order required that a book of accounts and statement of sales and disbursements shall be maintained for recording daily transactions related to the operations of the canteen. Receipts and other similar documents shall be kept to support sales, purchases and disbursements made. The books of accounts should be kept up-to-date and made available for examination and inspection at any appropriate time by the school level auditing committee or the COA representative based in the division office.


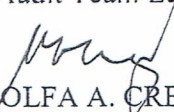
Furthermore, Section 5.4.3 demanded that canteen funds shall be audited by the school level auditing committee on a quarterly basis and by the Division COA Resident Auditor or his/her authorized representative twice a year. Audit findings shall be submitted to the Schools Division Superintendent through the school head/principal. Audited financial statements shall be posted on bulletin boards for the information of everybody.

For purposes of transparency and accountability the school head/principal should submit reports as required in the above mentioned DepEd Order.

Recommendation:

We recommend that Management direct all schools head/principal to submit school canteen reports as required in DO No. 8 s. 2007.

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


 JOAN GO REGALADO
 State Auditor IV
 Audit Team Leader

 ADOLFA A. CREAYLA
 State Auditor V
 Supervising Auditor

Proof of Receipt of AOM No. 2019-003 dated Sept. 27, 2019:

Name	Position/Designation	Date Received	Signature
MR. JESNAR DEMS S. TORRES	OIC-Schools Division Superintendent		
MS. MARICEL B. JANGAO	Accountant III		