

EXECUTIVE SUMMARY

A. INTRODUCTION

The **Technical Education and Skills Development Authority (TESDA)** was created on August 26, 1994 by virtue of Republic Act No. 7796 otherwise known as the TESDA Act of 1994. The Act integrated the functions of the defunct agencies such as the National Manpower and Youth Council (NMYC), the Bureau of Technical and Vocational Education (BTVE), and the Apprenticeship Program of the Bureau of Local Employment (BLE) of the Department of Labor and Employment. TESDA is mandated to become the country's lead institution in molding a workforce that can meet the challenges of trade liberalization and global competition. TESDA was created to mobilize the full participation of the industry, labor, technical and vocational institutions, local government and the civil society for skilled manpower development programs.

The Agency's mission is to provide direction, policies, programs and standards towards quality technical education and skills development, while its corporate vision is to be the leading partner in the development of the Filipino Work Force with world class competence and positive work values.

TESDA accomplishes its mission as national authority for Technical Vocational Education and Training (TVET) for the joint effort of the 15-member TESDA Board and the TESDA Secretariat composed of various operating units located in the Central Office, Regional Offices, Provincial Offices and TESDA Technology Institutions (COROPOTI). Under the direction of the TESDA Board as policy making body, the COROPOTI units of the TESDA Secretariat are tasked to administer and implement TESDA strategies and programs.

These strategies and programs are depicted in the SEEK-FIND-TRAIN-CERTIFY and EMPLOY framework which also account for the Major Final Output (MFO) approved for TESDA by the Department of Budget and Management.

TESDA's programs and projects are implemented through TESDA – Main and its 216 operating units listed in the table below.

TESDA Operating Units	No.
Regional Offices	16
Provincial Offices	74
District Offices	6
Regional Training Centers	16
Provincial Training Centers	47
Technical Vocational Schools	57
Total	216

TESDA maintains a Revolving Fund under its Sariling Sikap Project (SSP) which was authorized under Executive Order No. 939 dated March 2, 1984. The unexpended balance of SSP at year end is transferred to the TESDA Development Fund.

The TESDA-Main has five books of accounts consisting of the General Fund, Technical Education and Skills Development Project (TESDP), Centers of Excellence in Modern Manufacturing Technology (CEMMT), Expansion of Dual Education and Training Program (EDETP) and SSP Revolving Fund.

B. ORGANIZATIONAL SET UP

TESDA is governed by a 15-member TESDA Board, as the policy making body, while the administration and implementation of its programs and projects are tasked to the TESDA Secretariat composed of various operating units located in the COROPOTI headed by Secretary Emmanuel Joel J. Villanueva, Director General, with Cabinet rank. To date, TESDA has a total personnel complement of 4,490 including regional offices consisting of 3,541 permanent, 66 co-terminus employees and 883 casual/contractual/job order. For the breakdown see Annex A.

C. OPERATIONAL HIGHLIGHTS

For calendar year 2011, TESDA reported the following accomplishments vis-à-vis the targets:

<i>Performance Indicator</i>	<i>National Target</i>	<i>Accomplishment</i>	<i>Percentage of Accomplishment</i>
Number of employed TVET graduates	504,335	467,861	92.77
Number of persons certified	594,323	703,360	118.35
Certification rate			
Number of persons assessed	716,220	835,572	116.66
Number of TVET graduates, all delivery modes	1,344,371	465,539	34.63
Number of enrolled in TVET programs, all delivery modes	1,568,617	494,830	31.55
Number of profiled for TVET career (YP4SC, NCAE, etc.)	405,270	465,694	114.91
Number of enrolled in TTIs, all TTI programs	159,021	156,795	98.60
Number of TTI graduates, all TVET programs	133,561	140,940	105.52
Number of employed TTI graduates, all programs	40,720	45,273	111.18
Number of TTI graduates certified	69,518	77,249	111.12
Number of TTI graduates assessed	78,858	86,474	109.66

<i>Performance Indicator</i>	<i>National Target</i>	<i>Accomplishment</i>	<i>Percentage of Accomplishment</i>
Number of Enterprise-Based Training (EBT) -KaSH graduates	66,632	63,753	95.68
Number of enrolled in EBT-KaSH	54,131	80,309	148.36
Number of enrolled in UTPRAS-based programs	781,835	812,395	103.91
Number of TVET graduates in UTPRAS-based programs	608,542	624,826	102.68
Number of enrolled in community-based TVET programs	620,720	615,974	99.24
Number of TVET graduates from community-based programs	599,531	581,363	96.97
Number of Private Education Student Financial Assistance Program (PESFA) - subsidized TVET enrollees	15,000	14,439	96.26
Number of PESFA-subsidized TVET graduates	15,000	7,635	50.90
Number of Training for Work Scholarship Program (TWSP) - subsidized TVET graduates	50,000	18,151	36.30
Number of TWSP-subsidized TVET enrollees	50,000	35,783	71.57
Number of I-CARE subsidized TVET enrollees		15,378	
Number of I-CARE subsidized TVET graduates		14,901	
Number of TVET graduates placed in wage-employment	268,504	270,504	100.74
Number of self employed TVET graduates tracked	228,059	191,859	84.13
Number of female TVET graduates	673,941	663,726	98.48
Number of male TVET graduates	654,236	648,155	99.07
Number of TVET trainers accredited under NTTAQP	5,595	7,724	138.05
Number of sectoral absorptive training seats established	95,733	157,598	164.62
Number of job vacancies/opportunities determined	5,234	102,241	1,953.40
Number of new Training Regulations promulgated	15	2,060	13,733.33
Number of Training Regulations covered with CoPR	1,015	1,071	105.52
Number of WTR TVET programs	16,966	3,996	23.55
Number of NTR TVET programs	3,079	678	22.02

<i>Performance Indicator</i>	<i>National Target</i>	<i>Accomplishment</i>	<i>Percentage of Accomplishment</i>
Number of NC IV programs registered	219	1,771	808.68
Number of NC III programs registered	229	302	131.88
Number of NC II programs registered	2,523	2,020	80.06
Number of NC I programs registered	185	146	78.92
Number of maritime programs subjected to internal audit	142	848	597.18
Number of maritime programs subjected to second level audit	40	72	180
Number of WTR programs audited for Unified TVET Program Registration and Accreditation System (UTPRAS) compliance	3,881	3,092	79.67
Number of NTR programs evaluated	531	220	41.43
Number of UTPRAS compliance audit findings closed	2,724	3,306	121.37
Number of NTR programs closed/migrated to WTR	218	154	70.64
Number of TVIs assisted under NITTAQP	1,658	1,538	92.76
Number of TVIs assisted under APACC accreditation program	65	95	146.15
Number of establishments enrolled in JBIP	2,564	1,946	75.90
Number of functioning Blue Desks established/maintained	1,923	32,423	1,686.06
Number of Blue Desk focals trained/deployed	1,626	13,449	827.12
Number of JBIP/Blue Desk clients referred/served	311,927	347,092	111.27
Number of JBIP/Blue Desk clients hired	160,980	196,091	121.81
Number of updated N/R/P TESD & Institutional Plans documented	74	131	177.03
Number of Program/Policy Advisory documents issued	307	509	165.80
Number of Feedback Reports circulated		1,257	
Number of QMS documents controlled	472	304	64.41
Number of QMS records controlled	3,983	293	7.36
Number of QMS processes identified for CI	76	78	102.63
Number of QMS processes subjected to internal audit	87	92	105.75

<i>Performance Indicator</i>	<i>National Target</i>	<i>Accomplishment</i>	<i>Percentage of Accomplishment</i>
Number of frontline services enrolled in the Citizen Charter	617	252	40.84
Number of IDAPs implemented	42	21	50
Number of staff availing of SDP slots (<80 hours)	1,439	2,092	145.38
Number of staff with PES rating of 'Commendable' under OPES	690	701	101.59
Number of PWD's assisted	1,027	847	82.47

D. FINANCIAL HIGHLIGHTS

For CY 2011, TESDA had an approved budget of ₱2,838,497,000.00 per General Appropriations Act (GAA) under Republic Act No. 10147. Total allotments received was ₱4,481,656,000.00 with obligations incurred of ₱3,459,324,000.00, leaving an unexpended balance of ₱1,022,332,000.00

The TESDA's financial condition and sources and application of funds for the calendar year 2011, with comparative figures of 2010, are summarized in the tables shown below:

I. Comparative Financial Position

<i>Particulars</i>	<i>2011</i>	<i>2010</i>
Assets	₱5,824,082,316.04	₱5,948,393,483.73
Liabilities	521,510,218.82	775,332,890.14
Government Equity	5,302,572,097.22	5,173,060,593.59

II. Sources and Application of Funds

<i>Particulars</i>	<i>2011</i>	<i>2010</i>
Subsidy Income from National Government (net of reversion of unused NCA)	₱4,004,780,560.04	₱4,441,548,560.38
Other Income	371,630,750.45	382,922,649.21
Gross Income	4,376,411,310.49	₱4,824,471,209.59
Expenses		

Personal Services	1,451,013,247.68	1,361,463,954.11
MOOE	2,800,145,533.76	3,341,927,741.20
Financial Expenses	257,131.57	251,316.81
Total Expenses	4,251,415,913.01	4,703,643,012.12
Excess of Income over Expenses	<u>₱124,995,397.48</u>	<u>₱120,828,197.47</u>

E. SCOPE OF AUDIT

The audit covered the review of the accounts and operations of the TESDA-Main and its Regional Offices for the period 01 January to 31 December 2011 except for TESDA Regions III, VIII and CARAGA due to non-/late submission of consolidated Management Letter. It was aimed at determining whether the financial statements present fairly the financial position and results of operations of the TESDA for the year then ended, and at determining the extent of compliance with existing laws, rules and regulations.

The audit does not include/cover the Locally Funded Project – Training For Work Scholarship Program (TWSP) because TESDA management had submitted most of the required documents on May 30, 2012. Audit of the Program will be considered as focus area for CY 2012 since its budget is 41 percent of TESDA's Operation for 2011 and allotted to the regional offices.

F. INDEPENDENT AUDITOR'S REPORT

We rendered an adverse opinion on the fairness of presentation of the financial statements in view of the materiality of the deficiencies noted in audit which are stated in the Independent Auditor's Report discussed in detail in Part II of the report.

G. OBSERVATIONS AND RECOMMENDATIONS

The following are the significant audit observations and the corresponding recommendations:

A. FINANCIAL AND COMPLIANCE AUDIT

1. In TESDA-Main, balance of account Cash with National Treasury as of December 31, 2011 was overstated by ₱18,385,500.23 due to unrecorded payment thru Automatic Debit to Account (ADA) amounting to ₱18,367,242.05 and the overpayment of ₱18,258.18 caused by non-provision of taxes. As a result, accounts Other Machinery and Equipment, Due to BIR and Guaranty Deposit Payable are understated by ₱21,699,695.24, ₱1,144,225.49 and ₱2,169,969.52, respectively. (paras. 1-6)

We recommended and the Accountant agreed to:

- set up immediate recognition of Accounts Payable for the goods and services delivered and accepted in the current year upon submission of required documents;
- make the necessary corrections/adjustments on the unrecorded payments thru ADA and the erroneous entry taken up as current expenses of account Printing and Binding Expense instead of a Prior Year's Adjustment account as follows:

<i>Account</i>	<i>Dr</i>	<i>Cr.</i>
Prior Years' Adjustments	292,130.87	
Printing and Binding Expense		292,130.87
Due to BIR	18,258.18	
Cash with National Treasury		18,258.18

- demand the overpayment of ₱18,258.18 or require the supplier to remit the withholding tax directly to the BIR and present the receipt to TESDA and comply strictly with the provisions of DBM Circular Letter No. 2005-2 dated January 28, 2005 on the recording of Accounts Payable.
2. The balance of account Cash in Bank – Local Currency, Current Account (LCCA) as of December 31, 2011 amounting to ₱967,553,119.71 is unreliable due to:
- a. non-recording of reconciling items of ₱194,519.41 between the book and bank balances of TESDA, Main
 - b. non-reversion of the unexpended balances totaling ₱16,628,178.52 in TESDA NCR, Regions IV-A, VI and XI ;
 - c. un-remitted interest earned of ₱380,954.72 in maintaining current accounts from CY 2009 to 2011 to the National Treasury by TESDA-NCR and Region IV-A;
 - d. stale checks amounting to ₱235,254.55 which remained in the books for over three years in TESDA-NCR ;
 - e. error in recording the unreleased checks amounting to ₱2,041,800.00 in TESDA-NCR;
 - f. non-cancellation/adjustment of stale checks totaling ₱1,918,940.35 in Region XI;

- g. non-recording of deposit of collections by ₱184,536.00 and under deposit of ₱18,111.61 in TESDA-NCR; and
- h. non-preparation and submission of Bank Reconciliation Statement/s in TESDA-NCR and CAR

In addition, balance of account Cash-in-Bank-Foreign Currency, Savings Account in TESDA-Main amounting to ₱4,290,938.10 could not be ascertained due to non-preparation and submission of the Bank Reconciliation Statement/s since 2005. (paras. 7-21)

We recommended and the Accountant/Cashier agreed to:

In TESDA-Main –

- **prepare journal entry voucher/s to adjust errors affecting the accounts indicated as reconciling items in the Bank Reconciliation Statements;**
- **authorize Land Bank of the Philippines to debit the SSP LBP-FTI account number 2812-1001-68 in the amount of ₱35,000.00 in favor of TF 101 LBP-FTI account number 2812-1001-76 and prepare the adjusting entries to correct the balance of the said accounts;**
- **assign personnel to handle the preparation and timely submission of the bank reconciliation statements efficiently;**
- **coordinate with the concerned banks on the possibility of availing the banks' online facility to view and print the agency's bank statements for a given period with the negotiated checks and debit/credit memo to be picked up within five days from the end of the month; and**

In NCR , Regions IV-A, VI and XI-

- **revert the unexpended/unutilized funds including interest earned to the National Treasury, pursuant to the provision of law, to wit:**
 - **balances of PS, MOOE and other TESDA projects and the interest earned of the combo and SSP fund 161 accounts; and**
 - **the balance of ₱1,011,747.92 which remained idle in Region VI since 2010**
 - **the balance of ₱5,342,104.00 inclusive of interest earned in Region IV-A and**

➤ **the balance of ₱1,558,438.53 in Region XI**

- **resolve the issue whether to revert the unexpended balances on the Overseas Performing Artist Assessment and Certification Program to the National Treasury or deposit them in the TESDA Development Fund**

In TESDA-NCR

- **prepare adjusting entry to take up the understatement of deposit in the books and verify carefully the entries on the submitted Report of Collections and Deposits before taking them up in the Collections and Deposits Journal; and for the unreleased checks of ₱2,041,800.00 draw a Journal Entry Voucher by debiting the account Cash-in-Bank, LCCA and crediting the account Prior Year's Adjustment to reflect the corrected balances of the affected accounts.**

In TESDA-XI

- **cancel all stale checks and prepare a Report/List of Cancelled Unreleased Checks, copy furnish the Accounting Unit;**
- **ensure that the supporting documents are complete and proper before affixing signature on box A of the disbursement voucher; and**
- **prepare Journal Entry Voucher (JEV) for the cancellation/adjustment of the stale checks**

In TESDA-CAR, NCR and Main

- **prepare the monthly Bank Reconciliation Statements as required under COA Circular No. 96-11 to establish the actual Cash in Bank balances.**

3. **The balance of Cash-Collecting Officer in TESDA-NCR amounting to ₱37,314.72 is inaccurate due to the understatement in recording deposits by ₱434,346.21 under fund 161 and unrecorded collections and deposits of income amounting to ₱1,273,668.00 under Fund 101. As a result, income reflected in the Cash Flow Statement is understated by the same amount. (paras. 22-32)**

We recommended Management to instruct the Collecting Officers and Financial Analysts to:

- **re-check numerically official receipts issued and their amounts before preparing the Monthly Report of Collections and Deposits.**

Deposit all collections intact daily or next banking day in order to avoid the possible misuse or expose to theft the cash in their possession;

- **record all collections and deposits whether Fund 101 or Fund 161 and effect all adjusting entries on the unrecorded collections and deposits. Prepare monthly Report of Accountability for Accountable Forms to verify immediately whether there were missing Official Receipts;**
 - **impose disciplinary actions on the former Accountable Officer of PMMS on the discrepancies noted in the audit and demand for immediate refund of the Notice of Charge and an explanation by her wrong doings.**
4. The TESDA-NCR's practice of transferring funding requirements to its District Office (DO) and Training Center (TC) with complete set of books thru issuance of Authority to Debit Account (ADA) for its authorized depository bank to debit their Cash in-Bank- LCCA account is not in accord with the provisions of National Budget Circulars No. 488 and COA Circular 2003-004 and Section 70 of R.A. 10147 (GAA CY 2011). (paras. 33-44)

We recommended the Management to:

- **make representation with the DBM for the opening of MDS accounts to be maintained by each DO and TC for their regular operation in compliance with NBC DBM 488;**
 - **close the existing Bank accounts, LCCA maintained at the Land Bank of the Philippines as required in COA Circular 2003-004; and**
 - **request TESDA Central Office to release Special Allotment Release Order (SARO) and Notice of Cash Allocation for PDAF earlier so that reversion of allotment could be avoided and that necessary transaction for the purpose could be implemented on time.**
5. Balances of account Due from NGAs amounting to ₱45,034,292.89 as of December 31, 2011 is inaccurate due to unrecorded deliveries of supplies worth ₱1,517,712.76; unrecorded advance payments of ₱779,740.88 to the Procurement Services (PS); error in recording undelivered goods by PS amounting to ₱9,866.38 and unreconciled difference of ₱551,868.33 between TESDA's and PS' records. The balance of said account is also doubtful due to the unliquidated fund transfers to other agencies amounting to ₱4,694,298.23. (paras. 45-63)

We recommended the Management to direct concerned officers to:

- **immediately submit the supporting documents on the delivery of items made by the Procurement Services under JEV Nos. 2011-01-007454 and 2011-01-007456 for verification;**
- **review process flow/procedures on the documentation of purchases of goods, monitoring of deliveries/stocks and distribution of the same as well as submission of pertinent documents to the concerned office/s for proper and timely recording of the said transactions;**
- **determine the cause of the unreconciled difference of ₱551,868.33 between TESDA and PS records, consequently, make the necessary adjustments, if any;**
- **prepare journal entry voucher/s for the unrecorded deliveries of ₱1,571,712.76 and the advance payment of ₱779,740.88 per check no. 172313 dated September 29, 2011 with corresponding supporting documents to reflect the correct balance of the account Due from NGAs – Procurement Services;**

In TESDA-NCR –

- **coordinate with each Property Officer of the Districts by providing a copy of the Party-Ledger-Customer of the PS and then reconcile the Agency Procurement Request (APR) with the paid checks and the Delivery Receipts/Sales Invoice appearing in the Party Ledger-Customer as against the Property records and the TESDA Accounting Subsidiary ledger to come up with the corrected balance;**
- **use the remaining idle funds in the PS to purchase much needed supplies; and**
- **make a correcting entry to establish the right amount of undelivered supplies from PS.**

As to unliquidated fund transfers in TESDA-Main

- **require the Association of Construction and Informal Workers, Inc. (ACIW) to submit the pertinent financial reports and supporting documents so that the Accounting Division could record the liquidation of funds in the books of accounts of TESDA and to forward the audited financial reports to DepEd to reduce**

the balance transferred by the latter to TESDA as shown in the account Due to NGAs; and

- **exert extra effort to review transactions regarding the remaining balances of DSWD, SPCD and the unreconciled balance and make the necessary adjusting entry.**

In Region VI

- **Instruct the Project Officers to strictly enforce the immediate submission of liquidation reports for funds granted to NGAs upon completion of the project pursuant to COA-Circular 94-013. Factors that cause the delay in the submission of liquidation documents should be properly determined so that immediate remedial measures can be instituted.**
6. Long outstanding cash advances in the total amount of ₱14,594,618.24 or 47.5 percent of the total cash advances of ₱30,722,916.05 as of year-end continue to remain unliquidated contrary to Section 14 of Executive Order No. 298 dated March 23, 2004 and COA Circular No. 97-002 dated February 10, 1997, thereby resulting in an overstatement of the accounts Advances to Officers and Employees, Due from Officers and Employees and the understatement of the corresponding expense accounts. Also, the account Advances to Officers and Employees, was overstated by ₱2.5M due to misclassification of fund transfer to CARAGA. The affected account was Due from Regional/Branch Offices which is understated by the same amount. (paras. 64-75)

We recommended and the Accountant agreed to:

- **evaluate its current practices in the granting, utilization and liquidation of cash advances (CA) to ensure a more efficient and effective control over its cash advance system;**
- **continue to demand the immediate liquidation of cash advances and refrain from granting additional cash advances unless previous cash advances have been fully liquidated. Likewise, adhere strictly to the provisions of the above-cited laws, rules and regulations;**
- **strictly enforce the submission of liquidation documents as soon as the purpose of the CA has been served, within the prescribed period or when a new CA is necessary, which ever period is shorter;**
- **adopt a stricter measures to account for outstanding unliquidated**

CAs by imposing sanctions against accountable officers/employees who continue to neglect their obligations in accordance with the provisions of COA Circular No. 97-002 dated February 10, 1997 and E.O. No. 298 dated March 23, 2004; and demand the submission of records regarding the outstanding CAs pertaining to the defunct National Youth Commission and those of two accountable officers (Mesdames Dabu and Lim); and

- **prepare a journal entry voucher to adjust the misclassification of accounts on the fund transfer to CARAGA amounting to ₱2,500,000.00.**

7. In TESDA- Regional Office No. VI, funds transferred to NGOs/POs, LGUs and Operating Units totaling ₱19,682,266.09 remained unliquidated and outstanding in the books of the agency as of December 31, 2011 contrary to COA Circular No. 94-013, dated and December 13, 1994, resulting in the difficulty of ascertaining the proper utilization of funds and the validity of the balances presented in the financial statements. (paras. 76-83)

We recommended that Management direct the Project Officers to strictly enforce the immediate submission of liquidation reports for funds granted to NGOs/POs, NGAs, LGUs and Operating Units upon completion of the projects pursuant to COA Circular Nos. 2007-001 and 94-013. Determine factors that cause the delay in the submission of liquidation documents so that immediate remedial measures can be instituted.

8. Provincial Training Center (PTC)-Paliparan of Region IV-A has a huge uncollected receivables from the National Government totaling ₱1,153,500.00, thereby, hindering the Training Center from attaining fully its mission and fulfill its mandate. (paras. 84-88)

We recommended that the PTC-Paliparan Training Administrator cause to coordinate with the Cavite Provincial Office and obtain budget for 2012 regarding their uncollected receivables from the National Government.

9. Receivables of Region-IV-A, Quezon National Agricultural School (QNAS) totaling ₱548,038.00 were not collected from various debtors and employees thereby exposing possible losses on the government. The amount of ₱17,368.00 remained unaccounted, thus the balance of Accounts Receivable as of December 31, 2011 could not be ascertained. (paras. 89-96)

We recommended that the QNAS School Superintendent require the Collecting/Disbursing Officer of the SIE/IGP to send collection notices to be able to enforce collection of the amount of ₱548,038.00 from

concerned employees, agencies/departments. Determine the cause of the difference amounting to ₱17,368.00 between the reported amount and the schedule of account receivables, then make the necessary adjustments in the books of accounts.

10. Accounts Receivable in the amount of ₱1,686,553.00 representing training fees were not booked up as of December 31, 2011 by the Regional Training Center (RTC-Korphil) of Region XI, thus understating total assets and other business income/retained operating surplus at year end. (paras. 97-107)

We recommended that Management:

- **intensify collection to maximize utilization of funds for other programs/projects intended for the period;**
 - **require the Financial Analyst to take up accounts receivable as adjustment to the beginning balance of the account in CY 2012 and credit Retained Operating Surplus; and**
 - **henceforth, recognize accounts receivable at the end of the year in order to fairly present the financial statements.**
11. The correctness, existence, reliability and validity of the balances of account Property, Plant and Equipment (PPE) totaling ₱4,118,554,752.04 net of depreciation as of December 31, 2011 is doubtful and could not be ascertained due to the following deficiencies: (paras. 108-136)
- a. failure to complete year-end physical inventory and to reconcile the same with the accounting records in TESDA-Main;
 - b. failure to conduct the physical inventory in TESDA-CAR, Maddela Institute of Technology (MIT) of Region II, Regions IX and XI;
 - c. non-preparation of the Report on Physical Count of Property, Plant and Equipment (RPCPPE) despite the conduct of physical inventory by the District of CAMANAVA, PMMS, Quezon City, and Region VI;
 - d. failure to maintain Property Ledger Cards and Property stock cards for its Property Plant & Equipment in TESDA-CAR, Region VI, X and XI;
 - e. failure to effect the proper adjustments on the transfer of equipment in TESDA-NCR;

- f. monthly depreciation expense in the books of TESDA Quezon City and QCLBSDC were not effected as required in the NGAS;
- g. absence of physical/ocular inspection on the existence and condition of 14 units of Singer Sewing machines of TESDA Provincial Office of Bukidnon, allegedly intended for donations to LGUs;
- h. unused/unutilized equipment worth ₱28,288,256.47 in Regions I, X and XI that lead to wastage of government fund due to obsolescence and useless space for training in Region X where these equipment were stored; unfinished construction of building since 2008 where procured equipment in Region X are to be placed;
- i. non-capitalization of major construction, structural renovation and repair works of Region X totaling ₱214,803.34;
- j. unrecorded equipment costing ₱16,239,074.71 in TESDA-CAR, Regions II and XI due to lack of proper documentations from the transferor;
- k. erroneous recording of equipment costing ₱1,973,376.44 in Region XI, thereby understating the PPE account and overstating the expense account by the same amount;
- l. discrepancy between accounting records and the Inventory Report of ₱52,740,729.61, ₱25,209,201.29 and ₱823,778.00 in Regions II, VII and CAR, respectively;
- m. lack of proper documentation as to ownership of land in Region IX and XI; and
- n. unserviceable equipment in Regions VI and X that cause :
 - overstatement of account PPE due non-adjustment to account Other Asset;
 - overstatement of accounts Accumulated Depreciation and Depreciations Expense in Region X- PTC Plaridel because of non-provision of depreciation;
 - disparity of ₱82,796.00 due to non-reconciliation between the IIRUP and accounting records in Region X- PO Misamis Occidental
 - non-disposal at earliest time exposes them for further deterioration and devaluation, thus, depriving the government

to generate possible income higher than the 10 percent salvage value.

We recommended the Accountant and concerned officials to:

In TESDA- Main

- **fast track the completion of the inventory taking and reconciliation of the inventory report and the books to determine the differences so that appropriate action may be instituted;**

In TESDA-NCR, Regions VI, X and XI

- **conduct inventory taking periodically and submit an inventory report on time to support the validity and reliability of the account balances of the PPE;**

In TESDA-CAR, Regions VI and X

- **maintain PPE/subsidiary ledger cards for each class of assets to support the controlling account in the books of the agency;**
- **regularly reconcile the balances appearing in the general ledger with the balances in the individual subsidiary ledgers as well as with the Supply Officer's records;**

In TESDA-NCR

- **make adjustments and follow the proper reclassification of equipment accounts. Effect the recording of depreciation expense of each PPE account in accordance with the straight line method;**

In Region X- Bukidnon Provincial Office

- **initiate immediate courses of action to confirm the physical existence and condition of the 14 sewing machines;**
- **verify whether the units are actually used for TESDA's training programs, and not for personal use by individuals having custody thereof. If in the contrary, the much needed units should be immediately pulled for further use in any succeeding trainings;**
- **if these are indeed for donation to LGU's, the corresponding deed of donation should be duly executed, and prepare Invoice Receipt for Property (IRP) duly recommended for disposal by the head of the agency;**

In Regions I, X and XI

- **transfer the equipment to other training centers where they may be of significant or better use;**
- **make representations for the completion of the unfinished training center in Region X to the Director General thru the Regional Office, to make the center area available for use;**

In Region X

- **capitalize major construction, structural renovation and repairs of works in consonance to the accounting principles;**

In Region I, XI and TESDA-CAR

- **book up the equipment worth ₱11,439,077.24 in Region I as presented in the Inventory Report in order to have a fair presentation in the financial statements while in TESDA-CAR secure the necessary documents from LGU Kaingan then record the donated 18 units of computer costing ₱584,604.00;**
- **follow-up from the TESDA Central Office the signed Deed of Donation so that proper recording shall be done;**

As to discrepancy between accounting records and the Inventory Report:

In TESDA-CAR

- **require the accountable officer to present the properties in their accountability;**
- **require personnel assigned to other TESDA Offices outside the Benguet Provincial Office to return the equipment in their accountability;**
- **submit documents regarding the transfer of equipment to different LGUs to the Accounting Division for proper recording of such transfer;**
- **conduct physical count of the owner type jeep presently assigned to the Regional Training Center;**

In Region II

- **record all properties of the agency in the subsidiary ledgers following the guidelines and regularly reconciles them in the general ledger and with the Supply Services Office's records;**

In Region VII

- **reconcile and obtain breakdown from TESDA Central Office the various equipment received from Central Office. Then, conduct a periodic reconciliation of the PPE accounts and make proper adjustments for the identified differences in order to reflect the correct balances;**

As to ownership of land -

In Region IX

- **pursue the application for the land title and request copy of the result of investigation and be informed of the actions taken by the Regional Executive Director;**

In Region XI

- **facilitate the processing of documents needed for the issuance by the Register of Deeds of the Transfer Certificate of Title in the name of the Carmelo de los Cientos Sr. National Trade School;**

As to erroneous recording of equipment -

In Region XI

- **book-up and classify to its proper and specific accounts the assets recorded under the maintenance and other operating expenses account to protect it from possible losses;**
- **recognize the depreciation/accumulated depreciation in order to present the correct value of its asset accounts;**

As to unserviceable equipment -

In Region VI

- **instruct evaluate properly the inventory report of property, plant and equipment and determine whether the subject PPEs were serviceable or unserviceable;**

- **take appropriate actions to dispose unserviceable properties pursuant to Section 79 of PD 1445;**

Region X - Provincial Office of Lanao Norte

- **conduct property inventory to determine the actual physical condition of the Property, Plant and Equipment and reclassify these items under the “Other Assets” account for the unserviceable items and promptly take the appropriate actions to dispose the unserviceable properties pursuant to Section 79 of PD 1445;**
- **reconcile the property and accounting records and make necessary adjustments to correct its balances;**

Region X – STS

- **to evaluate properly their inventory report of property, plant and equipment to determine whether the subject PPEs were serviceable or unserviceable;**
- **ensure adherence and compliance in the disposal procedures and dropping of unserviceable PPEs accounts from the books of accounts**

Region X – RTC Iligan City

- **promptly take the appropriate actions to dispose the unserviceable properties pursuant to Section 79 of PD 1445;**

Region X – LNNAIS and PTC Plaridel

- **create a disposal committee and for them to exercise its function to make inventory, proper valuation and sale at auction, if necessary all the items found to be unserviceable assets;**

Region X – PTC Valencia embodied in the AAR for CY 2010 is hereby reiterated with modification as follows:

- **prepare Inventory and Inspection Report and submit a copy to the account analyst for reclassification of the PPE to Other Asset account;**

- **prepare Appraisal Report showing the appraised values of the assets, prepared by an in house and/or independent appraiser. The report should be supported with schedules showing the derivation of appraised value of the asset;**
- **arrange current colored photographs of the PPE according to classification;**
- **submit the documents together with the request for inspection to the Auditor's Office for appropriate action;**
- **In case management should decide to dispose the unserviceable PPE through sale at Public Auction, it should furnish the Auditor at least twenty (20) days before the advertisement of the call to public auction a copy of time schedules, inventory report showing the itemized list and complete description of the assets, appraisal report and mode of disposal; and**

Region X - Provincial Office of Misamis Occidental

- **reconcile the property and accounting records and to make necessary adjustments to correct the books.**

12. Account Other Payables in TESDA-Main with a balance of ₱81,264,853.17 as of December 31, 2011 is inaccurate because 51 percent or ₱41,362,587.56 of the said amount pertains to the receipts of prior year income, thus, also affecting the accuracy of the account Prior Year's Adjustment. Likewise, legitimacy of claims could not be ascertained due negative net balances with creditors and unidentified/unreconciled balances since 2005 totaling to ₱12,794,376.03 and ₱31,054,130.44, respectively. (paras. 137-144)

We recommended and the Accountant agreed to:

- **prepare a list of legitimate claimants for the account Other Payables as of given date;**
- **conduct an in-depth analysis of the account Other Payables to reflect the correct balance of the said account, to avoid negative balances with creditors and to eliminate the unidentified/unreconciled balances; and**
- **prepare journal entry voucher to adjust the recording of receipt of proceeds of interest on investments and collections training fees and rentals by debiting the account Other Payables and crediting the account Prior Year's Adjustment both by ₱41,362,606.56.**

13. Accounts Payables amounting to ₱4,405,293.96 remained outstanding for over two years contrary to Section 98 of P.D.1445, resulting in the overstatement of the said account and affected asset/expenses accounts by the same amount. (paras. 145-148)

We recommended the Regional Accountants to:

- **conduct a thorough review of the recorded liability accounts in order to determine whether or not there are legal and valid obligations to warrant payment; and**
 - **revert the outstanding amount which has been in the books for over two years to the unappropriated surplus of the general fund of the national government pursuant to Section 98 of PD 1445.**
14. Account Due to Other National Government Agency in TESDA-Main is overstated by ₱7,447,129.62 due to erroneous recording of expenses and liquidations amounting to ₱938,154.29 and ₱64,784,008.05, respectively, made by the implementing units and non-remittance of the unexpended balance of ₱1,724,967.28 to the grantor. In effect, accounts Scholarship Expense, Prior Years' Adjustments and appropriate asset/expense account was overstated by ₱2,215,512.80, ₱904,095.25 and ₱1,050,000.00, respectively, while Other Payables was understated by ₱1,552,554.29. Account Cash in-Bank-Local Currency Account is also affected due to the non-remittance of unexpended balance by ₱1,724,967.28. (paras. 149-164)

We recommended that Management:

- **continuously communicate with the PS to fast track the processing of the reconciliation of deliveries as against TESDA's records particularly on the items charged to Fund 102 since the projects have already been completed;**
- **require the PSD to regularly submit reports to the Accounting Division on the deliveries by the PS with corresponding pertinent documents for recording in the books of accounts of TESDA as well as reconciliation of the same with the PS; and**
- **require the Accounting Division to make the necessary adjusting entries not only on the cited errors but also on the fund transfers to Department of Social Welfare and Development (DSWD), Southern Philippines Council for Peace and Development (SPCPD) and the unreconciled amount of ₱18,239.43 to show the correct balance of the account Due from NGAs as of a given period.**

15. The ten percent guaranty deposit amounting to ₱2,927,892.14 deducted from payment on the purchase of additional various IT equipment for e-TESDA Centers Project was recorded twice in the books of accounts of TESDA, one under Fund 101 and the other under Fund 102, thereby overstating the accounts Guaranty Deposit Payable and understating the accounts Prior Year's Adjustment by the same amount. Relative thereto, payment for the reorder of such IT equipment worth ₱24,939,366.96 net of taxes and the ten percent retention fee which was taken from Fund 101 with an allotment of ₱13,503,439.00 resulted in an unauthorized payment of ₱11,435,927.96 which is contrary to Section 86 of PD 1445. (paras. 165-180)

We recommended and the Accountant agreed to:

- **explain the payment made under Fund 101 in the amount of ₱24,939,366.96 while it was only obligated in the same Fund for only ₱13,503,439.00;**
 - **explain why the payment was made under Fund 102 in the amount of ₱2,927,892.14 for the eTESDA Centers instead of the eGov Funds; and**
 - **make the necessary adjusting entry to correct the overstatement of account Guaranty Deposit Payables and understatement of account Prior Years' Adjustment.**
16. Refund of ₱28,000 made by ECOS Environmental Foundation, Inc due to overpayment was erroneously posted as credit to account Prior Year's Adjustment instead of account Accounts Payable, thereby understating the latter account and overstating the former account by the same amount. (paras. 181-183)

We recommended the Accountant to prepare a Journal Entry Voucher to correct entry made on the refund of the overpayment of ₱28,000.00 by the ECOS Environmental Foundation.

17. Advance payments made by TESDA to one of the Technical Institutions for the training cost amounting ₱1,560,000.00 in February 2011 is contrary to Section 88 of PD 1445. In addition, non-submission of disbursement voucher paid under NCA No. BMB-B-11-0003270 dated February 23, 2011 amounting to ₱140,000.00 casts doubts on the reliability of balances of account Accounts Payable as of December 31, 2011. (paras. 184-190)

We recommended and the Accountant agreed to:

- **stop the practice of recording a liability account ahead of the services rendered or delivery of supplies and materials;**

- **submit disbursement voucher with complete supporting documents for audit; and**
- **exert extra care in the preparation of request for payment on Due and Demandable to the DBM to avoid overpayment to creditors.**

18. In TESDA-Main, balances of accounts Office Supplies Expense, Other Supplies Expense, Scholarship Expense, Transportation and Delivery Expense, Repairs and Maintenance – Office Building and Printing and Binding Expense are overstated by an accumulated amount of ₱6,611,386.13 due to Management’s non-recognition of expenses at the time of deliveries and acceptance of procured goods and rendered services. As a result, account Prior Year’s Adjustments was overstated by ₱5,902,003.33 while account Construction Supplies Inventory was understated by ₱709,382.80. (paras. 191-196)

We recommended Management to direct the concerned officials to:

- **adhere to the accrual accounting policy on the recording of unpaid deliveries of services/goods particularly at the end of the year;**
- **submit promptly the disbursement vouchers with supporting papers on the accepted goods/services at year end to the Accounting Division for proper and timely recording of liabilities and expenses; and**
- **submit the same to the Commission on Audit for audit.**

19. Number of sixty six disbursement vouchers (DVs) amounting ₱7,969,092.89 and 601 disbursement vouchers amounting to ₱62,932,712.02 pertaining to CY 2005-2011 transactions of TESDA-Main and Region VI, respectively, remained un-submitted to the Commission on Audit contrary to Section 4 of PD 1445 and COA Circular No. 95-006 dated May 18, 1995. Thus, validity of claims for these transactions could not be determined due to the failure of the concerned officials to submit such pertinent documents. (paras. 234-240)

In TESDA-Main, we recommended and the Accountant agreed to immediately submit the disbursement vouchers with the necessary supporting documents and for the succeeding claims/payments pursuant to above cited rulings, to strictly adhere on the said policy.

In Region VI -

- **require the Acting Collecting and Disbursement Officer to submit to the Regional Accountant records of receipts, disbursements and**

all other related documents not later than the fifth day of the ensuing month.

- **direct the Regional Accountant to submit immediately disbursement vouchers for transactions totaling ₱62,932,712.02 and their corresponding supporting documents/papers. Henceforth, the Regional Accountant should turn over the receipts and the disbursement records with all paid vouchers and documents evidencing the transaction to the Auditor within ten (10) days from date of receipt of said documents.**
- **require the Chief, Finance and Administrative Services Division to closely monitor the submission of reports within the requisite period stated in COA Circular No. 95-006 dated May 18, 1995.**

B. VALUE FOR MONEY AUDIT

20. Advance payments to the Procurement Services (PS) amounting to ₱19,391,647.01 as of December 31, 2011 remained outstanding for six years now due to the failure of the said agency to deliver the goods intended for the operations of the three foreign assisted projects which were already completed in 2006 and 2009. In effect, the opportunity to maximize the utilization of the said amount during the project's implementation became futile. (paras. 241-245)

We recommended that the Management:

- **make representation to the Procurement Services to remit to the National Treasury the amount of advance payments that remained idle which were intended for the foreign assisted projects that had already been completed in 2006 and 2009; or**
 - **coordinate with DBM for fund realignment then suspend the issuance of advance payments to PS until the said amount had been consumed by delivering the requested orders of TESDA.**
21. The objectives of the TESDA Development Fund (TDF) to award grants and provide assistance to training institutions, industries, and local government units to upgrade their capabilities and to develop and implement training-related activities have not yet been realized for ten years now because of the alleged expert group's recommendation, that a ₱5B seed capital is needed to make the fund sustainable, has not yet been achieved. As of December 31, 2011, the fund only amounted to ₱102,309,849.40. The slow receipt of annual collections and income being set aside for the said fund would render the TDF an idle fund and expose the same to possible misuse if not well

managed. Moreover, the annual contribution from the Overseas Workers Welfare Administration (OWWA) to augment the said fund as stated in item b of Section 31 of RA 7796 was not complied with. (paras. 246-259)

We recommended that the Management:

- **request the TESDA Board to revisit the implementing guidelines set forth in the Resolution No. 2002-11 for the management of the fund to reach the required seed capital;**
- **make representation with the officials of OWWA to comply with the agency's annual obligation to contribute to the seed capital from the Overseas Workers Welfare Administration Fund (OWWAF); and**
- **tap feasible sources to increase the seed capital to sustain the viability of the program. Otherwise, the fund will remain unutilized for hundreds of years, thus, defeating the very objective of its existence.**

22. In TESDA-CAR, CEMMTP equipment costing ₱16 million intended for trainings on Computer Numeric Control (CNC) Production still remained unutilized since it was delivered and accepted in 2008 due to failure on the part of the supplier to make the necessary repair on such equipment. As a result, student beneficiaries continued to be deprived of additional skills necessary to meet the current emerging skills requirements of the manufacturing industry in the area of modern technology and the technological needs of manufacturing companies and better chances of employment. This further resulted in wastage of scarce government resources. (paras. 260-265)

Again, we have recommended that management coordinate closely or make a follow-up with the supplier/contractor through the TESDA, Central Office for the necessary repair and maintenance of the equipment to attain the objectives of the CEMMT project of the agency. We have also recommended that management consider the training of at least one personnel/trainer who will be in charge in the maintenance of the equipment.

23. The Rack Mounted Dialer Solution of Region X costing ₱1,200,000.00 which was intended for the Call Center operation was not used for a long period of time thus, government funds became idle and the target scholars were deprived of the educational benefits. (paras. 266-270)

We recommended that the School Administrator shall settle the matter with the City Officials to restructure prior agreement and to come up

with a collective solution for possible revival of the operation of the call center.

24. The Agency has also no policy on the time frame as to when the assessment is to be made from time of graduation, thus many graduates left the TVIs/TTIs without taking the mandatory assessment resulting to non-payment of training and other fees to these TVIs/TTIs in consonance to the policy that no assessment, no payment per Section 4 of TESDA Circular No. 17 series of 2010. (paras. 284-289)

We recommended that the management shall make representations to the Central Office to issue a policy relative to timeframe on assessment of graduates which will be beneficial to the graduates and the TVIs/TTIs.

25. Had Cagayan de Oro Bugo School of Arts and Trade (COBSAT) submitted their CY 2011 Qualification Map to the Technical Education and Skills Development Authority (TESDA) Region X in time when the latter is still preparing their Budget Proposals for submission to DBM, the reduced of allocation due to COBSAT for CY 2011 TWSP Funds could have been abated and the downloading of the funds could have been done earlier than August, 2011. As a result, interested enrollees who were cut-off/denied entrance due to limited budget missed the opportunity to increase their probability of getting gainful jobs after graduation due to short-budget program of the government thus, run-counter to TESDA Circular No. 17, s 2011. (paras. 294-302)

We recommended the management of COBSAT to be prompt in their submission of Budget Proposals to TESDA which should be in the month of February for the next Calendar Year Budget as the month of April is the deadline of Submission of Budget Proposals to DBM. Likewise, we also recommended to them to follow-up its approval and inclusion to the Proposed Budget.

26. There was a failure in TESDA NCR in implementing the programs of PESFA scholarship project in 2008, 2009 and 2010. In 2008, due to unqualified beneficiaries the balance of the fund of ₱324,200.00 in the books of accounts of the RO for CY 2008 was not transferred to CAMANAVA district. In 2009, the agency were not able to pay the training cost and allowances of ₱2,348,700.00 to the participating schools which implemented the same PESFA scholarship program because no available fund was released for the project in that year. More, in 2010, due to unavailability of beneficiaries funds of ₱426,630.00 intended for the said project was returned to the National Treasury while the amount of ₱1,032,571.28 remained idle in the banks. (paras. 303-313)

We recommended Management to

- **coordinate with the Department of Budget and Management to request for the released of funds to pay for the obligations of PESFA project in CY 2009;**
- **intensify the information dissemination of the potential beneficiaries of the project to make use of the available funds ;**
- **revisit/review the policies and procedures in the conduct of the scholarship training of the PESFA program to attract more interested and qualified beneficiaries of this program.**

27. Report of Disbursements for GABAYMASA Development Foundation, Inc. charged from the Priority Development Assistance Fund (PDAF) of R.A. 9336, for FY 2008 under SARO No. ROCS 08-05403 dated June 30, 2008 intended for Scholarship program on Community based-training program were found to be unnecessary, irregular and excessive expenditures as define in COA Circular 85-55A. (paras. 314-322)

We recommended Management to demand from the President of the GABAYMASA Foundation, Inc.:

- **refund of the disallowed amount of ₱7,505.00;**
- **submission of the required supporting documents; and**
- **explanation in writing the discrepancies and inconsistencies noted in audit which will be the subject of further evaluation of the Audit Team Leader (ATL) as basis of her decision whether to disallow the said transactions in audit.**

28. Utilization of the appropriated budget of TESDA GAD Plan amounting to ₱141,924,850.00 representing 5 percent of the agency's total budget appropriations pursuant to Executive Order No. 273 and Joint Circular No. 2004-01 was not maximized, since only ₱99,936,406.16 was incurred for GAD Programs. Moreover, the TESDA GAD annual plan with budgeted amount of ₱32,706,810.00 was inefficiently prepared because of enormous inconsistencies since the said amount represents 67 percent less than the actual cost incurred of ₱99,936,406.16, thus, some activities set were neither achieved nor conducted and instead reprogrammed for CY 2012. (paras.323-332)

In Central Office we recommended that Management –

- **allocate at least 5% of the total appropriation of TESDA as budget for Gender and Development Program in the succeeding years.**
- **plan effectively GAD activities and monitor consistently and efficiently the achievement of its objectives.**
- **timely submit accomplishment reports as well as other reports needed by the audit team.**

In NCR –

We recommended that the RO and its attached six districts and Training Centers to formulate and implement GAD related programs, projects and activities that are organization-focused or client-focused or those that address or reduce the significant disparities between men and women or those geared toward the promotion of gender-responsive governance, protection of women’s human rights and women’s economic empowerment pursuant to guidelines set forth in Joint Circular No. 2004-1.

In Region I

We recommended that Management should continue conducting GAD related activities to maximize utilization of the budgeted amount in compliance with the mandate of the General Appropriations Act.

In Region XII –

We recommended that management continue to mobilize resources for promotion of gender-related activities in order to adequately address gender equality and women empowerment programs. The mandatory 5 percent allocation for GAD activities as required under RA No. 10147 should be strictly observed, if warranted.

29. The Management was not able to allot from its appropriation the budget for the Senior Citizens and differently abled persons’ activities for the CY 2011 because plans and programs for these activities were not enumerated and prepared. (paras. 333-335)

We recommended the Management to:

- **appropriate budget for the Senior Citizens and differently abled persons’ activities;**

- **inquire and promulgate rulings and policies in the implementation of the program; and**
- **formulate plans and programs earlier, to provide the concerned focal office ample time to implement the project.**

30. Ten million nine hundred ninety-five thousand three Hundred Fifty-Seven & 34/100 (₱10,995,357.34) taxes withheld from various suppliers were not remitted by TESDA- Central Office to the Bureau of Internal Revenue contrary to Joint Circular 1-2000 dated January 3, 2000. (paras. 336-342)

We recommended the Accountant to:

- **fast track the review and evaluation of the difference of ₱10,995,357.34;**
- **ensure that adjustment on the non- or over/under remittances of the said withholding taxes are considered in the following request for issuance of TRA; and**
- **prepare a Journal Entry Voucher to effect the necessary adjustment in order to show the correct balance of the account Due to BIR.**

The audit observations and recommendations stated above were communicated with the concerned agency officials thru the issuances of Audit Observation Memoranda and during the exit conference conducted on June 15, 2012. Management comments were considered in this report, where appropriate

H. IMPLEMENTATION OF PRIOR YEAR’S RECOMMENDATIONS

We have evaluated the implementation of management of the audit recommendations contained in the 2010 Consolidated Annual Audit Report on the Technical Education and Skills Development Authority:

<i>Status of Implementation</i>	<i>No. of Recommendation</i>	<i>Percentage of Implementation</i>
Fully Implemented	30	25
Partially Implemented	46	38
Not Implemented	45	37
Total	<u>121</u>	<u>100</u>

The recommendations on the following significant audit findings/observations were either partially implemented or not implemented as of December 31, 2011.

a. Partially Implemented:

- Inefficient management of Canteen under the Sariling Sikap Program (SSP) Fund
- Deficiencies in the implementation of PESFA Scholarship Program in Region X
- Unutilized Equipment - ₱29,139,691.49
- Doubtful Cash in Bank balance - ₱886,395,212.41
- Unliquidated Cash Advances - ₱15,286,832.57
- Understatement of account Due from NGAs - ₱44,911,996.24
- Inaccurate balance of Inventories - ₱32,982,857.35
- Unreconciled differences between accounting and property records - ₱5,727,377,142.30
- Non-provision/erroneous computation of depreciation - ₱532,182.28
- Undisposed unserviceable properties - ₱5,090,764.22
- Unreliable Land account at Region X - ₱7,792,808.40
- Erroneous recording of Guaranty Deposit Payables and unauthorized payment of IT equipment and software - ₱2,927,892.14
- Inaccurate balance of account Other Payables - ₱227,025,653.87
- Irregularity on the implementation of the Arabic Language and Islamic Value Education (ALIVE) Program - ₱259,935.00
- Non-submission of Disbursement Vouchers and corresponding supporting documents - ₱57,740,735.67
- Unsupported Disbursements - ₱32,757,113.56
- Unsubmitted POs and Contracts
- Improper implementation and monitoring of GAD Programs

b. Not Implemented:

- Insufficient management of TESDA Development Fund - ₱87,751,605.60
- Long outstanding fund transfers in TESDA Region VII - ₱533,672.00
- Unsupported Other Receivables in Region VII - ₱223,625.00
- Incomplete information on various tools and equipments transferred to Region XI - ₱6,615,635.34
- Violation of Section 12.1 of RA 9184 in Region XI - ₱19.5Million
- Split requisition and purchase orders – Region XI
- Insufficient fidelity bond - ₱17,407,376.98