



Republic of the Philippines  
**DON HONORIO VENTURA STATE UNIVERSITY**  
 Villa de Bacolor, Pampanga

January 28, 2020

**MS. EDELINA E. GOSECO**

State Auditor IV  
 Audit Team Leader  
 COA Regional Office III  
 City of San Fernando, Pampanga

Madam:

This has reference to the Audit Observation Memorandums (AOMs) which were received at the office of the undersigned on January 21, 2020. The university administration took cognizance of the recommendations by the audit team and initiated actions to address issues at hand.

Our comments regarding the recommendations in the above-mentioned AOMs are listed hereunder:

<b>COA Recommendations for AOM No. 2019-002</b>	<b>Management Comment</b>	<b>Status of Implementation</b>
<p><i>"The University President and other University officials concerned to:</i></p> <p><i>(a) Provide cash box to the Acting Cashier to safekeep his Petty Cash Fund under his custody;</i></p> <p><i>(b) Instruct the Acting Cashier/Petty Cash Custodian to require accomplished and approved petty cash vouchers with complete supporting documents before paying petty cash expenses, and ensure that only petty cash expenses are paid out of the PCF;</i></p> <p><i>(c) Provide a properly secured cabinet/locker to safekeep all accountable forms;</i></p> <p><i>(d) Direct the Accountant to conduct surprise cash counts of Accountable Officers in the Cashier's Office having</i></p> <p><i>(e) Provide safety measures, like periodic changes of vault with combination for better security of the same."</i></p>	<p>Memorandum No. 25, Series 2020, dated January 22, 2020, hereto appended, was issued to Dir. Luis M. Lansang to effect these recommendations.</p>	<p>Fully Implemented</p>
<b>COA Recommendations for AOM No. 2019-003</b>	<b>Management Comment</b>	<b>Status of Implementation</b>
<p><i>"The University President instruct the Director of Auxiliary Services to:</i></p> <p><i>(a) Review all contracts of lease and have them notarized at the</i></p>	<p>Memorandum No. 26, Series 2020, dated January 23, 2020, hereto appended, was issued to Dir. Maria Kristel K. Agustin to effect these recommendations.</p>	<p>Fully Implemented</p>

<p>start of the semester and provide all lessees a copy thereof in order;</p> <p>(b) Regularly monitor lessees' accounts especially those with past due accounts, to avoid incurring additional receivables after exhausting their advance rental and advance deposits;</p> <p>(c) Send notification letters to delinquent lessees informing them that their advance rentals and deposits will be applied to their unpaid balances;</p> <p>(d) Enforce the terms and conditions of the agreement and collect fully all the amount due to the University;</p> <p>(e) Specify, clearly and comprehensively the terms and conditions in the Leasehold Contract for the space rental that is fair and beneficial to both the lessor and lessee;</p> <p>(f) Explain why some lessees were allowed to enter into Leasehold Contract and occupy the stalls despite the fact of their failure to pay the required advance rental and deposits; and</p> <p>(g) Indicate the basis of computation on the rate of the space rental/derivation of lease rate to be approved by the Board of Regents following the guidelines of COA Circular No. 2019-005."</p>	
---	--

<b>COA Recommendations for AOM No. 2019-004</b>	<b>Management Comment</b>	<b>Status of Implementation</b>
<p>The President instruct the Director for Finance thru the Cashier to:</p> <p>(a) Adopt ExMDPS for payment of Accounts Payable Due (to) Creditors/Payees and limit to the barest minimum the use of MDS checks in paying the University's obligations to its creditors/payees. Prepare the LDDAP-ADA which shall be an accountable form in processing payment of A/Ps under ExMDPS;</p> <p>(b) Encourage or advise the University's creditors/payees to open a Current or Savings Account (CA/SA) with any branch of their authorized Modified Disbursement System, Government Servicing Banks (MDS-GSB). For creditors/payees, where</p>	<p>Memorandum No. 27, Series 2020, dated January 22, 2020, hereto appended, was issued to Dir. Luis M. Lansang to effect these recommendations.</p>	<p>Fully Implemented</p>

<p>opening of CA/SA with MDS-GSBs is not feasible or difficult due to company policy, the Management shall advise them to open an account with any bank included in the List of Participating Banks in Electronic Peso Clearing System (EPCS); and</p> <p>(c) Coordinate with creditors/payees to ensure the transmittal of official receipts concurrent with the direct crediting of payment to their CA/SA/ATM account."</p>		
--	--	--

<b>COA Recommendations for AOM No. 2019-005</b>	<b>Management Comment</b>	<b>Status of Implementation</b>
<p>"The President instruct the Procurement Officer and the Bids and Award Committee that in future procurement of office and other supplies, materials and devices of the entire University, the two-month inventory requirement should be taken into consideration so as not to result in overstocking of supplies.</p> <p>We also recommend that the President advise the BAC to:</p> <p>(a) Determine as early as the preparation of the Annual Procurement Plan the items that would best be procured from PS-DBM;</p> <p>(b) Secure the requisite certification from PS-DBM on the availability of stocks prior to procurement of items under other alternative modes;</p> <p>(c) Henceforth, consider PS-DBM as the priority supplier of common-use goods in accordance with R.A. 9184;</p> <p>(d) Review thoroughly all the contents of the documents for consistency of information contained in all related documents of transaction."</p>	<p>Memorandum No. 28, Series 2020, dated January 22, 2020, hereto appended, was issued to VP Ranie B. Canlas and Mr. Antonio B. Mercado to effect these recommendations.</p>	<p>Fully Implemented</p>

<b>COA Recommendation for AOM No. 2019-006</b>	<b>Management Comment</b>	<b>Status of Implementation</b>
<p>"cause for the immediate disposal of the scrap materials as prescribed under the Manual on Disposal of Government Property to avoid further wear and tear of the materials, to clean the campus premises of unwanted sights and have additional income from the sale of such."</p>	<p>Memorandum No. 29, Series 2020, dated January 22, 2020, hereto appended, was issued to EVP Rohel S. Serrano to effect this recommendation.</p>	<p>Fully Implemented</p>

The management, as a matter of principle, will continually take into account the recommendations of the COA Audit Team. It is our sincere commitment to work hand in hand with your team to attain the essential goal of protecting the interests of the university.

It is hoped that you will find the foregoing comments satisfactory.

Very truly yours,



ENRIQUE G. BAKING, Ed. D.  
SUC President III