APRIL 24, 2026

REGIONAL MEMORANDUM
ESSD – 2026 –0381

To: Schools Division Superintendent) Division of Siargao Island
) Division of Surigao del Norte
All Others Concerned

AUDIT FOLLOW-UP ON THE IMPLEMENTATION OF MANAGEMENT ACTION PLANS (MAPS)– AUDIT OF THE BASIC EDUCATION FACILITIES REHABILITATION, RENOVATION, REPAIR AND IMPROVEMENT OF KINDERGARTEN, ELEMENTARY AND SECONDARY SCHOOL BUILDINGS (BEF-RRRI)

1. The Internal Audit Service – Operations Audit Division (IAS-OAD) conducted the Audit of the Basic Education Facilities Rehabilitation, Renovation, Repair and Improvement of Kindergarten, Elementary and Secondary School Buildings (BEF-RRRI) from August to December 2024, covering CY 2023 implementation.

2. Concerned offices, through the respective Schools Division Offices (SDOs), were required to submit Management Action Plans (MAPs) to address audit observations and findings after each exit conference. The submitted MAPs were consolidated and integrated into Internal Audit Report (IAR) No. 2024-002, which was submitted to the Office of the Secretary in January 2025.

3. To complete the audit cycle and determine the status of implementation of the MAPs and the adequacy of actions taken to address the audit findings and recommendations, an audit follow-up and fieldwork validation shall be conducted by IAS-OAD. This activity shall include validation of reported accomplishments and review of supporting documents.

4. This The indicative schedule of the audit follow-up and fieldwork validation is as follows:

Division	Name of (2) Sample Schools	Timeline
Surigao del Norte	Malimono Central Elem. School Masgad Elementary School	April 27-May 6
Siargao Island	Datu Elementary School Dao Primary School	May 7-15

Any changes to the schedule will be duly communicated to the concerned offices.

5. The review shall be undertaken under the overall supervision of the undersigned, with Mr. Emilio Q. Agamanos Jr. as Team Lead and Mr. Jhessen P. Obedo as Audit Team Member.

6. In this regard, the full support and cooperation of all concerned officials and personnel are enjoined, particularly in facilitating coordination, ensuring availability of concerned personnel, and submitting required documents necessary for the efficient and effective conduct of the audit follow-up.

7. For queries and clarifications, your offices may coordinate with the Internal Audit Service – Operations Audit Division (IAS-OAD) through official channels.

8. For your information and guidance

Digitally signed by Asuncion Maria Ines Casona
Date: 2026.04.23 15:59:44 +0800

MARIA INES C. ASUNCION
Regional Director

ESSD/mss
04/22/2026

MEMORANDUM
IAS-OAD-2026-010

TO	:	**MARIA INES C. ASUNCION** *Regional Director, Region XIII (CARAGA)* **KAREN L. GALANDIA** *Schools Division Superintendent, Surigao Del Norte* **MANUEL O. CABERTE** *Schools Division Superintendent, Siargao*
THRU	:	**ATTY. PAOLO MIKAEL E. QUILALA** *Director IV, Internal Audit Service*
FROM	:	**EMILIO Q. AGAMANOS JR.** *Internal Auditor V, IAS- Operations Audit Division*
SUBJECT	:	**AUDIT FOLLOW-UP ON THE IMPLEMENTATION OF MANAGEMENT ACTION PLANS - AUDIT OF THE BASIC EDUCATION FACILITIES REHABILITATION, RENOVATION, REPAIR AND IMPROVEMENT OF KINDERGARTEN, ELEMENTARY AND SECONDARY SCHOOL BUILDINGS (BEF-REHAB)**
DATE	:	April 15, 2026

1. The Internal Audit Service – Operations Audit Division (IAS-OAD) conducted the Audit of the Basic Education Facilities Rehabilitation, Renovation, Repair and Improvement of Kindergarten, Elementary and Secondary School Buildings (BEF-REHAB) from August to December 2024, covering the program's CYs 2022 and 2023 implementation.

2. The concerned offices, through sampled Schools Division Office (SDO), were requested to submit Management Comments and Action Plans (MAPs) to address the audit observations and findings after each exit conference. These MAPs were integrated into the Internal Audit Report (IAR) No. 2024-002, which was

submitted to the Office of the Secretary in January 2025.

3. To complete the audit cycle, an audit follow-up shall be conducted by IAS-OAD ***to determine the status of implementation of the management action plans and/or evaluate the adequacy of the actions taken to address the audit findings***. This process involves the accomplishment by the auditees of the *Report on the Status of Implementation of the Action Plan to Address the Audit Findings and Recommendations*, as attached to the email, as well as the submission of supporting documents to substantiate the status reported by your office. A copy of the exit meeting PowerPoint presentation is likewise provided as reference.

4. The duration of the audit follow-up and fieldwork validation is nineteen (19) calendar days

Particulars		**Timeline**
Region XIII (CARAGA)	SDO Surigao Del Norte Two (2) Sample Schools - Datu Elementary School - Dao Primary School	April 27 – May 6
	SDO Siargao Two (2) Sample Schools - Malimono Central Elementary School - Masgad Elementary School	May 7 – 15

Should there be changes/adjustments in the schedule, the auditees concerned will be duly notified.

5. Under the overall supervision of the above-signed, the review will be undertaken by **Mr. Emilio Q. Agamanos Jr.** (Team Lead) and **Mr. Jhesuen P. Obelo**.

6. The full support and cooperation of all concerned Offices/personnel for all the necessary procedures to be undertaken and submission of needed documents are essential to ensure the efficient and effective conduct of the follow-up audit.

7. For concerns and questions, you may coordinate with this Office at ias.oad@deped.gov.ph or through (63) 927 768 9116.

cc: **AURELIO PAULO R. BARTOLOME,** *Assistant Secretary, Education Facilities Division*
ENGR. MICHAEL OLIVER M. DE GUZMAN, *Director III, Education Facilities Division*
MARJORIE H. TIBURCIO, *Engineer IV, Officer in Charge – Education Facilities Division*

Internal Audit Service

EXIT CONFERENCE

CONDUCT OF AUDIT OF THE BASIC EDUCATION FACILITIES - REHABILITATION, RENOVATION, REPAIR AND IMPROVEMENT OF KINDERGARTEN, ELEMENTARY AND SECONDARY SCHOOL BUILDINGS (BEF-REHAB)

October 3, 2024 (Thursday)
9:30 am – 11:00 AM, SDO SURIGAO DEL NORTE

PRAYER


Dear Heavenly Father
We thank you for gathering
all of us today in this
important endeavor

Internal Audit Service

OPENING REMARKS

OPENING REMARKS

Emilio Q. Agamanos Jr.
Chief, Operations Audit Division

DepED MATATAG

BAGONG PILIPINAS

OUTLINE OF PRESENTATION

OUTLINE OF PRESENTATION

I. Objectives

II. Scope

III. Auditees

IV. Presentation of Audit Observations/Findings (2Cs)

V. Next Steps

VI. Q & A

OBJECTIVES

The audit's overall objective is to evaluate the efficiency and effectiveness of the BEF-Rehab program. Specifically, the audit aims:

- To determine the degree of compliance of supervision or control with relevant laws, rules, policies and contractual obligations;
- To evaluate the BEF-Rehab Program output, process and inputs to determine the economy, efficiency, effectiveness, and ethicality of operations (4Es); and
- To recommend courses of action on operational deficiencies observed.

SCOPE: PROGRAM

CY 2022 & 2023 Rehabilitation, Renovation, Repairs, and/or Improvement of Kindergarten, Elementary and Secondary School Buildings Under the Basic Education Facilities

SCOPE: AUDITEES

SDO Surigao Del Norte

A. Malimono Central Elementary School – Malimono

B. Masgad Elementary School – Malimono

PRESENTATION OF AUDIT OBSERVATIONS/FINDINGS

4Cs IN AUDIT FINDINGS

Criteria – standards against which a condition is compared, i.e., law, rules and regulations, policies, orders, guidelines, procedures, plans, target and contractual obligations.

Condition – a fact, supported by substantial evidence. The condition refers to what is currently being done or the current situation. This is also referred to as the findings and facts.

Cause – the immediate and proximate reason/s for the condition for which substantial evidence will be used as basis of the audit recommendation.

Conclusion – the evaluation of the criteria and the conditions to determine: (1) compliance or non-compliance of control with laws, regulations and policies; (2) the control effectiveness or ineffectiveness; and (3) the efficiency, effectiveness, ethicality, and economy of agency operations.

AUDIT OBSERVATIONS AND FINDINGS

POSITIVE PRACTICES

DPWH-Implemented Repair Project:

- Conduct of joint site validation by the Division Engineer and DPWH Engineer.
- Conduct of pre-construction conference/meeting at the school level.
- Providing Detailed Unit Price Analysis (DUPA) copy to the school heads.
- Concurrence of DepEd thru the Schools Division Superintendent (SDS) on the Program of Works (POW)/DUPA.
- Involvement of barangay and PTA officials in school building construction and repair projects.
- The school head documented and reported to DPWH the issues and concerns related to the school repair project.

AUDIT OBSERVATIONS AND FINDINGS

POSITIVE PRACTICES

DepEd-Implemented Repair Project

- Conduct of pre-construction conference/meeting at the school level.
- Conduct of regular monitoring and site inspections on repair projects.
- Use of certification, signed by the school heads, to document that the repair project is completed and free from issues.
- Validation of the contractor's claims for payment of completed works by the Division Engineer.
- Notifying the contractors about the upcoming expiration of the contract duration to remind them to complete the work.
- Imposition of liquidated damages for contractor delays.

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies	
Observation #1: Incomplete documentation of DPWH-implemented repair projects	
Criteria: **DO 18, s.2023. Annex "A" Revised MOA with DPWH for the Implementation of School Building Program under BEFF.** **Part III. Roles and Responsibilities of DPWH** **No.3.** *Prepare the Final Design Plans, Program of Works, and Detailed Cost Estimates, based on the result of Joint Validation conducted…**approved by both parties…*** **No.3.f.** *The DPWH **shall provide a copy to the DepEd SDO of the approved POWs, Plans, Project Schedule, Material Testing, Variation Order, As-built Plan,** and other pertinent documents necessary in the implementation of school building project.*	*Condition:* The DepEd Schools Division Office (SDO) was not provided with the copies of documents related to the repair projects. While the Program of Work (POW) or Detailed Unit Price Analysis (DUPA) were forwarded to the SDO for concurrence, the SDO was not provided with copies of the concurred documents. Additionally, although the school head of the sample school received a copy of the DUPA, neither the principal nor the SDO thru the DE was given a copy of the variation order prepared by DPWH in response to the school head's requested modifications/ variations during the pre-construction conference.

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies	
Observation #2: Limited participation in procurement activities of DPWH-implemented repair projects	
Criteria: **DO 18, s.2023. Annex "A" Revised MOA with DPWH for the Implementation of School Building Program under BEFF** **Part II. Roles and Responsibilities of DepEd** **No. 5.** *The DepEd Division Engineer shall act as an observer in* ***all stages of the procurement activities****.* **Part III. Roles and Responsibilities of DPWH** **No. 9.** *The DPWH DEO shall invite a DepEd SDO representative as an observer during the conduct of procurement activities* ***at least three (3) days before the scheduled procurement activities.*** *These procurement activities shall be available for streaming on the DPWH RO's websites.*	*Condition:* The Division Engineer (DE) was unable to attend all of the procurement activities for DPWH-implemented projects, as there were instances when the procurement schedule overlapped with his duties to monitor school construction and repair projects in critical stages, requiring his presence on-site.

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AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies	
Observation #3: No joint punch listing and inspection activity conducted in DPWH implemented repair projects	
Criteria: **DO 18, s.2023. Annex "A" Revised Memorandum of Agreement (MOA)** **Part IV. Provisions Common to Parties** **No. 2.** *Conduct of* ***Joint Punch Listing Inspection*** *for the purpose of determining the items of work that need to be rectified by the contractor prior to final inspection. This activity shall be made upon substantial completion of at least 95% of the physical accomplishment of the project; and* ***No.3*** *After the completion of construction, the parties* ***shall conduct joint post-technical inspection activities*** *within the Defects Liability Period of one (1) year after the issuance of the Certificate of Completion prior to the issuance/approval of the Certificate of Acceptance.*	*Condition:* The Division Engineer (DE) and the DPWH Engineer conducted a joint site validation prior to the start of the repair project; however, punch listing of the sample repair project was conducted separately, with the DE directly providing his punch list to the contractor. The DE was also not provided with a copy of the DPWH punch list and had to request it from the contractor. As of the audit date, the sample repair project's status in the SDO's records is for punch list compliance. However, per DPWH records, the project has been marked as completed since April 2024. The SDS is yet to concur on the CoC, pending compliance with the DE's punch list. Furthermore, as practiced, final inspections and post-technical inspections for other DPWH-implemented repair projects were also conducted separately.

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies	
Observation #4: Unauthorized variation order on the DPWH-implemented repair project	
Criteria: **DO 18, s.2023. Annex "A" Revised MOA with DPWH for the Implementation of School Building Program under BEFF Part III. Roles and Responsibilities of the DPWH** **No. 10** *Any Variation Order (Change Order or Extra Work Order) that may occur during the implementation period* ***shall be endorsed and recommended by the DPWH thru the DEO's*** *and* ***concurred by DepEd thru its SDS.***	*Condition:* The Variation Order for one (1) sample school was prepared and approved by DPWH Engineers and implemented by contractor without the concurrence of DepEd thru the SDS. Additionally, the DE was not informed of the variation, it was only during the conduct of the internal audit that the DE was informed. The school head (SH) directly requested the variation from the DPWH and the contractor. The DPWH engineer advised the SH to submit the request in writing. However, this written request was submitted to the DPWH engineer without informing or providing a copy to the Division Engineer (DE). ***Variation request of SH:*** *- From 4 CL to 3 CL in which the 4th CL is focused only on ceiling and ceiling joint works in lieu of repair of extension rooms, and installation of sliding glass partitions to make the 3 CL multi-purpose rooms.*

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AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

Observation #4: Unauthorized variation order on the DPWH-implemented repair project (continuation)

Criteria:

DO 18, s.2023. Annex "A" Revised MOA with DPWH for the Implementation of School Building Program under BEFF
Part III. Roles and Responsibilities of the DPWH

No. 10 *Any Variation Order (Change Order or Extra Work Order) that may occur during the implementation period* ***shall be endorsed and recommended by the DPWH thru the DEO's*** *and* ***concurred by DepEd thru its SDS.***

Condition:

DPWH Variation details: *Variation Order No.01 (Extra Work Order No.01);*
Cost: P376,433.22
No change in contract amount and duration.

	Original	Revised	Difference/Change
Contract Amount	P 2,861,113.82	P 2,861,113.71	**- P0.11**
Effectivity of Contract	February 12, 2024	-	-
Contract Duration	90 CDs	90 CDs	-
Contract Expiry Date	May 11, 2024	May 11, 2024	**0 CD**

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

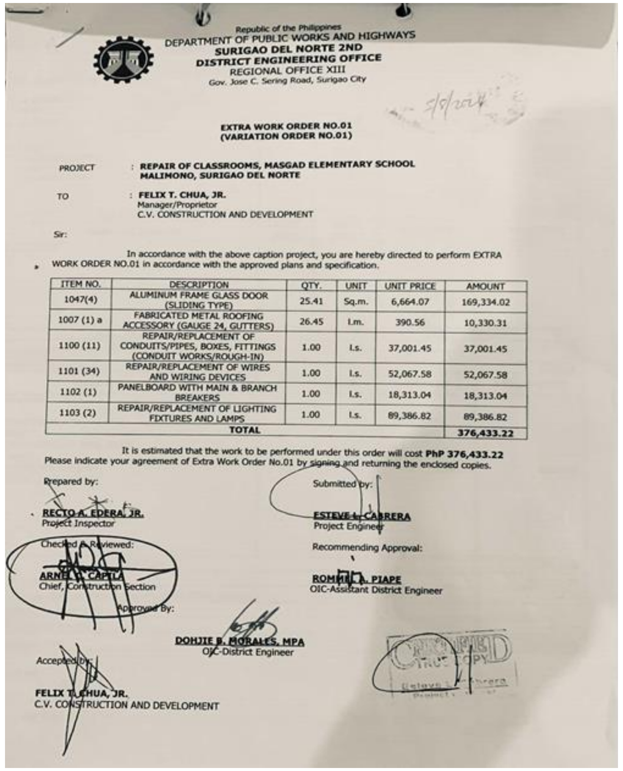
Observation #4: Unauthorized variation order on the DPWH-implemented repair project (continuation)

Criteria:

DO 18, s.2023. Annex "A" Revised MOA with DPWH for the Implementation of School Building Program under BEFF
Part III. Roles and Responsibilities of the DPWH

No. 10 *Any Variation Order (Change Order or Extra Work Order) that may occur during the implementation period* ***shall be endorsed and recommended by the DPWH thru the DEO's*** *and* ***concurred by DepEd thru its SDS.***

Condition:



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
SURIGAO DEL NORTE 2ND
DISTRICT ENGINEERING OFFICE
REGIONAL OFFICE XIII
Gov. Jose C. Sering Road, Surigao City

5/8/2024

EXTRA WORK ORDER NO.01
(VARIATION ORDER NO.01)

PROJECT : REPAIR OF CLASSROOMS, MASGAD ELEMENTARY SCHOOL MALIMONO, SURIGAO DEL NORTE

TO : FELIX T. CHUA, JR.
Manager/Proprietor
C.V. CONSTRUCTION AND DEVELOPMENT

Sir:

In accordance with the above caption project, you are hereby directed to perform EXTRA WORK ORDER NO.01 in accordance with the approved plans and specification.

ITEM NO.	DESCRIPTION	QTY.	UNIT	UNIT PRICE	AMOUNT
1047(4)	ALUMINUM FRAME GLASS DOOR (SLIDING TYPE)	25.41	Sq.m.	6,664.07	169,334.02
1007 (1) a	FABRICATED METAL ROOFING ACCESSORY (GAUGE 24, GUTTERS)	26.45	l.m.	390.56	10,330.31
1100 (11)	REPAIR/REPLACEMENT OF CONDUITS/PIPES, BOXES, FITTINGS (CONDUIT WORKS/ROUGH-IN)	1.00	l.s.	37,001.45	37,001.45
1101 (34)	REPAIR/REPLACEMENT OF WIRES AND WIRING DEVICES	1.00	l.s.	52,067.58	52,067.58
1102 (1)	PANELBOARD WITH MAIN & BRANCH BREAKERS	1.00	l.s.	18,313.04	18,313.04
1103 (2)	REPAIR/REPLACEMENT OF LIGHTING FIXTURES AND LAMPS	1.00	l.s.	89,386.82	89,386.82
	TOTAL				376,433.22

It is estimated that the work to be performed under this order will cost **PhP 376,433.22**
Please indicate your agreement of Extra Work Order No.01 by signing and returning the enclosed copies.

Prepared by:
RECTO A. EDERA, JR.
Project Inspector

Submitted by:
ESTEVE L. CABRERA
Project Engineer

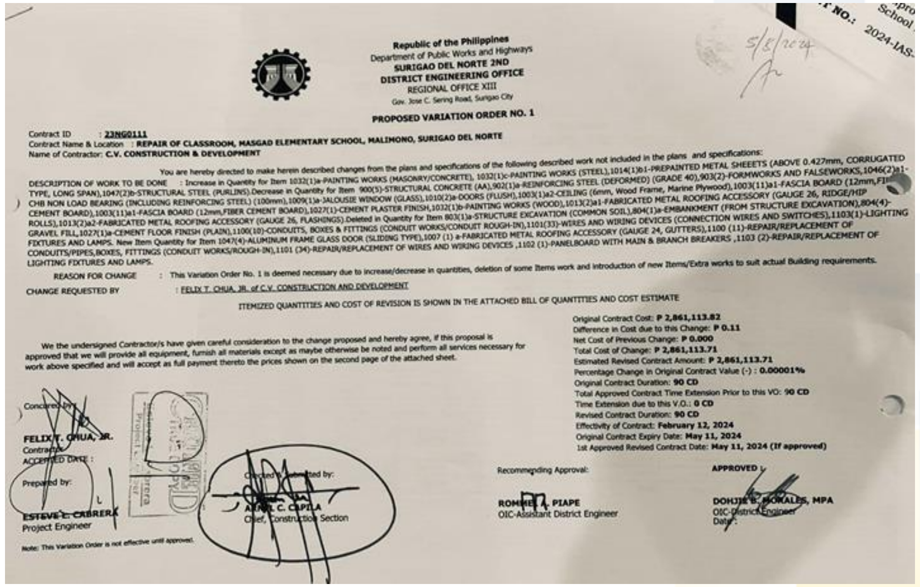
Checked & Reviewed:
ARNEL C. CAPILA
Chief, Construction Section

Recommending Approval:
ROMMEL A. PIAPE
OIC-Assistant District Engineer

Approved By:
DOHJIE B. MORALES, MPA
OIC-District Engineer

Accepted by:
FELIX T. CHUA, JR.
C.V. CONSTRUCTION AND DEVELOPMENT

CERTIFIED TRUE COPY



Republic of the Philippines
Department of Public Works and Highways
SURIGAO DEL NORTE 2ND
DISTRICT ENGINEERING OFFICE
REGIONAL OFFICE XIII
Gov. Jose C. Sering Road, Surigao City

5/8/2024

PROPOSED VARIATION ORDER NO. 1

Contract ID : 23NG0111
Contract Name & Location : REPAIR OF CLASSROOM, MASGAD ELEMENTARY SCHOOL, MALIMONO, SURIGAO DEL NORTE
Name of Contractor: C.V. CONSTRUCTION & DEVELOPMENT

You are hereby directed to make herein described changes from the plans and specifications of the following described work not included in the plans and specifications:

DESCRIPTION OF WORK TO BE DONE : Increase in Quantity for Item 1032(1)a-PAINTING WORKS (MASONRY/CONCRETE), 1032(1)c-PAINTING WORKS (STEEL),1014(1)b1-PREPAINTED METAL SHEEETS (ABOVE 0.427mm, CORRUGATED TYPE, LONG SPAN),1047(2)b-STRUCTURAL STEEL (PURLINS).Decrease in Quantity for Item 900(5)-STRUCTURAL CONCRETE (AA),902(1)a-REINFORCING STEEL (DEFORMED) (GRADE 40),903(2)-FORMWORKS AND FALSEWORKS,1046(2)a1-CHB NON LOAD BEARING (INCLUDING REINFORCING STEEL) (100mm),1009(1)a-JALOUSIE WINDOW (GLASS),1010(2)a-DOORS (FLUSH),1003(1)a2-CEILING (6mm, Wood Frame, Marine Plywood),1003(11)a1-FASCIA BOARD (12mm,FIBER CEMENT BOARD),1003(11)a1-FASCIA BOARD (12mm,FIBER CEMENT BOARD),1027(1)-CEMENT PLASTER FINISH,1032(1)b-PAINTING WORKS (WOOD),1013(2)a1-FABRICATED METAL ROOFING ACCESSORY (GAUGE 26, RIDGE/HIP ROLLS),1013(2)a2-FABRICATED METAL ROOFING ACCESSORY (GAUGE 26, FLASHINGS).Deleted in Quantity for Item 803(1)a-STRUCTURE EXCAVATION (COMMON SOIL),804(1)a-EMBANKMENT (FROM STRUCTURE EXCAVATION),804(4)-GRAVEL FILL,1027(1)a-CEMENT FLOOR FINISH (PLAIN),1100(10)-CONDUITS, BOXES & FITTINGS (CONDUIT WORKS/CONDUIT ROUGH-IN),1101(33)-WIRES AND WIRING DEVICES (CONNECTION WIRES AND SWITCHES),1103(1)-LIGHTING FIXTURES AND LAMPS. New Item Quantity for Item 1047(4)-ALUMINUM FRAME GLASS DOOR (SLIDING TYPE),1007 (1) a-FABRICATED METAL ROOFING ACCESSORY (GAUGE 24, GUTTERS),1100 (11)-REPAIR/REPLACEMENT OF CONDUITS/PIPES,BOXES, FITTINGS (CONDUIT WORKS/ROUGH-IN),1101 (34)-REPAIR/REPLACEMENT OF WIRES AND WIRING DEVICES ,1102 (1)-PANELBOARD WITH MAIN & BRANCH BREAKERS ,1103 (2)-REPAIR/REPLACEMENT OF LIGHTING FIXTURES AND LAMPS.

REASON FOR CHANGE : This Variation Order No. 1 is deemed necessary due to increase/decrease in quantities, deletion of some Items work and introduction of new Items/Extra works to suit actual Building requirements.

CHANGE REQUESTED BY : FELIX T. CHUA, JR. of C.V. CONSTRUCTION AND DEVELOPMENT

ITEMIZED QUANTITIES AND COST OF REVISION IS SHOWN IN THE ATTACHED BILL OF QUANTITIES AND COST ESTIMATE

We the undersigned Contractor/s have given careful consideration to the change proposed and hereby agree, if this proposal is approved that we will provide all equipment, furnish all materials except as maybe otherwise be noted and perform all services necessary for work above specified and will accept as full payment thereto the prices shown on the second page of the attached sheet.

Original Contract Cost: **P 2,861,113.82**
Difference in Cost due to this Change: **P 0.11**
Net Cost of Previous Change: **P 0.000**
Total Cost of Change: **P 2,861,113.71**
Estimated Revised Contract Amount: **P 2,861,113.71**
Percentage Change in Original Contract Value (-) : **0.00001%**
Original Contract Duration: **90 CD**
Total Approved Contract Time Extension Prior to this VO: **90 CD**
Time Extension due to this V.O.: **0 CD**
Revised Contract Duration: **90 CD**
Effectivity of Contract: **February 12, 2024**
Original Contract Expiry Date: **May 11, 2024**
1st Approved Revised Contract Date: **May 11, 2024 (If approved)**

Concurred by:
FELIX T. CHUA, JR.
Contractor
ACCEPTED DATE :

Prepared by:
ESTEVE L. CABRERA
Project Engineer

Checked & Submitted by:
ARNEL C. CAPILA
Chief, Construction Section

Recommending Approval:
ROMMEL A. PIAPE
OIC-Assistant District Engineer

APPROVED :
DOHJIE B. MORALES, MPA
OIC-District Engineer
Date:

Note: This Variation Order is not effective until approved.

Copy of the Variation Order prepared and approved by DPWH.

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

Observation #5: Variations in the scope of work for repair project (DPWH Implemented)

Criteria:

DO 6, s. 2021 Re-Establishment of **Minimum Performance Standards and Specifications (MPSS)** for DepEd School Buildings Using Alternative Construction Materials
Part VI.A.c.iv Classroom Doors
Part VI.C.a.i Lighting and Fixtures

DO 64, s. 2017 Establishing the **Minimum Performance Standards and Specifications** for DepEd School Buildings
Part V.c. Classroom Doors
Part VII.a Lighting and Fixtures

DO 18, s.2023. Annex "A" Revised MOA with DPWH for the Implementation of School Building Program under BEFF
Part III. Roles and Responsibilities of the DPWH
No. 3.a In the implementation of the projects, the ***DPWH shall observe the DepEd Minimum Performance Standards and Specifications (MPSS)*** in the design of the school buildings....

Condition:
(Sample School A)

Ocular inspection and inquiries conducted with the concerned personnel revealed the following:

	Actual	Per DepEd MPSS
School A (3 CL) DPWH Implemented	Fluorescent lights with louvers	At least six (6) units of 32 watts Solar LED light
		double T-5 36 watts fluorescent lamp with reflector or a min. of 104 lumens per watt.
	Cylindrical doorknobs	Lever-type lockset
	1-storey classroom with gutter	No gutter

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies
Observation #5: Variations in the scope of work for repair project – DPWH implemented (continuation)

School A (DPWH implemented)

- Fluorescent lights with louvers

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

Observation #5: Variations in the scope of work for repair project – DPWH implemented (continuation)

School A (DPWH implemented)

- Cylindrical doorknob

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

Observation #5: Variations in the scope of work for repair project – DPWH implemented (continuation)

School A (DPWH implemented)

- Roof gutter on 1-storey classroom

DepED MATATAG BAGONG PILIPINAS

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

Observation #5: Variations in the scope of work for repair project (DPWH Implemented)

Criteria:

Approved Detailed Unit Price Analysis (DUPA)

Condition:
(Sample School A)

Ocular inspection and inquiries conducted with the concerned personnel revealed the following:

	Actual	Per DUPA
School A (3 CL) DPWH Implemented	No exhaust fan	3 units of exhaust fan
	12 ceiling fans	16 units of ceiling fans
	3 sets of W1 window grills	4 sets of W1 window grills
	3 sets of W2 window grills	4 sets of W2 window grills

DepED MATATAG

BAGONG PILIPINAS

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #5: Variations in the scope of work for repair project (DPWH Implemented)

School A (DPWH implemented)

- 12 ceiling fans instead of 16

Classroom 1

Classroom 2

Classroom 3

DepED MATATAG BAGONG PILIPINAS

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

Observation #5: Variations in the scope of work for repair project – DPWH implemented (continuation)

School A (DPWH implemented)

- 3 sets each of W1 and W2 window grills instead of 4 sets each

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations	
Observation #6: Defects/Deficiencies in the Repaired Classrooms (DPWH Implemented)	
Criteria: **Efficiency** - *delivering a given quantity and quality of outputs with minimum inputs or maximizing outputs with a given quantity and quality of inputs.* ***(NGICS p.12)***	*Condition:* ***(Sample School A)*** Ocular inspection and inquiries conducted with the concerned personnel revealed the following deficiencies:

Defects/Deficiencies	
School A (3 CL) **DPWH Implemented**	• Slacked ceilings (interior and exterior) • Busted fluorescent tubes

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #6: Defects/Deficiencies in the Repaired Classrooms – DPWH implemented (continuation)

School A (DPWH implemented)

- Slacked interior ceiling

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #6: Defects/Deficiencies in the Repaired Classrooms – DPWH implemented (continuation)

School A (DPWH implemented)

- Slacked exterior ceiling

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #6: Defects/Deficiencies in the Repaired Classrooms – DPWH implemented (continuation)

School A (DPWH implemented)

- Busted Fluorescent tubes

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations	
Observation #7: Inaccurate reporting of project status of DPWH-implemented repair project	
Criteria: **Internal Control Standards for the Philippine Public Sector (ICSPPS) 12.3** *Transaction and event must be **promptly recorded, properly classified** and **fully** and **clearly documented.*** *Transactions and events must be recorded promptly when they occur, **if information is to remain relevant and valuable to management** in controlling operations and making decisions.* *This applies to the entire process or life cycle of a transaction or event, including the initiation and authorization...**its final classification in summary records;** and prompt update of all documentation...*	*Condition:* The DPWH reported the sample repair project as "completed" in April 2024, and the contractor subsequently submitted a Certificate of Completion (CoC) to the Schools Division Office (SDO) for concurrence by the Schools Division Superintendent (SDS). However, based on the inspection conducted by the Division Engineer (DE), the repair project is still pending compliance with the DE's punch list. This punch list is distinct from that of the DPWH, as the punch listing was conducted separately. As of audit date, the contractor has not yet addressed the DE's punch list items. Consequently, the SDS has not signed the CoC, as the project remains incomplete pending resolution of the punch list items.

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AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #8: Low accomplishment rate of DPWH-implemented repair projects in CY 2023

Criteria:

Efficiency *- delivering a given quantity and quality of outputs with minimum inputs or maximizing outputs with a given quantity and quality of inputs. (**NGICS p.12**)*

Effectiveness *- Every agency has legislated mandate and functions. Each operating unit has a responsibility in achieving the agency's mandate and functions. But effective operations means that the operating units are able to deliver their major final outputs and outcomes and are able to contribute to the attainment of the agency's sectoral goals in particular, and of the societal goals in general. (**NGICS p.12**)*

Condition:

The **accomplishment rate for CY 2023 DPWH-implemented repair projects,** as of the August 2024 accomplishment report, is **35.48%,** specifically, **55 of the 155 target CL have been completed and 100 CL are still ongoing.**

SDO Surigao Del Norte CYs 2022 and 2023 BEF-Rehab Status

Year	Implementing Agency	Target CL	Status			Accomplishment Rate
			Completed	On-going	Under Proc.	
2023	**DPWH**	**155**	**55**	**100**	**-**	**35.48%**
2022	DepEd	27	27	-	-	100%

*Data as of August 15, 2024

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AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #8: Low accomplishment rate of DPWH-implemented repair projects in CY 2023 (continuation)

Criteria:

Efficiency *- delivering a given quantity and quality of outputs with minimum inputs or maximizing outputs with a given quantity and quality of inputs. (**NGICS p.12**)*

Effectiveness *- Every agency has legislated mandate and functions. Each operating unit has a responsibility in achieving the agency's mandate and functions. But effective operations means that the operating units are able to deliver their major final outputs and outcomes and are able to contribute to the attainment of the agency's sectoral goals in particular, and of the societal goals in general. (**NGICS p.12**)*

Condition:

Further, as of exit conference date (Oct. 3, 2024), the ongoing DPWH-implemented repair projects of 100 CL, 5 sites have already encountered delays of 51 days on average.

School	Total No. of CL	Status	Target Completion Date	Actual Date of Completion*	No. of Days Delayed
School 4	5	Ongoing (80%)	21-May-24	03-Oct-24	135
School 12	22	Ongoing (85%)	10-Jul-24	03-Oct-24	85
School 15	24	Ongoing (80%)	04-Aug-24	03-Oct-24	60
School 16	44	Ongoing (75%)	27-Oct-24	03-Oct-24	-24
School 17	5	Ongoing (45%)	02-Oct-24	03-Oct-24	1
TOTAL	**100**		**AVERAGE NO. OF DAYS DELAYED**		**51.4**

**As of Exit Conference Date (October 3, 2024)*

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AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies

Observation #9: Incorrect posting of project duration in the PhilGEPS for DepEd-implemented repair project

Criteria:

(R.A.9184, IRR)
Section 20.1.a. Pre-procurement Conference – *Prior to the advertisement or the issuance of the Invitation to Bid/Request for Expression of Interest for each procurement undertaken …. **Confirm the description and scope of the contract, the ABC, and contract duration.***

(R.A.9184, IRR)
Section 17.2 Form and Contents of Bidding Documents – *The specifications and other terms in the **Bidding Documents shall reflect minimum requirements or specifications required** to meet the needs of the procuring entity **in clear and unambiguous terms.***

Condition:

The Bids and Awards Committee (BAC) Secretariat posted a project duration of **140 calendar days (CDs) on PhilGEPS** for the sample DepEd-implemented repair project, **contrary to the 120 CDs stated in the Bid Documents.** Additionally, the **POW, bid documents, and the proposed timeline of the winning responsive bidder all reflected the 120 CDs.**

In the interview, it was noted that the discrepancy was only discovered at the Bid Opening. Despite this, the contract and subsequent project execution followed the posted 140 CDs duration. However, it was noted that the project was completed in 60 CDs, which falls within both the originally intended 120 CDs and the posted 140 CDs timeline.

Details	Declared Duration Period
Program of Works	120 cds
Bid Documents	120 cds
PhilGEPS Bid Notice Abstract / Invitation to Bid (ITB)	140 cds
Bid Form of Bidders	120 cds
Contract	140 cds
Certificate of Completion (as declared/computed)	140 cds

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AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Compliance with Laws, Rules, Regulations and Policies	
Observation #10: Lack of Property Transfer Report (PTR) and Property Card for repair project	
Criteria: **DO 53, s. 2021, Revised Guidelines On The Proper Recording and Booking-Up of School Building Projects** **Section V. Procedures** ***Item c.2.2. SDO procured, constructed, repaired and/or restored school buildings; Roles and responsibilities (Supply and Property Unit)*** *i. **Record** the accepted School Buildings **in the Property Card*** *ii. In case school building will be transferred to a school with fiscal autonomy:* *- **Prepare and issue a Property Transfer Report (PTR)** of the school building to be transferred to concerned school…* *- Retrieve the signed copy of PTR from school and **drop the subject school building in the property card.*** *- **Provide copy of the signed PTR to the Accounting Section*** *iii. Reconcile with the Accounting Division/Unit on the transferred properties every 30th of June and 31st of December of each year.*	*Condition:* The Supply and Property Unit of the Schools Division Office (SDO) does not maintain Property Transfer Reports (PTR) and Property Cards for repair projects. Currently, the unit only have PTRs and Property Cards for supplies and equipment.

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #11: Defects/Deficiencies in the Repaired Classrooms (DepEd Implemented)

Criteria:	Condition:
Efficiency - *delivering a given quantity and quality of outputs with minimum inputs or maximizing outputs with a given quantity and quality of inputs.* ***(NGICS p.12)***	***(Sample School B)*** Ocular inspection and inquiries conducted with the concerned personnel revealed the following deficiencies:

Defects/Deficiencies	
School B (7 CLs) DepEd Implemented	• Leaking ceiling • Defective wall fan • Exposed electrical wires

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations
Observation #11: Defects/Deficiencies in the Repaired Classrooms – DepEd implemented (continuation)

School B (DepEd implemented)

- Leaking ceiling

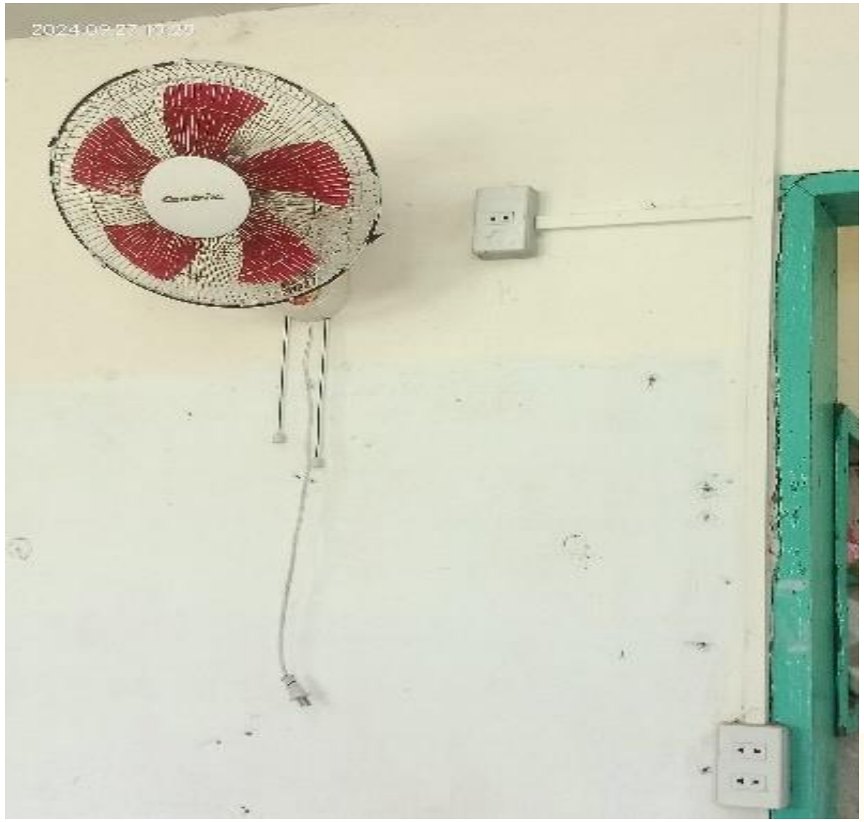
AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #11: Defects/Deficiencies in the Repaired Classrooms – DepEd implemented (continuation)

School B (DepEd implemented)

- Defective wall fan



AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations
Observation #11: Defects/Deficiencies in the Repaired Classrooms – DepEd implemented (continuation)

School B (DepEd implemented)

- Exposed electrical wires

AUDIT OBSERVATIONS AND FINDINGS

IC Objective: Ensure Efficient, Effective, Economical and Ethical Operations

Observation #12: Delayed completion of CY 2022 DepEd-implemented repair projects

Criteria:

Efficiency *- delivering a given quantity and quality of outputs with minimum inputs or maximizing outputs with a given quantity and quality of inputs. (**NGICS p.12**)*

Effectiveness *- Every agency has legislated mandate and functions. Each operating unit has a responsibility in achieving the agency's mandate and functions. But effective operations means that the operating units are able to deliver their major final outputs and outcomes and are able to contribute to the attainment of the agency's sectoral goals in particular, and of the societal goals in general. (**NGICS p.12**)*

Condition:

All **CY 2022 DepEd implemented repair projects** consisting of **7 sites with a total of 27 CL** have been completed, however, the implementation of **4 out of 7** repair projects encountered delays.

CY 2022 DepEd Implemented Repair Projects

School	Total Physical Target	Status	Target Completion Date	Actual Completion Date	No. of Days Delayed (Ahead)
School 1	3	COMPLETED	30-Sep-22	26-May-23	238
School 2	5	COMPLETED	23-Sep-22	30-Oct-22	37
School 3	6	COMPLETED	13-Oct-22	25-Jul-22	(80)
School 4	2	COMPLETED	10-Aug-22	14-Jun-22	(57)
School 5	4	COMPLETED	24-Oct-22	03-Nov-22	10
School 6	4	COMPLETED	23-Sep-22	30-Oct-22	37
School 7	3	COMPLETED	24-Aug-22	25-Jul-22	(30)
TOTAL	27				

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AUDIT OBSERVATIONS AND FINDINGS

SUMMARY:

DPWH-Implemented Repair Project

- ❖ Incomplete documentation of repair project
- ❖ Limited participation of DE in procurement activities
- ❖ No joint punch listing and inspection activities
- ❖ Unauthorized variation order
- ❖ Variations of the scope of work for repair project *(Deviations on the DepEd Minimum Performance Standards and Specifications (MPSS) and DUPA*:
    - o Fluorescent lights/lamps with louvers
    - o Cylindrical doorknobs
    - o 1-storey classroom with gutter

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AUDIT OBSERVATIONS AND FINDINGS

SUMMARY:

DPWH-Implemented Repair Project (continuation)

- ❖ Variations of the scope of work for repair project *(Deviations on the DUPA)*:
  - No exhaust fan
  - 12 ceiling fans (instead of 16)
  - 3 sets of W1 window grills (instead of 4 sets)
  - 3 sets of W2 window grills (instead of 4 sets)
- ❖ Defects/deficiencies observed during ocular inspection:
  - Slacked ceilings (interior and exterior)
  - Busted fluorescent tubes
- ❖ Inaccurate reporting of project status
- ❖ Low accomplishment rate for CY2023

DepED MATATAG BAGONG PILIPINAS

AUDIT OBSERVATIONS AND FINDINGS

SUMMARY:

<u>DepEd-Implemented Repair Project:</u>

- ❖ Incorrect posting of the duration period in the PhilGEPS
- ❖ Lack of Property Transfer Report (PTR) and Property Card for repair project
- ❖ Defects/deficiencies observed during ocular inspection:
  - Leaking ceiling
  - Defective wall fan
  - Exposed electrical wires
- ❖ Delayed completion of CY2022 DepEd implemented repairs

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NEXT STEPS

NEXT STEPS

Submission of Management Comments and Action Plans
- Within ten (10) working days after the conduct of Exit Conference
  - *October 17, 2024*
  - *Email at : ias.oad@deped.gov.ph*

Consolidation of All Audit Observation and Findings
- To be presented at Central Office

Preparation of Audit Report
- To be submitted to the DepEd Secretary in December 2024

Management Comments and Action Plan

Republic of the Philippines
Department of Education
INTERNAL AUDIT SERVICE

AUDITEE'S ACTION PLAN/MANAGEMENT COMMENTS

Agency Program/Project/System/Process	:	
Period Under Review	:	
Type of Audit	:	

Findings/ Observations	Activity/Action Plan (to address root cause of the finding/s)	Person Responsible	Estimated Completion Date

Prepared by:

Name
Position
Date:

Approved by:

Name of Auditee's Head of Office
Position
Date:

Q & A

Audit Feedback

https://bit.ly/IASFeedbackForm

INTERNAL CONTROL CHECKLIST

https://bit.ly/InternalControlChecklist

CLOSING REMARKS

Thank you!

REPORT ON THE STATUS OF THE IMPLEMENTATION OF ACTION PLAN TO ADDRESS THE AUDIT FINDINGS AND RECOMMENDATIONS

Title of Audit	**AUDIT OF THE BASIC EDUCATION FACILITIES REHABILITATION, RENOVATION, REPAIR AND IMPROVEMENT OF KINDERGARTEN, ELEMENTARY AND SECONDARY SCHOOL BUILDINGS (BEF-REHAB)**
Auditees	• SDO Surigao del Norte

Ref. No.	**Audit Findings**	**Action Plan/Actions Taken**	**Person Responsible/ Position/Office**	**Estimated Completion Date/ Timeline**	**Status** *[Completed (C) /On-going (O) /Not implemented (NI)]*			**Supporting Documents**	**Reason/s for Non-/Partial Implementation**
					C	**O**	**NI**		
1	Incomplete documentation of DPWH-implemented repair projects	• Conduct a comprehensive review of all ongoing and completed projects to identify gaps in communication.	SGOD Chief, Division Engineer, and Project Engineer	October 18, 2024					

		• Develop standardized templates and checklists for project documentation. • Establishment of Record keeping a Monitoring System to track documentation status real time, making it easier to identify incomplete records. • Invite DPWH personnel for a coordination meeting re-iterating the guidelines in the MOA.							
2	Limited participation in procurement activities of DPWH-implementation repair project	• Additional Staff - Identify and train other qualified staff members to represent the DE	SDS, SGOD Chief, Division and Project Engineer	October to December 2024					

		during procurement activities. • Scheduling Coordination – Proper Communication ahead of time regarding procurement activities to avoid overlaps.							
3	No joint punch listing, and inspection activity conducted in DPWH implemented repair projects	● Regular Coordination Meetings: Schedule regular coordination meetings between DepEd and DPWH engineer throughout the project implementation to discuss progress, concerns, and schedules for joint inspections. ● Documentation Sharing System: Implement a centralized	SDS, RE, SGOD Chief, Division and Project Engineer	October 18, 2024					

		documentation system where all punch lists, inspection reports, and compliance records are stored and accessible to both DE and DPWH Engineer. ● Monitor Compliance Progress: Establish a clear process for monitoring punch list compliance, including regular updates and status checks to avoid discrepancies between the DE's and DPWH's records.							
4	Unauthorized variation order on DPWH	● Develop a communication protocol that	SDS and Division Engineer	October – December 2024					

	implemented repair project	mandates informing all relevant parties (including the DepED SDO) about any requests for variation orders, ensuring transparency throughout the process. ● Create standardized procedures for initiating, approving, and implementing variation orders. This should include mandatory signatures from DepEd Schools Division Superintendent (SDS). ● Schedule regular joint meetings							

		between the DepEd, DPWH Engineers, and school heads to discuss ongoing projects, including any proposed changes or variations, fostering collaborative decision-making. ● Establish a monitoring system to track all variation orders, including their status and implementation.							
5	Variations in the scope of work for repair projects (DPWH Implemented)	● Hold meetings with relevant stakeholders, including project managers, engineers, and representatives from DepEd and DPWH. Discuss the findings	SDS, Division and Project Engineer	October 18, 2024					

		and gather input on possible solutions. ● Implement a regular monitoring schedule to track compliance with the revised plan. ● Conduct a final evaluation upon completion of corrective actions to ensure that the project meets all standards and specifications.							
6	Defects/Deficiencies in the Repaired Classrooms (DPWH Implemented)	Communicate with DPWH and contractors: Maintain open lines of communication to discuss defects, rectification and ensure they understand their responsibilities for	Division Engineer	October 14, 2024					

		warranty and follow-up repairs.							
7	Innacurate reporting of project status of DPWH-implemented repair projects	● Regular Status Review Meetings: Schedule regular meetings among project stakeholders to review and discuss project status updates, ensuring alignment and addressing discrepancies. ● Implement Real-Time Monitoring Tools: Utilize project management software or tools that enable real-time tracking of project progress, allowing for more accurate and timely updates.	SDS, Division and Project Engineer	October 18, 2024					

8	Low accomplishment rate of repair projects in CY2023 DPWH-implemented repair projects	● Review and update the procurement process and project documents required for procurement to eliminate problems that may be causing delays in procurement and project implementation. ● Conduct Regular Progress Reviews: Strengthen/ improved communication and collaboration between DPWH, DepEd, and contractors. Schedule regular progress review meetings to assess project status,	SDS, Division and Project Engineer	October 2, 2024					

		discuss challenges, and implement corrective actions as needed. ● Issue a follow up letter regarding the status of all ongoing projects including those declared as suspended with attached variation orders and time extensions.							
9	Incorrect posting of project duration in the PhilGEPS for DepEd-implemented project	● Implement a verification process for all posting on PhilGEPS to ensure accuracy before submission. This includes a checklist for confirming key details such as project duration, budget, and scope.	BAC Secretariat	October 30, 2024					

		● Document Review Process/ Create a standardized document review process that requires a secondary review by a designated authority before any information is posted online, ensuring that all data is accurate and aligned with official documents. ● Training of BAC Secretariat: Provide training sessions for the Bids and Awards Committee (BAC) Secretariat on the importance of accurate postings and the procedures for verifying							

		information in bid documents.							
10	Lack of Property Transfer Report (PTR) and Property Card for repair project	● Develop standardized procedures for creating and maintaining PTRs and Property Cards, especially for infrastructure projects. This should outline the necessary information to be included and the process for updating records. ● Create a Template for PTRs and Property Cards: Design templates for PTRs and Property cards for infrastructure projects, ensuring	Supply Officer, Accountant	December 2024					

		that all necessary details are captured consistently. ● Implement a Tracking System: Establish a centralized tracking system (either digital or manual) for managing PTRs and Property Cards, making it easy to update and retrieve information.							
11	Defects/Deficiencies in the Repaired Classrooms (DepEd Implemented)	● Communication with Contractors: Establish open lines of communication with contractors to discuss identified defects and ensure they understand their responsibilities for warranty, and	SGOD Chief, Division and Project Engineer	October 21, 2024					

		follow-up repairs and rectification. ● Provide a POW for repair of the said defects charged to MOOE because the project was already beyond 1 year warranty							
12	Delayed completion of CY 2022 DepEd implemented repair projects	● Implement more frequent monitoring of project progress through regular site visits and status meetings with contractors and project managers to ensure adherence to revised timelines. ● Strengthen communication between DepEd, contractors, and stakeholders to facilitate quick	SGOD Chief Division Engineer and DepEd Project Engineer	October to December 2024					

		decision making and problem resolution regarding delays. ● Implement a system for regular reporting on project progress, including updates on completion timelines, issues encountered, and actions taken to resolve them.							

Prepared by:

Name:
Position:
Date:

Approved by:

Name of Auditee's Head of Office:
Position:
Date: