



Republic of the Philippines  
Department of Education  
REGION IX, ZAMBOANGA PENINSULA  
SCHOOLS DIVISION OF DAPITAN CITY

Office of the Schools Division Superintendent

February 23, 2023

DIVISION MEMORANDUM

No. 91, s. 2023

**SUBMISSION OF DELIVERY RECEIPT (DR), INSPECTION AND ACCEPTANCE REPORT (IAR),  
PROPERTY ACKNOWLEDGEMENT RECEIPT (PAR), AND OTHER DOCUMENTS OF DENTAL CHAIRS  
DELIVERED FROM THE CENTRAL OFFICE**

TO: Asst. Schools Division Superintendent  
Chief Education Supervisor (SGOD and CID)  
Public Schools District Supervisors  
Dapitan City Central School  
Baylimango Central School  
Sulangon Central School  
Barcelona Central School  
Potungan Central School  
All Others Concerned  
This Division

1. Compliance pursuant to the COA AOM No. 2023-05(22) re: *Accuracy and existence of the agency's Property, Plant and Equipment (PPE) account as of December 31, 2021, with carrying amount of ₱171,163,131.51, cannot be fully relied upon due to (b) Unrecorded Dental Chairs - ₱941,741.80, which is not in accordance with the pertinent provisions of COA Circular No. 2020-006 dated January 31, 2020, Sec. 3, 5, 14 and 27 of Chapter 10, Volume I of the GAM for NGAs, Item VI - B, paragraph 7 and 8 of the Guidelines on the Implementation of the School Dental Health Care Program (SDHCP) for SY 2020-2021 per DepEd Order No. 41, s. 2020 dated December 21, 2020 and item 4 of COA Circular No. 2022-004 dated May 31, 2022 thereby, understating the total PPE account by at least ₱219,056.80* dated February 7, 2023, all Central Schools are directed to submit photocopy of **DR** and copies of **IAR and PAR of Dental Chairs** using the prescribed template from Government Accounting Manual for National Government Agencies
2. The prescribed template/s from Government Accounting Manual for National Government Agencies can be accessed through this link <http://tiny.cc/oin4vz>. Please fill out the necessary information/s indicated in the form.

Department of Education  
Division of Dapitan City

**RELEASED**

NO 91 DATE 2/23/23  
TIME 10:02 BY Q

dapitancity@deped.gov.ph

fb.com/DepEdDapitanCity



Sunset Boulevard, Dawo, Dapitan City  
(065) 917-5113  
www.depeddapitancity.net





Republic of the Philippines  
Department of Education  
REGION IX, ZAMBOANGA PENINSULA  
SCHOOLS DIVISION OF DAPITAN CITY

3. The deadline of submission of the hard copies to the Division Office will be on **February 28, 2023**, while the scanned copies shall be sent through the email of [junebill.bagasina@deped.gov.ph](mailto:junebill.bagasina@deped.gov.ph).
4. Attached is a copy of the COA AOM No. 2023-05(22) Section (b) from the COA.
5. Immediate dissemination of and strict compliance with this Memorandum is desired.

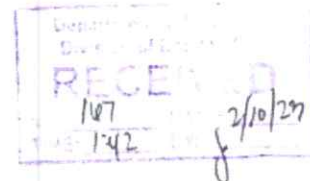
FELIX ROMY A. TRIAMBULO, CESO V  
Schools Division Superintendent





REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**REGIONAL OFFICE NO. IX**  
Zamboanga City

National Government Sector  
Cluster 5 – Education and Employment  
Audit Group 5-A, Team No. R9-15



---

**AUDIT OBSERVATION MEMORANDUM**

AOM No. 2023 – 05(22)  
Date: February 7, 2023

**b. Unrecorded Dental Chairs – P941,741.80**

Chapter 10, Volume I of the GAM for NGAs provides the following in recognition of a PPE item:

Section 3. The cost of an item of PPE shall be recognized as asset if, and only if:

- i. It is probable that the future economic benefits or service potential associated with the item will flow to the entity;
- ii. The cost or fair value of the item can be measured reliably; iii. Beneficial ownership and control clearly rest with the government; iv. The asset is used to achieve government objectives; and v. It meets the capitalization threshold of P15,000.00<sup>1</sup>.

---

<sup>1</sup> Pursuant to COA Circular No. 2022-004 dated May 31, 2022, the capitalization threshold of PPE was increased from P15,000.00 to P50,000.00

Section 5. PPE that qualifies for recognition as an asset shall be measured at cost. However, where the PPE is acquired through non-exchange transaction, its cost shall

be measured at its fair value as at the date of acquisition. The cost of an item of PPE comprises:

- i. Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Xxx

Section 14. Intra-agency transfers of PPE (from Central Office to Regional Offices/Staff Bureaus or vice versa). These shall be recognized at the carrying amount of the asset received. The receiving department/office shall recognize the asset at its original historical cost less accumulated depreciation and accumulated impairment loss.

Moreover, item VI – B, paragraph 7 and 8 of the Guidelines on the Implementation of the School Dental Health Care Program (SDHCP) for SY 20202121 per DepEd Order No. 41, s. 2020 dated December 21, 2020 provides that:

xxx

7. For non-implementing units the School Property Custodian (SPC) shall return the signed delivery receipt (DR), inspection and acceptance report (IAR) to the supplier for payment purposes and shall record the delivery to School Inventory and Property/Stock Card. He/she shall provide copies of the DR and IAR to the Division Supply Officer (DSO) for recording at the School Division Office (SDO).

8. The DSO shall prepare transfer of accountability to the Accountable Officer of the school.

Xxx

Verification of records showed that five (5) Central Elementary Schools of SDO of Dapitan City received a dental chair in the total amount of P941,741.80 from DepEd Central Office. Details of which are shown below:

**Table 2: List of Schools that received the Dental Chairs**

PTR No.	Name of School	Item	Qty.	Unit Cost	Amount
PTR-KMS-20-081234	Barcelona Central School	Dental Chair	1	188,348.36	188,348.36
PTR-KMS-20-081235	Baylimango Central School	Dental Chair	1	188,348.36	188,348.36
PTR-KMS-20-081236	Dapitan City Central School	Dental Chair	1	188,348.36	188,348.36
PTR-KMS-20-081237	Potongan Central School	Dental Chair	1	188,348.36	188,348.36



PTR-KMS-20-081238	Sulangon Central School	Dental Chair	1	188,348.36	188,348.36
<b>Total</b>					<b>941,741.80</b>

It was observed that DepEd Central Office had already transferred the accountability of the above dental chairs to the respective recipient schools. DepEd Central Office prepared a separate Property Transfer Report (PTR) for each recipient school in order to effect the transfer of accountability and yet, it was not recorded in the books of accounts.

The SDO of Dapitan City was not able to record the above dental chairs due to the failure on the part of the SPC to provide the DSO with a copy of the DR and IAR for recording at the SDO.

Non-recording of the received dental chairs in the books resulted in the understatement of the reported PPE balance by **P941,741.80**.

**We recommend that Management direct the School Property Custodian to submit the DR, IAR, and other documents of the dental chairs to the Division Supply Officer. Then the Division Supply Officer submits the same to the Accounting Unit to facilitate the recording in the books of accounts.**