



May 31, 2021

OHIA-06

MS. JUVYLYN R. GLORY
Project Manager, CASL PhilRootCrops
VSU, Baybay City, Leyte

Dear Ms. Glory:

Good day!

This is in reference with our audit on your submitted Financial Reports from January 2021 until March 2021. Our audit shows that you reported only cash sales and set aside credit sales. Kindly refer to the following monthly comparative summary.

January 2021	SALES		
	Cash	Credit	Total
Per CASL Reported Sales	118,659.00		118,659.00
Per Audit Sales	21,159.00	149,350.00	170,509.00
Collection of Receivables	97,500.00		97,500.00
Total	118,659.00	149,350.00	268,009.00
Accounts Receivables	Job Request		Amount
Shiela Mae Galvez	Soil Test VSU	10/12/2020	5,800.00
***unreported			

January 2021 Sales was composed of Php21,159.00 Cash Sales and Php149,350.00 credit Sales. Cash Collection of Receivables amounted to Php97,500.00 with outstanding balance of Php5,800.00. This outstanding balance was discovered only during the audit. Sales on Credit and Accounts Receivable balance were unreported.

February 2021	SALES		
	Cash	Credit	Total
Per CASL Reported Sales	30,158.00		30,158.00
Per Audit Sales	11,908.00	27,900.00	39,808.00
Collection of Receivables	18,250.00		18,250.00
Total	30,158.00	27,900.00	58,058.00
Accounts Receivables	Job Request	Trans. Date	Amount
Jun Art Casumlong	Soil Test VSU	01/11/2021	950.00
Kier Lambert Demain	Soil Test VSU	01/05/2021	36,800.00
Shiela Mae Galvez	Soil Test VSU	10/12/2020	5,800.00
DA RFO8	Soil Test Outsic	1/22/2021	66,000.00
Lilibeth Manla	Non-Soil Test	1/26/2021	1,100.00
Lilibeth Manla	Tissue Test	1/26/2021	31,500.00
Jun Art Casumlong	Tissue Test	01/11/2021	3,000.00
Total			145,150.00
***unreported			



February 2021 Sales was composed of Php11,908.00 Cash Sales and Php27,900.00 credit Sales. Cash Collection of Receivables amounted to Php18,250.00 with outstanding balance of Php145,150.00. Sales on Credit and Accounts Receivable balance were unreported.

March 2021	SALES		
	Cash	Credit	Total
Per CASL Reported Sales	28,400.00		28,400.00
Per Audit Sales	19,200.00	257,050.00	276,250.00
Collection of Receivables	9,200.00		9,200.00
Total	28,400.00	257,050.00	285,450.00
Accounts Receivables	Job Request	Trans. Date	Amount
Jun Art Casumlong	Soil Test VSU	2/24/2021	2,450.00
ECO FARM/Ed Noriel	Soil Test VSU	2/19/2021	8,600.00
Kenneth Oraiz	Soil Test VSU	2/16/2021	150.00
Jun Art Casumlong	Soil Test VSU	01/11/2021	950.00
Kier Lambert Demain	Soil Test VSU	01/05/2021	36,800.00
Shiela Mae Galvez	Soil Test VSU	10/12/2020	5,800.00
DA RFO8	Soil Test Outsic	1/22/2021	57,000.00
Mary Ann Limbasan	Non-Soil Test	02/02/2021	1,100.00
Lilibeth Manla	Non-Soil Test	1/26/2021	1,100.00
Jun Art Casumlong	Tissue Test	2/22/2021	3,000.00
Jun Art Casumlong	Tissue Test	2/18/2021	3,400.00
Jun Art Casumlong	Tissue Test	01/11/2021	3,000.00
Lilibeth Manla	Tissue Test	1/26/2021	31,500.00
Ma. Kris Villarin	Water Test	02/01/2021	9,000.00
Total			163,850.00
***unreported			

March 2021 Sales was composed of Php19,200.00 Cash Sales and Php257,050.00 credit Sales. Cash Collection of Receivables amounted to Php9,200.00 with Accounts Receivable balance of Php160,850.00. Sales on Credit and Accounts Receivable balance were unreported.

Observations:

1. All collated credit sales were contracted test request for soil, non-soil, tissue, and water. Their results of analysis have been completed but were not included in the monthly financial report.
2. It was also noted that there was advance payment made in July 2020, OR#1950470 amounting to Six Hundred Seventy-Five Thousand Pesos (Php675,000) intended for future test analyses. As of March 31, 2021, there remained unserved analyses worth Php299,200 for the record only.
3. Several cash downpayments were deposited only in March 2021. Cash was safekept inside a secured vault in the laboratory. The project manager waited for the final payment of the clients. since other clients do not claim the finished laboratory analysis paying only a downpayment.
4. Test request forms were not accomplished completely, lacks total amount for the actual requests. There were few that lacks tick marks on the job request. Hence, you need to locate it from the logbook on actual completed analysis.



Recommendations:

1. It is recommended that all cash and sales on credit must be included in the financial report. A separate report on Accounts Receivable and Collections, indicating all sales on credit on the current month carried forward to the following month unless payment is evidently recorded. It must be accomplished to support the Financial Report.
2. Also, all advance payments for future laboratory analyses must be reported in a subsidiary document. Hence, the current unearned sales with a balance of PhP299,200.00 must have a supplementary document in the financial report.
3. All cash receipts must be issued an official receipt and deposited intact on the same day or the following day whichever comes first.
4. The project manager must establish rules for the unclaimed test analysis with downpayment and full payment. This will help it removing aging receivables. But this has to be let know to all clients entering a contracted laboratory test request.

May I ask for your comments on the foregoing audit observations within 10 working days upon receipt hereof.

MARIA TERESA A. CRUZ
Head

*Received by
Cruz
5/8/21*