




OP Memorandum No. 444-A
Series of 2024

TO: Daniel Leslie S. Tan
Eldon De Padua
Michael Anthony Jay Regis
Edgardo E. Tulin
Anabella B. Tulin
Ma. Theresa P. Loreto
Ana Marquiza M. Quilicot
Maria Elsa M. Umpad
Alicia M. Flores
Charis L. Rivera
Catherine C. Arradaza
Alan B. Loreto
Allen Glennie P. Lambert
Branchie Franchette Llera
Mary Ann Munda
Dennis Peque
Analyn C. Regina

Mark Joseph Quevedo
Louella C. Ampac
Aleli A. Villocino
Ma. Rachel Kim Aure
Nancy D. Abunda
Raffy Andrew G. Loreto
Ulderico B. Alviola
Honey Sofia V. Colis
Vivian V. Balbarino
Joel Rey U. Acob
Joy C. Codog
Chona A. Brit
Jed Asaph Cortes
Mae Ann Bravo
Dhenber Lusanta
Gina Delima

RE: Compliance with Audit Observation Memorandum (AOM) No. 2024-005
Regarding Foreign Travel Expenses

FROM: 
DR. PROSE IVY G. YEPES
University President

DATE: May 21, 2024

It has come to my attention that the University has received Audit Observation Memorandum (AOM) No. 2024-005, dated April 22, 2024, concerning the expenses incurred for foreign travel by certain officers and employees aforementioned. The total amount of expenses in question is Php 8,163,075.26. The memorandum notes that these expenses did not adhere

OFFICE OF THE PRESIDENT

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to the pertinent provisions of PD No. 1445, COA Circular No. 2012-001, and EO No. 77, thus raising concerns about the validity and regularity of these expenses.

In light of this memorandum, the following actions are hereby required from the accountable officers and employees:

1. All accountable officers and employees are instructed to submit the lacking documents for further review. These documents will be assessed to determine the necessity of the foreign travels and the regularity and propriety of the corresponding expenses.
2. Any excess claim for pre-departure expenses in excess of the allowable amount must be refunded promptly.

Furthermore, please be informed that COA is expecting our immediate feedback on the foregoing audit observations, hence, you are directed to submit report of compliance not later than May 24, 2024.

For your information and usual compliance.

cc: OIC Audit Team Lead
VPAF
File

Vision: A globally competitive university for science, technology, and environmental cc
Mission: Development of a highly competitive human resource, cutting-edge scientific knowledge and innovative technologies for sustainable communities and environment.



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V4 05-09-2023
No. 24-444*



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. VIII
Leyte Government Center, Candahug, Palo, Leyte

**NGS - State Universities and Colleges and
Other NGS Stand - Alone Agencies, Team R8-04**

AOM No.: 2024-005 (2023)
Date: April 22, 2024

AUDIT OBSERVATION MEMORANDUM (AOM)

For: **DR. PROSE IVY G. YEPES**
President, VSU
Visca, Baybay City

Attention: **NICK FREDDY R. BELLO**
Accountant, Main Campus

We have audited the transactions of the Visayas State University (VSU) as of December 31, 2023, and observed the following:

The expenses incurred for foreign travel of the officers and employees of the University amounting to ₱8,163,075.26 did not adhere to the pertinent provisions of Presidential Decree (PD) No. 1445, Commission on Audit (COA) Circular No. 2012-001 dated June 14, 2012, and Executive Order (EO) No. 77 dated March 15, 2019 thus, the validity and regularity of the traveling expenses cannot be properly and completely ascertained.

Section 4(6) of PD No. 1445 states:

Section 4. Fundamental principles. - Financial transactions and operations of any government agency shall be governed by the fundamental principles set forth hereunder, to wit:

X x x

4. Fiscal responsibility shall, to the greatest extent, be shared by all those exercising authority over the financial affairs, transactions, and operations of the government agency.

X x x

6. Claims against government funds shall be supported with complete documentation.

7. All laws and regulations applicable to financial transactions shall be faithfully adhered to.

In addition, Section 39 (1) of PD 1445 provides:

Section 39. Submission of papers relative to government obligations

1. The Commission shall have the power, for purposes of inspection, to require the submission of the *original of any order, deed, contract, or other document under which any collection of, or payment from, government funds may be made, together with any certificate, receipt, or other evidence in connection therewith.* (emphasis ours) If an authenticated copy is needed for record purposes, the copy shall upon demand be furnished.

Moreover, Section 1.1.4.2 of COA Circular No. 2012-001 dated June 14, 2012, states that one of the documents required to support a cash advance for foreign travel is the quotations of three travel agencies or their equivalent for plane fares.

Further, Section 1.2.4.2 of the above-cited Circular provides the documentary requirements on liquidation for foreign travels, to wit:

- Paper/ electronic plane tickets, boarding pass, boat or bus tickets
- Certificate of appearance/attendance for training/seminar/participation
- Bills/ receipts for non-commutable representation expenses approved by the President under Section 13 of EO 248
- For reimbursement of actual travel expenses in excess of the prescribed rate (EO No. 298)
- Revised Itinerary of Travel, if applicable
- *Narrative report on trip undertaken/ Report on Participation* (emphasis supplied)
- OR in case of refund of excess cash advance
- Certificate of Travel Completed
- Liquidation Report

Furthermore, EO. No. 77 states that:

Section 3. Authorized Official Travel.

(a) Official local or foreign travels and assignments under this Order shall cover only those which meet the following criteria: (i) it is essential to the effective performance of an official or employee's mandates or functions; (ii) it is required to meet the needs of the department, agency, bureau or office, or there is substantial benefit to be derived by the state; (iii) the presence of the official or employee is critical to the outcome of the meeting, conference, seminar, consultation or any official activity to be attended; and (iv) the projected expenses are not excessive or involve minimum expenditure.

(b) All officials authorized to approve local or overseas travels are required, as far as practicable, to minimize travel cost. Hence, all forms of communications, such as, but not limited to teleconferencing and videoconferencing or submission of briefs and position papers, as alternatives to travel, must be explored, provided, these do not compromise national security and confidentiality of official communications.

In addition, Section 9 of the above-cited EO provides that foreign travels under Section 3 of this Order shall refer only to those under the following categories:

- (a) International conferences or meetings to which the Philippine Government has commitments, or to undertake official missions/assignments which cannot be assigned to government officials posted abroad;
- (b) Scholarships, fellowships, trainings, and studies abroad which are grant-funded or undertaken at minimal cost to NGAs including SUCs, GOCCs, GFIs and LGUs; and
- (c) Invitations for speaking engagements or receiving of awards from foreign governments/ institutions or international agencies/ organizations as defined under the international law, whether fully or partially funded by the government, upon the endorsement of the DFA.

While Section 10 on the approval of foreign travels states that:

- (a) Regardless of the length of travels abroad and the number of delegates, official foreign travels and payment of travels expenses shall be approved by the following officials.

X x x

(vi) *By the Chair, CHED – for heads of SUCs; and by the latter - for personnel of SUCs (emphasis supplied)*

In addition, Section 11 of the same EO provides the Pre-Departure Expenses and Return Trip Fees, as follows:

- (a) Pre-departure expenses not exceeding ₱3,500.00 shall be allowed to cover the miscellaneous expenses for taxicabs fare, passport processing, immunization and medical laboratory fees, photographs, portorage, airport terminal fees, if any, and other related expenses.

In CY 2023, the officers and employees undertook foreign travel as part of the university's internalization program. In this regard, the Audit Team reviewed and liquidated the cash advances for foreign traveling expenses totaling ₱8,163,075.26, as presented in Table 1.

Table 1. List of Foreign Travel Undertaken by VSU Officers and Employees with Deficiencies Noted

No.	Name of Officers/ Employees and Designation	Purpose/ Place/ Date of Travel	Actual Claim	Lacking Supporting Documents	Remarks/ Deficiencies Noted
1	Daniel Leslie S. Tan Professor VI/ Head, DABE/ VP- OVPAF	To deliver a Seminar Lecture, Collaboration Planning, and Conduct Joint Analysis of Data Gathered with partner faculty/researchers at Tottori University, Japan, on March 1-6, 2023.	₱205,653.98	Canvass of at least 3 travel agencies/ airlines	Unsigned Travel Report
2	Eldon de Padua Instructor I		204,781.36	Narrative report on the trip undertaken/ Report on Participation	
				Canvass of at least 3 travel agencies/ airlines	
3	Michael Anthony Jay Regis Assistant Professor I		199,505.16	Narrative report on the trip undertaken/ Report on Participation	
				Canvass of at least 3 travel agencies/ airlines	
4	Edgardo E. Tulin University President	To engage in project exchange and benchmarking/ learning visit in the International Relations Office at Czech University of Life Sciences Prague, Czech Republic from May 1-12, 2023.	279,484.76	Narrative report on the trip undertaken/Report on Participation	Itinerary of Travel and Certificate of Travel Completed were not approved by CHED Chairman
				Canvass of at least 3 travel agencies/ airlines	
				Travel Order issued by CHED Chairman	

No.	Name of Officers/ Employees and Designation	Purpose/ Place/ Date of Travel	Actual Claim	Lacking Supporting Documents	Remarks/ Deficiencies Noted
5	Anabella B. Tulin Dean, Graduate School		285,063.73	Narrative report on the trip undertaken/ Report on Participation	The extension of travel time was not indicated in the Certificate of Travel Completed
				Canvass of at least 3 travel agencies/ airlines	With excess claim of pre- departure expenses
6	Ma. Theresa P. Loreto Associate Professor V & Dean, CAS		279,115.83	Narrative report on trip undertaken/Report on Participation	With excess claim of pre- departure expenses
				Canvass of at least 3 travel agencies/ airlines	
7	Ana Marquiza M. Quilicot Head, International Affairs/Study Leader		288,177.89	Narrative report on trip undertaken/Report on Participation	With excess claim of pre- departure expenses
				Canvass of at least 3 travel agencies/ airlines	
8	Maria Elsa M. Umpad Administrative Officer IV		259,525.27	Narrative report on trip undertaken/Report on Participation	With excess claim of pre- departure expenses
				Canvass of at least 3 travel agencies/ airlines	
9	Alicia M. Flores Administrative Officer V		289,830.27	Narrative report on trip undertaken/Report on Participation	With excess claim of pre- departure expenses
				Canvass of at least 3 travel agencies/ airlines	
10	Charis B. Limbo- Rivera Associate Professor	Learning Visit to Vietnam National University in Vietnam, Royal University of Agriculture in Cambodia and Laos National University in	149,884.75	No canvass of at least 3 travel agencies/ airlines	
11	Catherine C. Arradaza Secretary, Graduate School		299,769.56	No canvass of at least 3 travel agencies/ airlines	Cash advance for travelling expenses for two officers

No.	Name of Officers/ Employees and Designation	Purpose/ Place/ Date of Travel	Actual Claim	Lacking Supporting Documents	Remarks/ Deficiencies Noted
	Anabella B. Tulin Dean, Graduate School	Laos from July 23 to August 2, 2023.		Narrative report on trip undertaken/Report on Participation of Anabella Tulin	was granted to Louella C. Ampac including Anabella B. Tulin
12	Ana Marquiza M. Quilicot Head, International Affairs/Study Leader		148,349.66	No canvass of at least 3 travel agencies/ airlines	
13	Mark Joseph Quevedo EPS II		147,986.78	No canvass of at least 3 travel agencies/ airlines	
14	Louella C. Ampac Director, Finance Office Aleli P. Villocino VP for Student Affairs and Services		301,481.97	No canvass of at least 3 travel agencies/ airlines Narrative report on the trip undertaken/ Report on Participation of Aleli Villocino	Cash advance for travelling expenses for two officers was granted to Louella C. Ampac including Aleli P. Villocino
15	Anabella B. Tulin Dean, Graduate School	Learning Visit to the different universities in the Netherlands from June 17-July 2, 2023.	274,951.84	No canvass of at least 3 travel agencies/ airline	
16	Ma. Rachel Kim Aure Director, Instruction and Evaluation/ Co- Project Leader		268,838.04	No canvass of at least 3 travel agencies/ airlines Narrative report on the trip undertaken/ Report on Participation	
17	Ana Marquiza M. Quilicot Head, International Affairs/Study Leader		274,951.84	No canvass of at least 3 travel agencies/ airlines Narrative report on the trip undertaken/Report on Participation OR for VISA application	
18	Nancy D. Abunda Head, IMDO		267,682.76	No canvass of at least 3 travel agencies/ airlines	

No.	Name of Officers/ Employees and Designation	Purpose/ Place/ Date of Travel	Actual Claim	Lacking Supporting Documents	Remarks/ Deficiencies Noted
				Narrative report on the trip undertaken/Report on Participation	
				OR for VISA application	
19	Raffy Andrew G. Loreto Instructor 1/ Study Leader		277,411.30	No canvass of at least 3 travel agencies/ airlines	
				Narrative report on the trip undertaken/ Report on Participation	
				OR for VISA application	
20	Ulderico B. Alviola Head, UIMDC/ Study Leader		279,713.30	No canvass of at least 3 travel agencies/ airlines	
				Narrative report on the trip undertaken/Report on Participation	
				OR for VISA application	
21	Honey Sofia V. Colis Director, HRMO		282,668.60	No canvass of at least 3 travel agencies/ airlines	
				Narrative report on the trip undertaken/Report on Participation	
				OR for VISA application	
22	Vivian V. Balbarino Administrative Officer, OUS		279,857.29	No canvass of at least 3 travel agencies/ airlines	With excess claim of pre-departure expense
				Narrative report on the trip undertaken/Report on Participation	
23	Edgardo E. Tulin University President		258,454.35	No canvass of at least 3 travel agencies/ airlines	Itinerary of Travel and Certificate of Travel Completed not approved by CHED Chairman

No.	Name of Officers/ Employees and Designation	Purpose/ Place/ Date of Travel	Actual Claim	Lacking Supporting Documents	Remarks/ Deficiencies Noted
				Narrative report on the trip undertaken/Report on Participation	
24	Joel Rey U. Acob Assistant Professor	To attend the “Nursing Education in Post Covid 19 Era: Challenges and Innovations” organized by the Ministry of Education, Culture, Research and Technology, Universitas Padjadjaran at Bandung Indonesia on June 16, 2023.	80,507.86	No canvass of at least 3 travel agencies/ airlines Narrative report on the trip undertaken/Report on Participation	
25	Joy C. Codog Instructor I Alan B. Loreto Professor II	To visit the Louisiana State University Agricultural Center (LSU AGCenter) Baton Rouge Campus and to visit the different laboratories and the Sweet Potato Research Station in the USA on August 6-21, 2023.	686,515.24	No canvass of at least 3 travel agencies/ airlines Narrative report on the trip undertaken/Report on Participation	
26	Chona A. Brit Guidance Coordinator & OIC, Dean of Students Allen Glennie P. Lambert Executive Assistant Jed Asaph D. Cortes Instructor	To attend the “Asia Universities Summit 2023” organized by Times Higher Education and the Chinese University of Hongkong on June 21-23, 2023.	437,006.94	No canvass of at least 3 travel agencies/ airlines Narrative report on trip undertaken/Report on Participation	Cash advance for travelling expenses for three employees was granted to Chona Brit which includes Allen Glennie P. Lambert and Jed Asaph D. Cortes
27	Blanchie Franchette Llera (Claimant of the reimbursement)	To have a field visit, meeting and workshop at the subtropical Horticulture Research Institute at Jeju National University at	405,080.00	Narrative report on the trip undertaken/Report on Participation	Reimbursement of Mae Ann Bravo, Allan B. Loreto, Mary Ann Munda and Edgardo Tulin

No.	Name of Officers/ Employees and Designation	Purpose/ Place/ Date of Travel	Actual Claim	Lacking Supporting Documents	Remarks/ Deficiencies Noted
		Jeju, South Korea on March 2-10, 2023		Canvass of at least 3 travel agencies/ airlines	Itinerary of Travel and Certificate of Travel Completed of Edgardo Tulin were not approved by the CHED Chairman
				Travel Order issued by CHED Chairman for Edgardo Tulin	
28	Bravo, Mae Ann Project Leader, HTFP UAV Allan B. Loreto Professor II Mary Ann Munda SRA Edgardo Tulin Univ. President		116,000.00		Airfare expenses of Mae Ann Bravo, Allan B. Loreto, Mary Ann Munda and Edgardo Tulin
29	Daniel Leslie S. Tan Professor VI/ Head, DABE/ VP- OVPAF Anabella B. Tulin Dean, Graduate School	To attend the International Conference on Climate Change Adaptation and Disaster Risk Reduction Management in Thailand on May 28 - June 5, 2023	179,855.66	No canvass of at least 3 travel agencies/ airlines	Cash advance for the travelling expenses for two employees was granted to Daniel Leslie S. Tan which includes Anabelle B. Tulin
30	Dhenber Lusanta Instructor II	To conduct paper/project presentation at the School of Agricultural Technology to King Mongkut's Institute of Technology Ladkrabang, Bangkok, Thailand on August 28- September 1, 2023	68,839.58	Narrative report on trip undertaken/Report on Participation	
				Canvass of at least 3 travel agencies/ airlines	
31	Daniel Leslie S. Tan Professor VI/ Head, DABE/ VP- OVPAF	To attend the workshop on "Protected Areas for Nature Conservation" at Kruger National	103,774.16	No canvass of at least 3 travel agencies/ airlines	

No.	Name of Officers/ Employees and Designation	Purpose/ Place/ Date of Travel	Actual Claim	Lacking Supporting Documents	Remarks/ Deficiencies Noted
32	Dennis Peque Professor VI	Park, South Africa on June 11-18, 2023.	104,979.20		
33	Gina Delima Instructor Analyn C. Regina Science Research Assistant	To attend International Conference on Climate Change Adaptation and Disaster Risk Reduction Management at Bangkok Thailand on May 28-June 5, 2023	177,376.33	No canvass of at least 3 travel agencies/ airlines, Narrative report on the trip undertaken/ Report on Participation	Cash advance for the travelling expenses for two employees was granted to Gina Delima which includes Analyn C. Regina
Total			₱8,163,075.26		

As shown in the above table, it was observed that no canvass of three airline companies or travel agencies for the quotation of plane fare on the same date was supported in the expenses. In this regard, the University could have chosen the best and lowest airfare rates with the corresponding flight schedule without overspending government funds. In line with this, we also noticed that there were tickets booked three days before the flight schedule. It may be deemed necessary to say that international travels were already planned ahead of time as it will undergo several processes before such travel will be approved.

Moreover, most of the travels were not provided with narrative reports on trip undertaken or report on participation upon liquidation. The said report provides the details of the travel undertaken and a better understanding of the necessity of the travel and the benefits that can be derived by the University. In addition, this report can be a basis to ascertain the regularity of the travel undertaken by the officials or employees, whether the latter's participation of the travel is in line with his function or job.

Further verification, it was observed that there were claims on the pre-departure expense such as the visa application and traveling expenses on the processing of the latter. As provided in EO 77, a maximum of ₱3,500.00 is only allowed, but the claims were beyond the allowable amount. Anent to this, there are pre-departure expenses that were included in the Itinerary of Travel supported in the cash advances. However, the said expenses were no longer indicated in the liquidation. To get the details of the transaction, the Audit Team makes use of the Index of Payment to verify the recording of the liquidation further and to get the reference for the reimbursement. However, the latter was not recorded.

Also, after reviewing the Certificate of Travel Completed (CTC), it was noted that the CTC did not indicate the extension or change of travel period and the corresponding explanations as to why it was not in accordance with the approved itinerary.

Furthermore, it was also observed that there were cash advances granted, which cover the traveling expense for two to three officers or employees, as shown in Nos. 11, 14, 26, 28, 29 and 33 in Table 1. While presented in No. 27 of the same table is a reimbursement of traveling expenses that were claimed other than the one who travels or the one who is granted the cash advance. Management should discourage this practice in the granting of cash advances for travel. The latter should only cover the traveling expenses of the one requesting the cash advance, and reimbursement, if any, should only be paid to the rightful claimant.

In view of the aforecited deficiencies, the validity, regularity, and propriety of the travel expenditures cannot be completely and properly ascertained.

Although the Audit Team recognizes the efforts of the University to forge partnerships with international universities and undertake activities outside the country in order to effectively carry out further its vision that is, to be a globally competitive university for science, technology, and environmental conservation. Still, it is very important to observe the relevant regulations as well as exercise prudence in the disbursement of public funds.

Further review and evaluation will be conducted on the attachments and upon submission of the lacking required supporting documents and justifications. Hence, this observation is without prejudice to the issuance of a Notice of Suspension or Disallowance, if warranted.

We recommend that the University President require the accountable officers and employees to:

- a. Submit the lacking documents for further review of the necessity of the foreign travels and the regularity and propriety of the corresponding expenses; and**
- b. Refund the excess claim for pre-departure expenses in excess of the allowable amount.**

We further recommend that the University President direct the Accountant to:


- a. Strictly adhere to the provisions of EO 77 and COA Circular No. 2012-001;**
- b. Completely check and review the amount of claims and supporting documents on the grants of cash advances for traveling expenses and its liquidation;**
- c. Properly record all cash advances and liquidation of traveling expenses in the Index of Payment including the reimbursements, if any; and**


- d. Submit an explanation on the grant of cash advances, including the travel expenses of one or two more officers or employees and allowing a different claimant than the one who travels to be reimbursed for the traveling expense.

Lastly, we recommend that the University President:

- a. Be judicious in approving all foreign travels of the officers and employees; and
- b. Exercise the diligence of a good father of a family in disbursing the government funds in this regard.

May we have your comments on the foregoing audit observations within five (5) calendar days from receipt hereof.


FLERIDA RUTH R. QUIMBO
State Auditor III
OIC, Audit Team Leader


ATTY. HELEN O. FABRA
State Auditor V
Supervising Auditor

Proof of Receipt of AOM:
(Pls. affix your respective signatures)

Name	Designation	Date Received	Signature
Prose Ivy G. Yepes	University President		
Nick Freddy R. Bello	Accountant, Main Campus		