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Memorandum No. 801
Series of 2024

TO: Atty. Rysan C. Guinocor, *ASO Director*
Nevin A. Pacada, *VSU-Cebu Office Collecting/Disbursing Office*

RE: Directive for Installation of Safe or Vault for Proper Safekeeping of
Undeposited Collections and Cash Items

FROM: 
DR. PROSE IVY G. YEPES
University President

DATE: September 19, 2024

This office has received **Audit Observation Memorandum (AOM) No. 2024-012** from the Commission on Audit (COA), dated September 16, 2024, regarding the Collecting/Disbursing Officer or Head of the VSU-Cebu Office. The audit findings revealed that there is no safe or vault in place for the proper safekeeping of undeposited collections, cash advances, cash items, and unused accountable forms. This situation contravenes Sections 2 and 101 of Presidential Decree No. 1445, thereby exposing these items to potential risk of theft, loss, or misplacement.

In line with this, you are hereby directed to immediately procure and install a safe or vault to ensure the secure safekeeping of these critical items, including undeposited collections, cash advances, cash items, and unused accountable forms. This measure is essential to comply with regulations and to mitigate the risk of loss.

Please be advised that COA requires a response to these audit observations within fifteen (15) calendar days from receipt of this memorandum.

For your information and usual compliance.

cc: FMO Director
VPAF

OFFICE OF THE PRESIDENT

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Page 1 of 1
FM-OOP-01
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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. 2024-012 (2023-2024)

Date: September 16, 2024

AUDIT OBSERVATION MEMORANDUM (AOM)

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

Attention: **ATTY. RYSAN C. GUINOCOR**
Director, Administrative Services Office
VSU, Baybay City

NEVIN A. PACADA
Collecting/Disbursing Officer and
Head, VSU-Cebu Office

We have examined the cash and accounts of the Collecting/Disbursing Officer and Head of the VSU Cebu Office for the period covering October 24, 2023 to September 11, 2024, and observed that:

The Collecting/Disbursing Officer and Head of the VSU-Cebu Office has no safe or vault for the proper safekeeping of his undeposited collections, cash advance, cash items, and unused accountable forms contrary to Sections 2 and 101 of Presidential Decree (PD) No. 1445, exposing these items to risk of loss through theft or misplacement.

Section 2 of PD No. 1445 provides that:

Section 2. Declaration of Policy. It is the declared policy of the State that all resources of the government shall be managed, expended or utilized in accordance with law and regulations, and safeguarded against loss or wastage through illegal or improper disposition, with a view to ensuring efficiency, economy and effectiveness in the operations of government. The responsibility to take care that such

policy is faithfully adhered to rests directly with the chief or head of the government agency concerned.

Section 101 of PD No. 1445 also provides that:

Section 101. Accountable officers; bond requirements.


- (1) Every officer of any government agency whose duties permit or require the possession or custody of government funds or property shall be accountable therefor and for the safekeeping thereof in conformity with law.


During the cash examination on the cash and accounts of the Collecting/Disbursing Officer of the VSU-Cebu Office, who is also the Head of the office, for the period from October 24, 2023 to September 11, 2024, the Audit Team noted that the Accountable Officer did not have a safe or vault to properly keep his undeposited collections, cash advance, cash items, and unused accountable forms. Instead, he kept these items either in his drawer or steel storage cabinet inside his office. The accountable officer explained that a steel cabinet with a vault is included in their Project Procurement Management Plan (PPMP) for this year and the procurement process for this item might be ongoing.

The absence of a safe or vault poses a risk to government funds, cash items, and unused accountable forms under the accountable officer's custody, as they are susceptible to loss through theft or misplacement.

We recommend that the VSU management promptly provide the accountable officer of the VSU-Cebu Office with a safe or vault to ensure the proper safekeeping of undeposited collections, cash advance, cash items, and unused accountable forms.

May we have your comments on the foregoing audit observations within fifteen (15) 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
Dr. Prose Ivy G. Yepes	President, VSU		
Atty. Rysan C. Guinocor	Director, Administrative Services Office		
Nevin A. Pacada	Collecting/ Disbursing Officer and Head, VSU Cebu-Office		