



# Visayas State University

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## Office of the President

1 July 2015

MEMORANDUM NO: 100

Series of 2015

TO : All concerned VSU Alangalang and Villaba Personnel

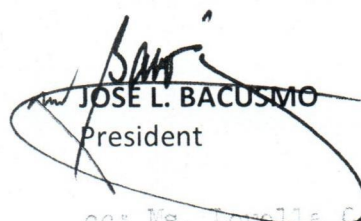
R E : Refund of CY2014 Hazard Pay

This is relative to COA Audit Observation Memoranda (2015-003 & 006) issued on April 17 and May 5, 2015 on the Hazard Pay you received for CY 2014. Per inquiry with DBM Region VIII and after thorough review, you are required to pay/refund the said benefit. To facilitate the refund of Seven Thousand Two Hundred Pesos (P7,200.00), the following payment scheme is proposed.

<u>Year</u>	<u>Benefit</u>	<u>Amount</u>
2015	Year-end bonus	2,000.00
	CNA Incentive	2,000.00
2016	Mid-year bonus	2,000.00
	Year-end bonus	1,200.00

In the case of retirees and transferees, full payment is required for the settlement of the said amount. The Campus Deans through its Accountants are required to monitor the said transaction and provide report to this office.

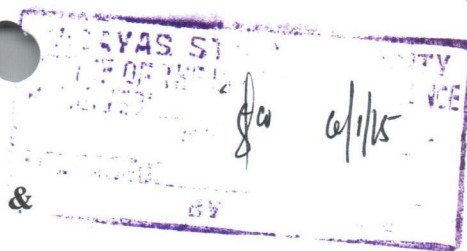
For your strict compliance.

  
JOSE L. BACUSMO  
President

cc: Ms. Lucille C. Ampao  
VSU COA Audit Team



Republic of the Philippines  
**COMMISSION ON AUDIT**  
**NGS, State Universities and Colleges &**  
**NGS Other Stand Alone Agencies**  
Regional Office No. VIII  
Candahug, Palo, Leyte



**AOM No.2015-003**  
17 April 2015

**AUDIT OBSERVATION MEMORANDUM (AOM)**

For: **JOSE L. BACUSMO**  
University President  
Visayas State University  
Visca, Baybay City

Attention: **MARICHU M. PADAYAO**  
College Dean  
VSU Alang-alang Campus

— *mw* 6/9/15

We have audited the expenses of VSU Alang-alang Campus and observed the following deficiencies:

**Campus personnel granted with hazard pay amounting to P268,800.00 were not among those authorized under Section 21 of R.A. 7305 and Budget Circular No. 2005-4 dated 13 July 2005, thus resulting to illegal disbursements of public funds.**

Section 21 of R.A. 7305 enumerates the requirements for the grant of hazard pay to wit:

*Public health workers "in hospitals, sanitarium, rural health units, main health centers, health infirmaries, barangay health stations, clinics and other health-related establishments located in difficult areas, strife-torn or embattled areas, distressed or isolated stations, prisons (sic) camps, mental hospitals, radiation-exposed clinics, laboratories or disease-infested areas, or in areas declared under state of calamity or emergency for the duration thereof which expose them to great danger, volcanic activity/eruption, contagion, radiation, occupational risks or perils to life as determined by the Secretary of Health or the Head of the unit with the approval of the Secretary of Health, shall be compensated hazard allowances equivalent to at least twenty-five percent (25%) of the monthly basic salary of health workers receiving salary grade 20 and above.*



While Budget Circular No. 2005-4 dated July 13, 2005 provides for the rules and regulations on the grant of Hazard Duty Pay.

Section 2.0, paragraph 2.1 of the Circular states:

*This Circular shall apply to all government personnel in national government agencies (NGAs), including SUCs, GOCCs, GFIs, and LGUs, whether appointive or elective, on full-time or part-time basis, under permanent or temporary status, personnel with casual and contractual appointments whose salaries/wages are charged to the budgetary allocation for personal services, and who are actually assigned to and performing their duties and responsibilities in strife-torn or embattled areas.* (Emphasis supplied)

As provided in Section 2.0, paragraph 2.2 of the same circular, the circular shall not apply to the following:

2.2.1 xxxx

2.2.2 xxxx

2.2.3 Those who are not actually assigned to nor performing their duties and responsibilities in strife-torn or embattled areas

Review of disbursements for CY 2014 revealed that personnel of VSU-Alang-alang Campus were granted Hazard Pay Benefit based on DBM Budget Circular No. 2005-4 dated July 13, 2005 and a certification from the Director of the Department of Health, Regional Office No. 8, that the Municipality of Alang-alang, is one of the towns in Leyte endemic for Schistosomiasis. The total amount paid was P268,800.00 as shown in Schedule A.


Based on the above cited provisions of RA 7305 and its Revised Implementing Rules and Regulations, the personnel who were granted the benefit were not qualified to receive hazard pay/hazard allowance for reasons that they do not fall within any of the above-mentioned enumerated requirement. The school location is not within the purview of a "hazardous" environment. Their work were not health-related, the risks brought about by their environment to their health were not grave enough to warrant their entitlement to such benefit.

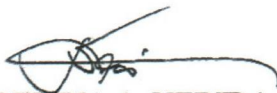
It is also clearly stated in DBM Budget Circular No. 2005-4 dated July 13, 2005, that those who are not actually assigned to nor performing their duties and responsibilities in strife-torn or embattled areas are not covered or entitled to receive such benefit.

Based on the above premises, the grant of hazard pay to VSU-Alang-alang personnel is bereft of legal basis, thus will be subject to issuance of a Notice of Disallowance to all persons liable.

**We recommend that management discontinue the payment of hazard pay to its personnel and require the full refund of the amount granted.**

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

  
**ELNA M. ENCINA**  
Audit Team Leader, Team 4

  
**ADELINA A. NERIDA**  
OIC-Supervising Auditor

Proof of Receipt of AOM:

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_



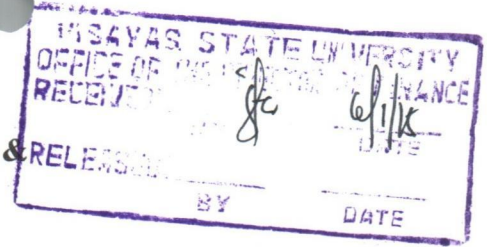
## Schedule of Hazard Pay Granted to VSU Alang-alang Campus Personnel

January to December 2014

Name	Designation	Rate/Month	No. of Months	Amount
Alcober, Salvador Leo P.	Admin. Aide I	600.00	12	7,200.00
Aletin, Lilia P.	Admin. Asst. II	600.00	10	6,000.00
Amodia, Ruth C.	Instructor II	600.00	12	7,200.00
Arseno, Lorna A.	Sch. Lib. III	600.00	12	7,200.00
Bactol, Sonia N.	Guid. Counselor I	600.00	12	7,200.00
Baldesco, Jayson D.	Instructor I	600.00	6	3,600.00
Baras, Edzel N.	Instructor I	600.00	12	7,200.00
Barraza, Victor M.	Instructor I	600.00	12	7,200.00
Borer, Melchor B.	Farm Worker I	600.00	12	7,200.00
Borer, Rosa Leah C.	Instructor II	600.00	12	7,200.00
Caduhay, Rodrigo G.	Asst. Prof. III	600.00	12	7,200.00
Caintic, Luis Ambrosio C.	Instructor I	600.00	11	6,600.00
Catindoy, Dulce E.	Instructor I	600.00	12	7,200.00
Chua, Sarah M.	Admin. Officer IV	600.00	12	7,200.00
Costelo, Sharon A.	Admin. Aide III	600.00	12	7,200.00
Dagami, Jeffrey B.	Instructor I	600.00	6	3,600.00
De Los Reyes, Elda V.	Admins. Officer II	600.00	12	7,200.00
De Veyra, Nelia J.	Assoc. Prof. I	600.00	12	7,200.00
Dizon, Mellian S.	Asst. Prof. I	600.00	2	1,200.00
Jomadio, Judith B.	Assoc. Prof. IV	600.00	12	7,200.00
Katangatang, Eppie N.	Asst. Prof. I	600.00	12	7,200.00
Lagaday, Gregoria S.	Admin. Aide II	600.00	12	7,200.00
Lamo, Oscar M.	SG I	600.00	12	7,200.00
Lantajo, Naide P.	Instructor I	600.00	12	7,200.00
Lira, Karen R.	Instructor I	600.00	12	7,200.00
Melchor, Leonilo S.	Instructor I	600.00	11	6,600.00
Melchor Jr. Lorenzo S.	Asst. Prof. I	600.00	11	6,600.00
Miralles, Lilibeth G.	Assoc. Prof. IV	600.00	12	7,200.00
Nastor, Basilia F.	Assoc. Prof. I	600.00	12	7,200.00
Padayao, Marichu M	Assoc. Prof. IV	600.00	12	7,200.00
Paune, Ethel B.	Instructor III	600.00	12	7,200.00
Pedraera, Letecia G.	Asst. Prof. III	600.00	12	7,200.00
Pedrosa, Sonia L.	Admin Aide VI	600.00	12	7,200.00
Permito, Crisogono T.	SG I	600.00	12	7,200.00
Quimado, Rhealyn Irah L	Instructor I	600.00	9	5,400.00
Robel, Lydia L.	Instructor I	600.00	12	7,200.00
Rona, Manuel S.	Assoc. Prof. II	600.00	12	7,200.00
Tante, Edwin N.	Instructor III	600.00	12	7,200.00
Terceno, Ariel A.	Admin. Aide I	600.00	12	7,200.00
Uyvico, Rosario Ali A.	Instructor I	600.00	10	6,000.00
<b>TOTAL</b>				<b>268,800.00</b>



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NGS, State Universities and Colleges &  
NGS Other Stand Alone Agencies  
Regional Office No. VIII  
Candahug, Palo, Leyte



AOM No. 2015-006  
5 May 2015

**AUDIT OBSERVATION MEMORANDUM (AOM)**

For: **JOSE L. BACUSMO**  
University President  
Visayas State University  
Visca, Baybay City

Attention: **GAVINO E. ROMERO, JR.** - *Handwritten initials*  
College Dean-OIC  
VSU-Villaba Campus

We have audited the expenses of VSU – Villaba Campus and observed the following deficiencies:

**Campus personnel granted with Hazard Pay amounting to P255,900.00 were not among those authorized under Section 21 of R.A. 7305 and Budget Circular No. 2005-4 dated 13 July 2005, thus resulting to illegal disbursements of public funds.**

Section 21 of R.A. 7305 enumerates the requirements for the grant of hazard pay to wit:

*Public health workers "in hospitals, sanatoria, rural health units, main health centers, health infirmaries, barangay health stations, clinics and other health-related establishments located in difficult areas, strife-torn or embattled areas, distressed or isolated stations, prisons (sic) camps, mental hospitals, radiation-exposed clinics, laboratories or disease-infested areas, or in areas declared under state of calamity or emergency for the duration thereof which expose them to great danger, volcanic activity/eruption, contagion, radiation, occupational risks or perils to life as determined by the Secretary of Health or the Head of the unit with the approval of the Secretary of Health, shall be compensated hazard allowances equivalent to at least twenty-five percent (25%) of the monthly basic salary of health workers receiving salary grade 20 and above.*



While Budget Circular No. 2005-4 dated July 13, 2005 provides for the rules and regulations on the grant of Hazard Duty Pay, Section 2.0, paragraph 2.1 states:

*This Circular shall apply to all government personnel in national government agencies (NGAs), including SUCs, GOCCs, GFIs, and LGUs, whether appointive or elective, on full-time or part-time basis, under permanent or temporary status, personnel with casual and contractual appointments whose salaries/wages are charged to the budgetary allocation for personal services, and who are actually assigned to and performing their duties and responsibilities in strife-torn or embattled areas.* (Emphasis supplied)

As provided in Section 2.0, paragraph 2.2 of the same circular, it shall not apply to the following:

2.2.1 xxxx

2.2.2 xxxx

2.2.3 *Those who are not actually assigned to nor performing their duties and responsibilities in strife-torn or embattled areas.*

Review of disbursements for CY 2014 revealed that a cash advance was made by the Disbursing Officer amounting to P255,900.00 under check no. 1206412 dated 22 December 2014 for the payment of Hazard Pay Benefit of Villaba Campus personnel. The grant was based on DBM Budget Circular No. 2005-4 dated July 13, 2005 and a certification from the Director of the Department of Health, Regional Office No. 8, that the Municipality of Villaba, is one of the towns in Leyte endemic for Schistosomiasis. Report of Disbursements for the month of December 2014, remained unsubmitted, thus details of the payment cannot be made.

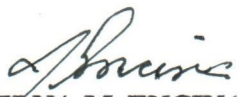
Based on the above cited provisions of RA 7305 and its Revised Implementing Rules and Regulations, the personnel who were granted the benefit were not qualified to receive hazard pay/hazard allowance for reasons that they do not fall within any of the above-mentioned enumerated requirement. The school location is not within the purview of a "hazardous" environment. Their work were not health-related, the risks brought about by their environment to their health were not grave enough to warrant their entitlement to such benefit.

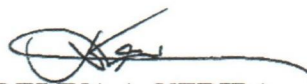
It is also clearly stated in DBM Budget Circular No. 2005-4 dated July 13, 2005, that those who are not actually assigned to nor performing their duties and responsibilities in strife-torn or embattled areas are not covered or entitled to receive such benefit.

Based on the above premises, the grant of hazard pay to VSU-Villaba personnel is bereft of legal basis. A Notice of Disallowance will be issued to all persons liable upon post audit of the corresponding report of liquidation

**We recommend that management discontinue the payment of hazard pay to its personnel and require the full refund of the amount granted.**

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

  
**ELINA M. ENCINA**  
Audit Team Leader, Team 4

  
**ADELINA A. NERIDA**  
OIC-Supervising Auditor

**Proof of Receipt of AOM:**

Name: \_\_\_\_\_

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Date: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_