



Republic of the Philippines
Department of Education
Region XI
SCHOOLS DIVISION OF DIGOS CITY

OFFICE OF THE SCHOOLS DIVISION SUPERINTENDENT

DIVISION MEMORANDUM
No. 077, s. 2022

February 4, 2022

COMPLIANCE TO AUDIT OBSERVATION MEMORANDUM NO. : 2022-04 ON THE IMPLEMENTATION OF THE SCHOOL-BASED FEEDING PROGRAM – MILK FEEDING PROGRAM COMPONENT FOR CY2021

To: SOLLIE B. OLIVER – SGOD CHIEF
HAZEL ESCABILLAS – SBFP COORDINATOR
NORELIZA A. MISAL – DIVISION ACCOUNTANT
MARCELINO E. RANOLLO – DIVISION SUPPLY OFFICER
SCHOOL HEADS OF SBFP RECIPIENT SCHOOLS
SCHOOL SBFP COORDINATORS
SCHOOL INSPECTORATE TEAM

1. The DepEd – Digos City Division Audit Team has reviewed the Division’s implementation of School-based Feeding Program – Milk Feeding Program component for CY 2021 and observed the following deficiencies/errors which require immediate attention by the Management:

There were no reports submitted from Schools to document the inspection and delivery of the milk supplies and their issuances to parents for all deliveries made by National Dairy Authority totaling P3,949,200.00 contrary to Item iii.6 Section 3 of DepEd Order No. 22 series of 2020, thus raising questions on the actual deliveries and receipt by intended beneficiaries as the improvement of their nutritional status and learning outcomes may not be fully attained.

2. In this regard, the team recommended to submit the following reports, to wit:
 - a. Duly accomplished Inspection and Acceptance Reports by the School Inspectorate Team and the School Property Custodian on the following delivery dates:

Date of deliveries	Quantity
10/20/2021	21,555
10/27/2021	43,880
11/4/2021	43,880
11/10/2021	43,880
11/17/2021	43,880
11/24/2021	22,325
TOTAL	219,400

- b. SBFP Form 7 and 7-A
 - c. Distribution list of the receipt milk supply duly signed by the recipients/parents in accordance with DepED Order No. 23;
3. Attached, please find the copy of the aforementioned Audit Observation Memorandum for your ready reference.
 4. The management directs the recipient schools to submit the required documents not later than February 15, 2022.

Encls: AOM 2022-01
To be indicated in the Perpetual Index under the following subjects:
AOM, SBFP, Milk Component



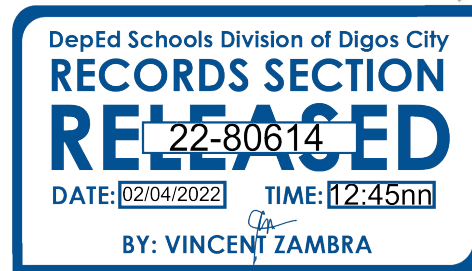


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5. To pre-empt the recurrence of this audit observation, the schools are advised that during the delivery of milk, one authorized consignee and two members of the Inspections Team should be present to sign the Delivery Receipt (DR) and Inspection and Acceptance Report (IAR) and shall document the receipt of milk supply by parents for all deliveries made. All receiving documents shall be forwarded to SDOs at the end of feeding cycle for accounting and recording purposes.
6. Immediate dissemination and compliance with this memorandum are desired.

CRISTY C. EPE
Schools Division Superintendent





Republic of the Philippines
COMMISSION ON AUDIT
National Government Sector
Cluster 5 – Education and Employment

Office of the Audit Team Leader
DEPARTMENT OF EDUCATION – DIVISION OF DIGOS CITY
Roxas St. corner Lopez Jaena St., Digos City

AUDIT OBSERVATION MEMORANDUM

AOM No. : 2022-04

February 03, 2022

Ms. CRISTY C. EPE, CESE
Schools Division Superintendent
Department of Education – Division of Digos City
Digos City

Attention: **Ms. SOLLIE B. OLIVER**
SGOD Chief

Ms. HAZEL MARIE L. ESCABILLAS
SBFP Coordinator

Ms. NORELIZA A. MISAL
Division Accountant

Mr. MARCELINO E. RANOLLO, JR.
Division Supply Officer

We have reviewed the Division's implementation of School-based Feeding Program – Milk Feeding Program component for CY 2021 and observed the following deficiencies/errors which require immediate attention by the Management:

There were no reports submitted from Schools to document the inspection and delivery of the milk supplies and their issuances to parents for all deliveries made by National Dairy Authority totaling P3,949,200.00 contrary to Item iii.6 Section 3 of DepEd Order No. 22 series of 2020, thus raising questions on the actual deliveries and receipt by intended beneficiaries as the improvement of their nutritional status and learning outcomes may not be fully attained.

In 2019, the Department of Education issued DepEd Order (DO) No. 036, s. 2019, which provided the guidelines on the implementation of school-based feeding program (SBFP) – milk feeding program component.

The program primarily aims to support the SBFP by providing fresh milk as supplement to the hot meals given to children beneficiaries and is intended to help their nutritional status, classroom attendance and school performance. With the addition of fresh milk in SBFP, it is hoped that the nutritional status, and consequently the learning outcomes, of the beneficiaries will further improve.

In addition, the said DepEd Order enumerates the roles and responsibilities of the Schools Division Office (SDO) and Schools. Among them are as follows:

SDO:

- Division Supply Officer shall coordinate with the school property custodian for the safe keeping and proper documentation of deliveries and receipts;
- Oversee the implementation of the program and provide technical assistance to the schools in the implementation of the SBFP and in compliance with these guidelines or other directives.

Schools:

- The School Head shall designate members of the school inspection team who shall receive and inspect the milk deliveries
- Submit on time the necessary documentation and reports to the SDO
- Submit to the SDO a consolidated terminal report after the completion of the program. The School Head shall be accountable for the accuracy and validity of the NS reports submitted for budget allocation and for other reports

On September 07, 2020 the Department of Education issued another order numbered as DepEd Order No. 022 s.2020 with a title *Additional Provisions and Amendments to DepEd Order No. 36, s. 2019*.

The following are some of the amendments mentioned in the said DepEd Order:

iii. On Specifications, Quality Standards, and Delivery of Fresh Milk and Sterilized Milk

x x x

- (4) During the delivery of milk, one authorized consignee and two members of the Inspections Team should be present to sign the Delivery Receipt (DR) and Inspection and Acceptance Report (IAR)

x x x

- (6) Schools shall document the receipt of milk supply by parents for all deliveries made. All receiving documents shall be forwarded to SDOs at the end of feeding cycle for accounting and recording purposes. (Underscoring ours)

The above-mentioned provisions are also highlighted in DepEd Order No. 23, s. 2020 entitled “Operational Guidelines on the Implementation of the School-Based Feeding Program for School Year 2020-2021” as follows:

VIII. DELIVERY, INSPECTION, AND ACCEPTANCE

B. MILK

x x x

3. Upon delivery, the School Inspection Team (SIT) designated by the School Head of the drop-off point, or the SDO Inspection Team, of the SDO is the drop-off point, shall inspect the goods and ensure that they are in good quality for consumption of the beneficiaries. At least two members of the SIT shall accomplish and sign the Inspection and Acceptance Report (IAR) as proof that they have received the specified quantity and quality of milk. The School Property Custodian or school personnel designated by the School Head for the purpose shall accept the inspected goods and sign the acceptance portion of the IAR. The school personnel shall fill-up SBFP Form 5, bearing the specimen

signature of the authorized consignees and to be given to the milk supplier on the first day of delivery.

x x x

8. During the delivery of milk, one authorized consignee and two members of the Inspection Team should be present to sign the Delivery Receipt and the IAR.

x x x

The said DepEd Order also provides that for pasteurized and sterilized milk, the procurement shall be through the National Dairy Authority (NDA) and the Philippine Carabao Center (PCC) through an agency-to-agency agreement. In connection with this provision, the DepEd-Division of Digos City (SDO, for brevity) entered into a Memorandum of Agreement with NDA last November 11, 2020. The SDO shall transfer in favor of the NDA the funds to cover the purchase of the milk and/or/milk-based products that were committed to be delivered to the SD. In turn, the NDA shall source its fresh pasteurized milk supplies from local dairy farms and/or dairy cooperatives in the approved source/supply map.

On June 25, 2021, the SDO transferred the funds amounting to P4,028,184.00 as provided in the MOA for the following:

Particulars	No. of Beneficiaries	No. of feeding days	Total Qty	Unit Cost	Amount
Pasteurized Milk (180-200 ML)	4,388	50	219,400	18	3,949,200.00
Service Fee					78,984.00
TOTAL					4,028,184.00

Available records showed that the NDA contracted a local dairy farm cooperative for the delivery of these milks to thirty (30) school beneficiaries as summarized below:

Date of deliveries	Quantity
10/20/2021	21,555
10/27/2021	43,880
11/4/2021	43,880
11/10/2021	43,880
11/17/2021	43,880
11/24/2021	22,325
TOTAL	219,400

However, to this date, there are no available documents submitted by these School beneficiaries to the SDO showing the inspection and acceptance of these deliveries and evidence of receipt by parents for their issuances as required in the above related provisions of the DepEd Order.

Moreover, the Audit Team also noted that there are no monthly liquidation reports that should be submitted by the NDA as required by the MOA as follows:

“The SUPPLIER (NDA) shall submit a monthly liquidation report to the SDO supported with the following documents (i) delivery receipts, (ii) certificate of inspection and acceptance; and (iii) billing statement/statement of account/invoice. . .” (Underscoring ours)



In addition, the Audit Team also requested actual photos of the delivered milk supplies and observed that the packaging of the Milk product is labeled 75 ML per pack. When asked, the SBFP Coordinator mentioned that they already raised the issue to the local dairy cooperative and was told that the 100 ML packaging was not available so they used the pack for 75 ML and claimed that only the packaging is 75 ML but the content is actually 100 ML. Regardless if the content is really 100 ML in a 75 ML packaging, this runs counter to the Purchase Order (Annex B of the MOA) which requires the milk supplies of 180-200 ML per PACK. There is also no information or evidence whether any of the receiving personnel of these milk supplies took samples to measure if indeed such milk content is really 100 ML.

While it is true that the deliveries of these milk supplies are handled by NDA thru its contracted local daily farm cooperative it is imperative on the part of SDO and its school beneficiaries to make sure that such deliveries are properly inspected and documented by accomplishing relevant SBFP forms and its submission to the SDO for accounting and recording purposes. These procedures are explicitly required under the related DepEd Order as enumerated above. Without these accountability documents, check and balance of those documents to be submitted by NDA upon their fund liquidation and actual deliveries to schools and receipt by intended beneficiaries may not be assured as the improvement of their nutritional status and learning outcomes may not be fully attained.

We recommend that Management:

- 1. Submit duly accomplished Inspection and Acceptance Reports by the School Inspectorate Team and the School Property Custodian, SBFP Form 7 and 7-a and distribution receipt of milk supply duly signed by the recipients/parents in accordance with DepED Order No. 23;**
- 2. Require the local dairy cooperative to submit justification/explanation on the discrepancy of the milk content indicated on its packaging against the actual content duly certified by NDA; and**
- 3. Require the NDA to submit certification that the delivered milk supply monthly liquidation report with supporting documents.**

May we have your comments on the foregoing audit observation within fifteen (15) calendar days from the receipt hereof.


CARLOS C. TAGUDIN
State Auditor III
Audit Team Leader 


RITA ANGELYN T. TORINO
State Auditor IV
OIC-Regional Supervising Auditor

Proof of Receipt of AOM 2022-04 dated 03 February 2022

Name	Designation	Date Received	Signature
Ms. CRISTY C. EPE	Schools Division Superintendent		
Ms. SOLLIE B. OLIVER	Chief – SGOD		
Ms. HAZEL MARIE L. ESCABILLAS	SBFP Coordinator		
Ms. NORELIZA A. MISAL	Division Accountant		
Mr. MARCELINO E. RANOLLO, JR.	Supply Officer		