



Republic of the Philippines  
**Department of Education**  
REGION VIII - EASTERN VISAYAS

January 30, 2025

**REGIONAL MEMORANDUM**

No. **105** s. 2025

**AUDIT OBSERVATION MEMORANDUM ON PAYROLL SYSTEM**

To: Schools Division Superintendents  
SDO and Implementing Units Payroll-in-Charge  
All Others Concerned

1. Attached is Audit Observation Memorandum (AOM) No. 2024-012 dated December 16, 2024 issued by the Commission on Audit (COA) on the operation of the Payroll System.
2. The Schools Division Superintendents are directed to ensure strict adherence to the pertinent provisions of Presidential Decree No. 1445, COA Circular Nos. 95-006, and 2018-003 and other applicable laws to prevent exposing government funds from the risk of loss, wastage and unauthorized acts, and ensure efficient and effective operation of the payroll system.
3. Immediate dissemination of and strict compliance with this Memorandum are desired.

  
**EVELYN E. FETALVERO, CESO III**  
Regional Director

Enclosure: As stated

Reference: As stated

To be indicated in the Perpetual Index under the following subjects:

AOM

COA

PAYROLL SYSTEM

AD-PS-EDR

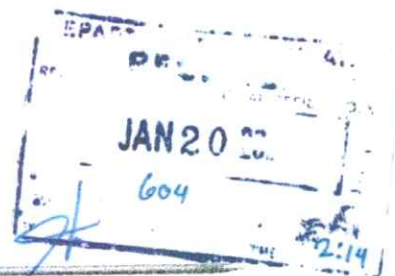


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REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**REGIONAL OFFICE NO. VIII**  
**NGAS 5 – Education and Employment Cluster**  
DepEd Regional Office No. VIII  
Government Center, Candahug, Palo, Leyte



Office of the Auditor – Audit Team No. 10

AOM No. 2024-012

Date: December 16, 2024

**AUDIT OBSERVATION MEMORANDUM (AOM)**

**EVELYN R. FETALVERO, CESO IV**

Regional Director

DepEd Regional Office No. VIII

Candahug, Palo, Leyte

Attention: **Ms. Rosemarie M. Guino**  
Chief, Administrative Division

**Ms. Fe M. Gerona**  
Chief Accountant

We have audited the payroll system of DepEd Regional Office VIII, hereafter referred to as the Agency, and observed the hereunder deficiencies:

**The absence of a Sound Internal Control System for the Payroll System of the Regional Office resulted in several process risks, not adherent to the pertinent provisions of P.D No. 1445, COA Circulars No. 95-006, and 2018-003, thereby exposing government funds to the risk of loss, wastage and unauthorized acts, while an efficient and effective operation could not be achieved.**

- 1.1 Section 111 (2) of Presidential Decree (P.D) No. 1445 requires the highest standards of honesty, objectivity, and consistency to safeguard against inaccurate or misleading information in its financial affairs.
- 1.2 Whereas, Chapter 4 of the same law is instructive on the installation of Internal Control Systems with relevant provisions hereunder shown:

Section 123. *Definition of internal control.* Internal control is the plan of organization and all the coordinate methods and measures adopted within an organization or agency to safeguard its assets, check the accuracy and reliability of its accounting data, and encourage adherence to prescribed managerial policies.

Section 124. *Installation.* It shall be the direct responsibility of the agency head to install, implement, and monitor a sound system of internal control.

- 1.3 Item 6.01 of COA Circular No. 95-006, dated May 18, 1995 on agency's pre-audit function, to wit:

*Pre-audit activities shall henceforth be considered as part of the agency's accounting and fiscal control process.* Being a primary responsibility of the agencies, an adequate internal control system shall be instituted in order to achieve economy, efficient and effectiveness in the management and utilization of the agency resources. (Emphasis Supplied)

- 1.4 COA Circular No. 2018-003, dated November 21, 2018, prescribes all government agencies to adopt the Internal Auditing Standards for the Philippine Public Sector (IASPPS) and Internal Control Standards for the Philippine Public Sector (ICSPPC).
- 1.5 Whereas, Annex B1 of COA Resolution No. 2016-016 dated September 30, 2016, capsulizes the elements of the Philippine Internal Control Framework for the Public Sector which is composed of Objectives, Components, and Level of Agency Structure as heretofore explained:

**Objectives** – what the agency strives to achieve:

1. *Operations* – Executing orderly, economical, efficient, effective, and ethical operation;
2. *Reporting* - Developing, maintaining, and making available reliable and relevant financial and non-financial information, and by means of a fair disclosure of that information in timely reports to internal as well as external stakeholders;
3. *Compliance* – complying with applicable laws, rules, regulations, and policies; and
4. *Safeguarding of Assets* – safeguarding resources against loss, misuse, and damage due to waste, abuse, mismanagement, errors, fraud, and irregularities.

**Components** – represent what is required to achieve the objectives

1. *Control Environment* -sets the tone of an organization and is the foundation for all other components of internal control, providing discipline and structure;
2. *Risk Assessment* – is the process of identifying and analyzing relevant risks to the achievement of the agency's objectives and determining the appropriate response;
3. *Control Activities* – are the policies and procedures established to address risks and to achieve the agency's objectives;
4. *Information and Communication* – are essentialities in realizing all internal control objectives by providing management access to relevant, complete, reliable, correct, and timely communication related to internal as well as external events; and
5. *Monitoring* – is the process of assessing the quality of the system performance over time accomplished through ongoing monitoring, separate evaluations, or a combination of both in order to help ensure that internal control continues

to be applied at all levels and across the agency, and that internal control achieves the desired results.

**Levels of Agency Structure** – the levels of the organization where internal control operates.

1. Government Agency
2. Division/Office
3. Operating Unit
4. Function.

1.6 Evaluation of the Payroll's Internal Control System of the Regional Office revealed several process risks as hereunder listed and categorized according to the internal control system objectives they relate and which will be discussed thoroughly in the succeeding paragraphs:

I. Operations

- a. Absence of an audit trail in the Foxpro Program
- b. Inefficiency in the review of payroll totals

II. Reporting

- c. Absence of review procedure to verify payroll deductions vis a vis billings
- d. Absence of certification as to the correctness and accuracy of the printed payroll report.
- e. Data entries and generated reports from the Foxpro Program are not being reviewed by any officers of the Regional Office.

III. Compliance

- f. No segregation of duties in processing and reviewing payroll transactions in the Foxpro Program

IV. Safeguarding of Assets

- g. No access restriction in the Google Sheets for payroll actions for all payroll-in-charge in the Division Office
- h. Access to Foxpro program is not password-protected
- i. Inadequacy of safeguard measures for system backup.

*Please see Annex A for the result of the evaluation of Payroll System of DepEd RO duly certified as correct by the four (4) personnel-in-charged and a copy thereof received by Head, Personnel Section*

1.7 In November 2024, the audit team performed a walkthrough of the payroll process of the Regional Office. We noted that the Regional Office, aside from its own payroll also facilitates that of the Divisions of Leyte, Samar, and Eastern Samar. To accommodate the payroll processing of numerous employees, four (4) payroll-in-charge or encoders have been assigned and trained to operate the Foxpro program – an internally designed payroll information system.

1.8 The names of the payroll-in-charge or encoders in the Regional Office and their respective assignments are hereunder listed:

1. Regin T. Virtudes for Regional Office and Leyte 1 and 2 Elementary
2. Juditha P. Antido for Leyte Secondary and Senior High School
3. Joselito E. Enriquez for Samar and Eastern Samar
4. Milgrace A. Gaddi for Leyte 2 and 3 elementary

1.9 The tasks of the above payroll-in-charge include the collation of billings from PLIs and GFIS, payroll actions of RO and DOs, and the subsequent processing in the Foxpro program. They have also been assigned to print all payroll-related reports generated from the program.

*a. Absence of an audit trail in the Foxpro program*

1.10 The ICSPPC requires that all transactions and events must be promptly recorded, properly classified, and fully and clearly documented. *One of its attributes is to have a clearly identifiable audit trail within the agency.*

1.11 An **Audit trail** is defined in Merriam-Webster Dictionary as "a record of a sequence of events (such as actions performed by a computer) from which a history may be reconstructed"

1.12 One of the deficiencies of Foxpro program revealed is that it does not provide an audit trail for any transactions or information processed therein as the program has no transaction log and archiving function.

1.13 Thus, updating the personal profile of a certain employee in the Foxpro program will reflect in the Masterfile (a report generated from the program), only the most recently changed information which indicates the updated details and the name of the payroll-in-charge who processed the information.

1.14 In order to give a better understanding of the foregoing, we provide illustrative scenarios that show the susceptibility of the Foxpro program to system manipulation, viz:

- a. A payroll-in-charge has earlier increased the salary of an employee, and right after printing the payroll report, changed the salary to its original amount. The information on the earlier salary increase will not be reflected in the Masterfile as there is no transaction log and only the most recent change will be shown in said report.
- b. A newly retired employee who is supposed to receive a monthly salary that only covers 12 working days but with the help of a payroll-in-charge, he/she was able to receive the full month's salary. It is possible that the payroll-in-charge updated the employee's retired status only after the payroll report was printed. If this occurred, there would be no evidence of manipulation, as the program does not maintain

transaction logs. Consequently, only the most recent change is displayed in the Masterfile.

- 1.15 The absence of an audit trail makes prevention and detection of fraud difficult. It likewise affects the payroll system in terms of efficiency, its capacity to aid in fraud investigations, and data protection during disaster occurrence.

***b. Inefficiency and waste of government resources in the review of payroll totals***

- 1.16 Section 2 of Presidential Decree No. 1445 states the declared policy of the state with hereunder quoted provision, thus:

"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."

(Emphasis Supplied)

- 1.17 As noted, the payroll reports generated by the Foxpro Program show recapitulations of monthly totals for salary and deductions which are indicated at the bottom portion of the report. The totals include various details such as the number of payees, basic salary, the Personal Emergency Relief Allowance (PERA), total compensation, deductions, and net salary.
- 1.18 More, the report shows the totals for each type of loan from each PLIs and GFIs. As part of the present control procedure to avoid inaccurate data, the sum of monthly totals for loans, and the monthly totals of employees' contributions for GSIS, PAG-IBIG, and PhilHealth, is reconciled with the total deductions to salary.
- 1.19 In doing so, the payroll-in-charge needs to print the entire pages of the payroll report because the Program does not offer a print preview feature of the monthly totals nor can it print just the page containing the monthly totals. Whenever an unreconciled balance is found upon review of the totals, the payroll-in-charge has to reprint the entire payroll report repeatedly until the balances are reconciled.
- 1.20 These program limitations caused manifest inefficiency and waste of government resources which is contrary to the above law. The time and efforts spent by the payroll-in-charge tediously reviewing the accuracy of payroll report balances which could have been utilized on other tasks had an effective and efficient review function been installed in the program. Additionally, the bond papers scrapped during the review process resulted in unnecessary waste.

***c. Absence of review procedure to verify payroll deductions vis a vis billings.***

- 1.21 The walkthrough revealed that there is no review procedure in place that ensures all monthly billing reports received from Private Lending Institutions (PLIs) and

Government Financial Institutions (GFIs) — which include new loans and re-loans for employees — are completely and accurately uploaded into the FoxPro program as deductions from the monthly payroll.

- 1.22 Accordingly, the monthly billings received from the PLIs and GFIs are in Text file format, the only format compatible with the FoxPro program. The payroll-in-charge then upload these billings into the FoxPro program. A separate payroll database has been created within the Foxpro Program for each office or educational level to manage this information.
- 1.23 Since the payroll-in-charge at the Regional Office receives billing from PLIs and GFIs in Text file format, it becomes difficult if not impossible, to determine the billed amount per employee. This is because the billed amounts are merged with other codes within the billing. The total billing amount per PLI/GFI cannot likewise be determined from this format. *Please see the attached Annex B for a sample of the monthly billing in text file format.*
- 1.24 Meanwhile, an inquiry with the payroll employee from the Division of Ormoc City, one of the devolved payroll offices, revealed that they are able to request an Excel file of the billing from PLIs/GFIs, in addition to receiving a Text file copy. Alternatively, the billing in Text file format can be converted to Excel, although this conversion process may take some time. *Please refer to the attached Annex C for the inquiry notes, duly signed and confirmed by the payroll-in-charge of the Division of Ormoc City.*
- 1.25 The walkthrough further disclosed that the Foxpro program is unable to generate a report showing deduction totals that can be compared with the total billed amount per PLIs/GFIs, assuming the same has been secured by the payroll-in-charge to verify the completeness and accuracy of these deductions.
- 1.26 Despite the foregoing system limitation, a thorough examination of the program showed that the individual and aggregate amounts for new loans and re-loans can be determined manually using the Deductions Files — a report generated from the program, which provides all deduction-related information. However, while this procedure is possible, it is labor-intensive, and inefficient, given the numerous billings that need to be reconciled manually each month, hence said review process has not been performed, if already known, by the payroll-in-charge from the Regional Office.
- 1.27 Without a control activity designed to ensure monthly billings of PLIs and GFIs are completely and accurately uploaded as deductions in the Foxpro program, stakeholders cannot fully rely on payroll reports. This process risk may lead to errors, both from the program itself and from human input.

***d. Absence of certification as to the correctness and accuracy of the printed payroll report.***

- 1.28 Paragraph 10.1.4 of the ICSPPC is apropos:

“Access to resources and records is limited to authorized who are accountable for the custody and/or use of the resources. Accountability for custody is evidenced by the



existence of receipts, inventories, or other records; by assigning custody; and by recording the transfer of custody.” (emphasis supplied)

- 1.29 The payroll report generated from the Foxpro program shows the following default certifications:

Administrative Chief - Certifying the supporting documents are completeness and proper and the cash availability.

Regional Accountant – Accounting Control on: deduction for remittances to the GSIS, BIR, PAG-IBIG, Philhealth, PPSTA, Other Private Insurance Companies, and Savings and Loan Associations per Circular Letter No. 90-22.

Regional Director - Approving the payroll report

*Please see attached Annex D, for a sample of payroll certifications*

- 1.30 Notably, no employee or officer certifies the correctness and accuracy of the payroll report since the administrative officer's certification is directed only to the attachments to the payroll report and does not cover the contents of the report itself. Even the payroll-in-charge who encodes, and prints the payroll reports are not made signatories therein.
- 1.31 The absence of certification from payroll-in-charge transgressed the above provision requiring accountability of all employees/officers who have access to public resources and records. That being so, the present condition of the payroll system in the Regional Office indicates a deficiency in accountability for information processing in the Foxpro Program.
- 1.32 Suffice it to state that when no employees or officers certify the accuracy and completeness of payroll reports, the same raises significant doubts about these attributes.

*e. Data entries and generated reports from the Foxpro Program are not verified and reviewed by the supervisor of the payroll-in-charge.*

*f. No segregation of duties in processing and reviewing payroll transactions in the Foxpro Program.*

- 1.33 Pertinent provisions of the Internal Control Standard are instructive on the policies for the Segregation of Duties, Verifications, and Supervision:

10.1.3 Segregation of duties (authorizing, processing, recording, reviewing)

To reduce the risk of error, waste or wrongful acts, and the risk of not detecting such problems, **no singular individual or team should control all key stages of a transaction or event.** Rather, duties and responsibilities should be assigned systematically to a number of individuals to ensure that effective checks and balances exist. (Emphasis Supplied)



#### 10.1.5 Verifications

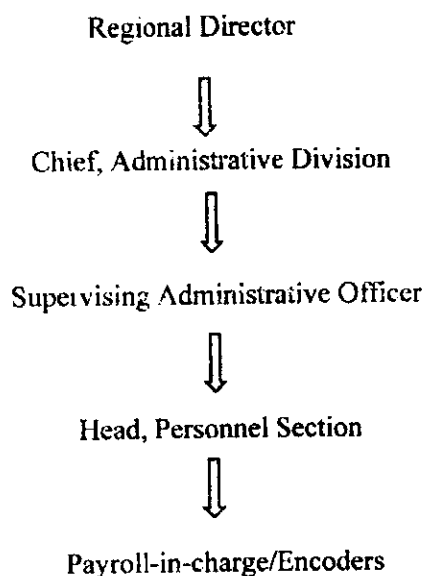
**Transactions and significant events are verified before and after processing,** for example, when goods are delivered, and the number of goods supplied is verified with the number of goods ordered; and when the number of goods invoiced is verified with the number of goods received. The inventory is verified as well by performing stock-takes. (Emphasis Supplied)

#### 10.1.9 Supervision (assigning, reviewing and approving, guiding, and training)

Competent supervision helps to ensure that internal control objectives are achieved. Assigning, reviewing, and approving, and employee's work encompasses the following:

- a. clearly communicating the duties, responsibilities, and accountabilities assigned to each staff member;
- b. **systematically reviewing each member's work to the extent necessary; and**
- c. approving work at critical points to ensure that it flows as intended. (Emphasis Supplied)

- 1.34 A review of the organizational structure of the Administrative Division at the Regional Office, *(please see attached Annex E for the Organizational Charts of the Administrative Division of DepEd RO)* revealed the hereunder hierarchy in the Personnel Section:



- 1.35 It can be gleaned from the above chain of commands, that the payroll-in-charge/encoders at the bottom of the hierarchy, are under the immediate supervision of the Head of the Personnel Section. However, as noted from the walkthrough, the latter does not perform verification over reports generated from the Foxpro Program albeit these are considered outputs of the payroll-in-charge who, according to the latter's Job Description, shall regularly report all outputs to the Head of Personnel Section. *(Please see Annex F, for a copy of the Job Description of the Payroll-in-charge who hold the position of Administrative Aide VI)*

- 1.36 It was further revealed that the limited certifications in the payroll report as discussed under Paragraph 1.28, imply that the information processing and related reports generated from the Foxpro Program are not subject to review and verification by any officers positioned at the top and middle-level of the organizational chart. As discussed earlier, certification of the Chief, Administrative Officer, only assures the completeness and propriety of the supporting documents to the payroll reports and does not cover the accuracy and completeness of the contents therein.
- 1.37 Verily, the lack of verification procedure for all processed information and the related reports generated by the Foxpro program is inconsistent with Paragraph 10.1.5 of COA Circular No. 2018-003, requiring verification of transactions before and after processing; and likewise in conflict with Paragraph 10.1.9 of the same circular which mandate competent supervision over each members' work to ensure that internal control objectives are achieved.
- 1.38 It is worth emphasizing that the actual review or verification performed by the payroll-in-charge themselves on the printed payroll reports is not the review and verification contemplated under the above Circular rather these stages have to be performed by a supervisor to ensure that effective checks and balances exist.
- 1.39 Meanwhile, it was noted that only the four (4) payroll-in-charge have access and have been trained to operate the Foxpro program. It bears stressing that a reviewing officer must have viewing access to and sufficient knowledge of the program to effectively and efficiently verify all processed information.
- 1.40 On this score, the review functions of officers, if done so, are limited only to the printed reports generated from the system, which is significantly inadequate and inefficient to ensure that reports are free from the risk of error, and unauthorized acts.
- 1.41 Meanwhile, the above certification of the Regional Accountant does not signify assurance of accurate and complete information derived from the program. The phrase on the certification "Accounting Control on:" does not suggest a review conducted on the related deductions and remittances in the report.
- 1.42 Moreover, all monthly remittance reports generated from the Foxpro program show only the signature of the assigned payroll-in-charge as the one who encoded and printed the report, no other officers certify the report.
- 1.43 This lack of review and verification procedures forestalling program manipulations, risk of errors, fraud, and unauthorized activities in preparing payroll reports create doubts on the accuracy, completeness, and validity of entered transactions in the Foxpro program.

***g. No access restriction in the Google Sheets for payroll actions for all payroll employees in the Division Offices.***

***h. Access to Foxpro program is not password-protected***

- 1.44 The ICSPPC defines Access Controls as those that have been designed to protect the resources from unauthorized modification, loss, or disclosure.

1.45 Item No. 2 of Paragraph No. 11.2.1 of the Internal Control Standard further ventilates the significance of Access Control and the related specific control activity:

(2) Access controls

**These controls limit or detect access to computer resources (data, programs, equipment, and facilities), thereby protecting these resources against unauthorized modification, loss, and disclosure.**

X x x .

Specific control activities may include the following:

**a) Restriction on users, allowing access only to the system function they need to perform their assigned duties;**

X x x

**c) frequent changes of passwords and deactivation of former employees' passwords. (Emphasis Supplied)**

1.46 As noted, the Payroll Google Sheet is created for each division that shows all monthly requests for payroll action from the division which will be the basis of the assigned payroll-in-charge at the Regional Office for data processing in the Foxpro Program.

1.47 Meanwhile, an inquiry with the payroll employees at the Divisions of Leyte, Samar, and Eastern Samar disclosed that there are five (5), three (3), and two (2) DO payroll employees respectively as well as the assigned payroll-in-charge at the Regional Office have general access to Payroll Google Sheets – an Excel report/file within the Google Drive capable of online data modification. General access enables users to add, delete, and modify entries. *Please see attached Annex G, for the details of payroll employees at the DO, with their respective payroll concerns.*

1.48 Further noted that access to the Foxpro program is not password-protected. While accessing the program requires a username and password, the password that is being entered is a default one, which cannot be changed by the assigned user.

1.49 Ergo, the unrestricted access to Payroll Google Sheets of the payroll employees at the DO and RO levels, and the unprotected access to the Foxpro Program clearly shows a lack of safeguard measures that highly expose risks of data manipulation.

**i. Absence of offsite storage for system backup.**

1.50 Item No. 6 of Paragraph No. 11.2.1 of the ICSPPC discusses Service Continuity, viz:

(6) Service Continuity

This control helps to ensure that when unexpected events occur, critical operations continue without interruption; are promptly resumed; and critical and sensitive data are protected.

**Service continuity is concerned with maintaining or re-establishing the activities or level of service provided by an agency in the event of a disaster or other damaging occurrence.** It is critical that an agency has backup and recovery procedures, as well as contingency and disaster plans.

**Data-center and client-server operation controls involve steps to prevent and minimize potential damage to hardware and software, as well as the interruption of service, through the use of data and program backup procedures.** Such procedures include the following:

- a) off-site storage of backup data;
- b) environmental controls;
- c) staff training; and
- d) hardware maintenance and management.

Government agencies should develop, document, and periodically test their contingency plans. (Emphasis Supplied)

- 1.51 As noted, the payroll database for each office or educational level maintained at the Regional Office is individually stored and backed up on the respective Foxpro-installed computers of the payroll-in-charge
- 1.52 However, the Regional Office has inadequate backup and recovery procedures considering that the four (4) payroll-in-charge who individually secure and maintain the external hard drives for system backup, stored these hard drives in their respective office tables.
- 1.53 Therefore, data cannot be recovered in the event of a disaster or any damaging occurrence sans maintaining off-site storage backup, thereby interrupting payroll operation at the Regional Office.
- 1.54 All told, the foregoing deficiencies discovered as a result of the evaluation of the Regional Office's Payroll System, encapsulate devoid of precepts of a sound internal control system as it exhibits inefficiency and uneconomical operation, inaccuracy in reporting, non-compliance with the applicable laws, rules, and regulations, as well as lack of safeguarding measures to protect its assets. These can be addressed by incorporating pre-audit activities or procedures into the accounting and fiscal control process of the Agency.
- 1.55 **Hereunder are relevant provisions of P.D No. 1445 imposing primary and direct responsibility on the Head of Office and the consequent liability, for all government funds and properties pertaining to his agency, vis a vis implementation of a sound internal control system:**

Section 124 on *Installation*.

It shall be the direct responsibility of the agency head to install, implement, and monitor a sound system of internal control.

Section 102 on the *primary and secondary responsibility*.

(1) The head of any agency of the government is immediately and primarily responsible for all government funds and property pertaining to his agency.

(2) Persons entrusted with the possession or custody of the funds or property under the agency head shall be immediately responsible to him without prejudice to the liability of either party to the government.

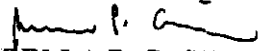

1.56 We recommend that the Regional Director and the Chief, Administrative Officer to strictly adhere to COA Circular No. 2018-003 prescribing the use of IASPPS and ICSPPC, and the related laws, rules, and regulations as thoroughly discussed above, and specifically undertake the following:


- a. Immediately coordinate with the DepEd Central Office to improve the Foxpro Program by installing appropriate control measures to address the above-identified process risks in the payroll internal control system. Thereafter, provide the Audit Team with updates, duly supported by communication letters that are duly received by the concerned office;
- b. *For the absence of an audit trail* - meantime, pending resolution by the DepEd CO, direct the Head, Personnel Section to secure and take custody of the four (4) external hard drives utilized as a regular backup of the Foxpro Program. Ensure, that a daily backup of the program is done by each payroll-in-charge. The Accumulated files stored in the hard drive shall temporarily serve as an audit trail;
- c. *For the absence of a review procedure to verify payroll deductions vis a vis billings* – Direct the Head, Personnel Section, as part of the review function on the outputs of the four (4) personnel-in-charge, to perform verification on the billing totals with the deduction totals as discussed under Paragraph 1.25.
- d. *For the Absence of certification as to the correctness and accuracy of the printed payroll report; and Data entries and generated reports from the Foxpro Program are not verified and reviewed by the supervisor of the payroll-in-charge.* – Direct the payroll-in-charge and the Head, Personnel Section to certify the correctness and accuracy of the report as processor and reviewer, respectively, all payroll-related reports generated from the Foxpro program. Direct the Accountant to categorically and unequivocally certify the payroll reports as required in DBM Circular Letter No. 90-22;
- e. *For no segregation of duties in processing and reviewing payroll transactions in the Foxpro Program.* – Direct the Head, Personnel Section to undergo

**Foxpro Program user's training and mandate the regular review of Foxpro-generated reports which entails viewing access to the program;**

- f. For no access restriction in the Google Sheets for payroll actions for all payroll employees in the Division Offices – Pending devolution of payroll process to DO concerned, direct the Head, Personnel Section to create Payroll Google Sheets anew for each concerned payroll employee of DO with only viewing access granted to the assigned personnel-in-charge at the RO, thereby preventing unauthorized modification in the Payroll Google Sheet;**
- g. For Access to Foxpro program is not password-protected – Direct the Head, Personnel Section to closely monitor and prevent unrestricted access or use of the four (4) Foxpro-installed computers by any person other than the assigned payroll-in-charge; and**
- h. For the Absence of offsite storage for system backup. – Direct the Head, Personnel Section to register under the office account with any legitimate off-site backup server such as Google Drive and Cloud Storage. Ensure that backup files from the four (4) External Hard Drives as mentioned in Item B, are uploaded daily or as often as practically possible to the offsite backup server.**

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

  
**BELLA P. CASTILLO**  
State Auditor IV  
Audit Team Leader 

  
**GRACE G. DIOCAMPO**  
State Auditor V  
Regional Supervising Auditor

**Proof of Receipt of AOM:**

Position/Designation	Signature over printed name	Date of Receipt
The Regional Director	Dir. Evelyn R. Fetalvero, Ces0 IV	
OIC- Chief Administrative Officer	Ms. Rosemarie M. Guino	
Regional Accountant	Ms. Regional Accountant	
Head, Personnel Section	Ms. Eva D. Rosales	