TESDA CIRCULAR

SUBJECT: Work Instructions on the use of Virtual Audit and Blended Audit Methods in the Conduct of Compliance Audits for Program Registration and Assessment and Certification		No. 071 Series 2020 Page 1 of 13 pages
Date Issued: **May 26, 2020**	Effectivity: **As Indicated**	Supersedes:

Reference/s:

1. TESDA Memorandum No. 158 series of 2020 on "OPLAN TESDA Abot Lahat: TVET Towards a New Normal" that serve as primary reference in carrying out programs/activities/projects and targets for the year until 2022;

2. TESDA Memorandum No. 161 series of 2020 on "FY 2020 Revised Planning Guidelines" setting agency's guidelines on the adoption of protocols and provisions for the New Normal;

In the interest of the service and in support to the Agency's continuous efforts to provide quality assured TVET programs in this new normal state, the following Work Instructions on the use of Virtual Audit and Blended Audit Methods in the Conduct of Compliance Audits for Program Registration and Assessment and Certification are hereby issued.

I. Background and Rationale

Following recommendations from the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID), on 30 April 2020, the President issued Executive Order No. 112, Imposing an Enhanced Community Quarantine in High-Risk Geographic Areas of the Philippines and a General Community Quarantine in the Rest of The Country from 01 To 15 May 2020, Adopting The Omnibus Guidelines On The Implementation Thereof, And For Other Purposes.

With the current situation that the country is facing right now and with the restrictions of travel, the agency saw the need to adopt with innovative constructive ways of continuing to perform compliance audits on Program Registration and Accredited Assessment Centers without the cost associated of traveling to the TVI/AC's location.

Thus, in compliance to the Phase II (Transitional period) under the approved TESDA's Operational Plan in response to the COVID-19 Crisis. During this period, TESDA shall re-align its plans, policies and priorities in responses to an altered economy and environment. Also, the agency shall continue beefing up its technology-based systems, tools, and processes for continued delivery of TESDA's services amidst the crisis. Key TESDA programs shall recommence using modified methods and processes.

II. Objectives

To provide guidelines on the on the use of **Virtual Audit and Blended Audit Methods in the Conduct of Inter-Regional Compliance Audits** for Program Registration and Assessment and Certification.

III. Scope and Delimitation

This Work Instructions on the use of Virtual Audit and Blended Audit methods in the conduct of Compliance Audits for Program Registration and Assessment and Certification will be adopted and implemented by the Regional and Provincial Offices in consideration of the "new normal" during the COVID -19 pandemic and shall likewise consider their respective classification on the type of community quarantine.

On the other hand, pursuant to Section 8.1 (k) of TESDA Circular No. 15, series of 2015, regarding the Guidelines on Assessment and Certification under the Philippines Competency Assessment and Certification System (PTCACS) it requires ACs among others to install a functional CCTV camera before they can be accredited. However, the use of CCTV recordings during the conduct of compliance audits may only be processed for a legitimate purpose as embodied in Section 3(g) of the Data Privacy Act of 2012.

IV. Definition of Terms

Virtual Audits – are paperless, electronic audits that are conducted without face to face interaction between government and industry. All data is exchanged in electronic formats such as MS Word, Excel, PDF files and text files.

Virtual Auditing – the process by which auditors couple information and communication technology to gather electronic evidence and assess the compliance of an entity, all without the need to be physically present. This type of audit will be applied for those areas where movement of people are prohibited.

Blended Online and Table Auditing – the process by which auditors perform the audit in combination of the virtual auditing and physical/site auditing. This type of audit will be considered for those areas where internet connectivity is limited, and the movement of people are allowed however limited.

V. Fundamental Activities Prior to the Conduct of Compliance Audit on Program Registration

To ensure compliance to the revised procedure in the conduct of compliance audit, the following essential activities and requirements must be complied with by all Regional and Provincial Offices:

COMPLIANCE AUDIT on PROGRAM REGISTRATION

A. Must have an updated inventory/compendium of the Registered Programs and ensure that the following circumstances should have been considered:

a. Migrated Programs;
b. Voluntary Closure;
c. Closure due to NISP, Audit Findings, and others; and,
d. If the TVI is a STAR program awardee or APACC accredited, then the said TVI shall be exempted from the compliance audit during the validity period of the said award.

B.

Key Players	Key Steps	Interfaces
Provincial Office UTPRAS Focal Person / Compliance Audit Focal Person	Prepares the adjusted/revised quarterly schedule of Registered Programs to be audited as per Revised Planning Guidelines.	• Updated inventory/compendium of the Registered Programs • Annual Compliance Audit Plan (TESDA-OP-IAS-01-F01) • Criteria/Basis for the reduction of the Compliance Audit targets
Provincial Office UTPRAS Focal Person / Compliance Audit Focal Person	Submits thru on-line submission to their respective regional office a copy of the quarterly revised schedule of audit *(subject to the environment conditions of the region)*	Annual Compliance Audit Plan (TESDA-OP-IAS-01-F01)
ROD Chief (of the Auditee Region)	Ensures that the schedule on the conduct of a Virtual Auditing and or Blended Online & Table Compliance Audit are prepared in close coordination with the PO UTPRAS/Compliance Audit Focal Persons	Annual Compliance Audit Plan (TESDA-OP-IAS-01-F01)
ROD Chief / UTPRAS Focal Person / Compliance Audit Focal Person (of the Auditing Region)	Attaches the list of Compliance Auditors as well as the tentative schedule of audit in the forwarded Audit Plan. The Audit Plan shall be sent back to the Auditee region a week (1 week) after its receipt thereof.	• Annual Compliance Audit Plan (TESDA-OP-IAS-01-F01) • TVI/Company Compliance Audit Plan (TESDA-OP-IAS-01-F02)
ROD Chief (of the Auditee Region)	Consolidates the adjusted/revised quarterly audit schedule of Registered Programs to be audited and submits the same to the ODG-IAS on-line	Annual Compliance Audit Plan (TESDA-OP-IAS-01-F01)
Provincial Office UTPRAS Focal Person /	Digitization of the TVI/Company program registration documents	

Compliance Audit Focal Person	filed in the Provincial Office (those that are due for audit)	
Provincial Office UTPRAS Focal Person / Compliance Audit Focal Person	Set-up of a Google Drive Account where the digitized copy of TVI's program registration documents are uploaded/maintained	
Provincial Office UTPRAS Focal Person / Compliance Audit Focal Person	• Adopt uniform and user-friendly naming and categorizing of files • Provide access credentials to the assigned auditors throughout the duration of the compliance audit	

VI. Steps in the Conduct of Compliance Audit – Program Registration

COMPLIANCE AUDIT on PROGRAM REGISTRATION

A. Assumptions:

- ***Audit Approach: Inter-Regional Virtual Auditing***
- Business address of the TVI/Company is in an area under Enhanced Community Quarantine (ECQ), Modified ECQ, or under GCQ but movement of persons are suspended
- Internet Connectivity: Stable and Fast/Good

CONDUCT OF AUDIT

STEP	Key Players	Key Steps	Interfaces
1	Provincial Office UTPRAS Focal Person	Prepares email informing Auditees of the TVI/Company's Compliance Audit Schedule. Also, sends copy of the TVI/Company Compliance Audit Plan copy-furnish the Lead Auditor.	TVI/company Compliance Audit Plan (TESDAOP-IAS-01-F02)
2	Audit Team	The Lead Auditor shall discuss among its members on how the virtual audit process is going to work and what their responsibilities are during the audit. This includes: what data is required from them, expectations of response time for all methods	Conduct of calibration among audit members

		of communication, the scope of the audit, and back up phone number and email addresses.	
3	Audit Team Leader	On-line notification to the auditee-TVI concerned of the conduct of audit and provides the link for the chosen videoconferencing platform.	
4	Audit Team Leader	Conduct Opening Meeting including observance on the rules of virtual meeting etiquette	Audit Team Checklist (TESDA-OP- IAS-01-F03)
5	Audit Team and TVI personnel (of at least two)	Online checking and reviewing of documents as per program registration requirements (application of "show me" approach) Focused Area requirements: 1 – Corporate and Administrative Documents 2 – Curricular and Faculty & Personnel Requirements 3 – Program Guidelines, Support Services and Other Requirements	• Compliance Audit Requirements Checklist for Institution Based Program (TESDA-OP-IAS-01-F04-A) • Compliance Audit Requirements Checklist for Enterprise-Based Program (TESDA-OP-IAS-01-F04-B) • Compliance Audit Requirements Checklist for Registered Mobile Training Program (MTP) TESDA-OP-IAS-01-F04-C • Compliance Audit Requirements Checklist for Registered Program of Farm School Establishment TESDA-OP-IAS-01-F04-D
6	Audit Team Leader	Temporary adjournment of videoconferencing / interview.	
7	Audit Team	Prepares Compliance Audit Report *[This activity shall be done one (1) day after the completion of virtual conference with the TVI auditee]* *[Report format should be prepared in a Portable Document Format (PDF) for data integrity. For e-signature, each party*	• TVI/Company Compliance Audit Report (TESDA-OP-IAS-01-F05) • PDF e-signature procedures

		shall adopt features of either Adobe Acrobat or PDFelement software]	
8	Audit Team Leader and TVI Auditees	On-line conduct of closing meeting to discuss the Audit Results	
9	TVI Head/ Authorized Personnel	Concurs with the results of the audit during the closing meeting	
10	Audit Team Leader	Provides the TVI/Company of the Audit Report electronically signed by the auditors *[Report format should be prepared in a Portable Document Format (PDF) for data integrity. For e-signature, each party shall adopt features of either Adobe Acrobat or PDFelement software]*	PDF e-signature procedures
11	Audit Team Leader	Requests the TVI Head or Authorized Representative to affix an e-signature on the Compliance Audit Report *[This activity shall be done one (1) day after completion of the virtual conference with the TVI auditee]*	TVI/Company Compliance Audit Report (TESDA-OP-IAS-01-F05)
12	TVI Head/ Authorized Personnel	Signs the Compliance Audit Report and sends back the signed audit report to the Audit Team Leader	TVI/Company Compliance Audit Report (TESDA-OP-IAS-01-F05)
13	Audit Team Leader	Submits the signed TVI/Company Compliance Audit Report (TESDA-OP-IAS-01-F05) to the Provincial Office at least 3 working days after the conduct of Closing Meeting	TVI/Company Compliance Audit Report (TESDA-OP-IAS-01-F05)

Note: After item number 13, the next steps and thereafter shall follow with the existing procedure under TESDA-OP-IAS-01 Rev.01 - Compliance Audit on Program Registration.

B. Assumptions:

- ***Audit Approach: Inter-Regional Blended On-line and Table Auditing***
- Business address of the TVI/Company is in an area under Modified GCQ or General Community Quarantine (GCQ) or and movement of persons are permitted subject to limitations

NOTE: Steps 1-4 and 7-13 from the Virtual Auditing procedure will be followed in addition to the following steps:

STEP	Key Players	Key Steps	Interfaces
5.1	Audit Team and TVI personnel (of at least two)	Online checking and reviewing of documents as per program registration requirements (application of "show me" approach) Focused Area requirements: **1** – Corporate and Administrative Documents **2** – Curricular and Faculty & Personnel Requirements **EXCEPT:** • *Tools and Equipment* • *Physical Facilities and Off-Campus Physical Facilities* • *Shop Lay-out* **3** – Program Guidelines, Support Services and Other Requirements	• Compliance Audit Requirements Checklist for Institution Based Program (TESDA-OP-IAS-01-F04-A) • Compliance Audit Requirements Checklist for Enterprise-Based Program (TESDA-OP-IAS-01-F04-B) • Compliance Audit Requirements Checklist for Registered Mobile Training Program (MTP) (TESDA-OP-IAS-01-F04-C) • Compliance Audit Requirements Checklist for Registered Program of Farm School Establishment (TESDA-OP-IAS-01-F04-D)
5.2	Audit Team Leader	Temporary adjournment of videoconferencing / interview.	
6	Provincial Office Personnel (from the Auditee Region)	Conducts physical audit of the following: Focused Area requirements: **2** – Curricular and Faculty & Personnel Requirements • *Tools and Equipment* • *Physical Facilities and Off-Campus Physical Facilities* • *Shop Lay-out* Submits results of the audit conducted to the Audit Team Leader.	• Compliance Audit Requirements Checklist for Institution Based Program (TESDA-OP-IAS-01-F04-A) • Compliance Audit Requirements Checklist for Enterprise-Based Program (TESDA-OP-IAS-01-F04-B) • Compliance Audit Requirements Checklist for Registered Mobile Training Program (MTP)

		(Due diligence must be observed by the Provincial Offices to ensure that TVIs follow the requirements in accordance with the UTPRAS minimum requirements) *[This activity shall be done one (1) day after completion blended online auditing with the AC auditee]*	(TESDA-OP-IAS-01-F04-C) • Compliance Audit Requirements Checklist for Registered Program of Farm School Establishment (TESDA-OP-IAS-01-F04-D)

Note: After item number 13, the next steps and thereafter shall follow with the existing procedure under TESDA-OP-IAS-01 Rev.01 - Compliance Audit on Program Registration.

VII. Fundamental Activities Prior to the Conduct of Compliance Audit on Assessment and Certification

To ensure compliance to the revised procedure in the conduct of compliance audit, the following essential activities and requirements must be complied with by all Regional and Provincial Offices:

COMPLIANCE AUDIT on ASSESSMENT and CERTIFICATION

A. Must have an updated Registry of Accredited Assessment Centers and ensure that the following circumstances should have been considered:
   a. Voluntary Closure;
   b. Closure due to NISP, Audit Findings, and others; and,
   c. If the TVI/AC is a Seal of Integrity awardee, then the said TVI/AC shall be exempted from the compliance audit during the validity period of the said award.

B.

Key Players	Key Steps	Interfaces
Provincial Office CAC Focal Person / Compliance Audit Focal Person	Prepares the adjusted/revised quarterly schedule of Registered Programs to be audited as per Revised Planning Guidelines.	• Updated Registry of Accredited Competency Assessment Centers (AC) • Annual Compliance Audit Plan (TESDA-OP-IAS-02-F01) • Criteria/Basis for the reduction of the Compliance Audit targets
Provincial Office CAC Focal Person / Compliance Audit Focal Person	Submits thru on-line submission to their respective regional office a copy of the quarterly revised schedule of audit (subject to the environment conditions of the region)	Annual Compliance Audit Plan (TESDA-OP-IAS-02-F01)

ROD Chief (of the Auditee Region)	Ensures that the schedule on the conduct of a Virtual Auditing and or Blended Online & Table Compliance Audit are prepared in close coordination with the PO CAC/Compliance Audit Focal Persons	Annual Compliance Audit Plan (TESDA-OP-IAS-02-F01)
ROD Chief / CAC Focal Person / Compliance Audit Focal Person (of the Auditing Region)	Attaches the list of Compliance Auditors as well as the tentative schedule of audit in the forwarded Audit Plan. The Audit Plan shall be sent back to the Auditee region a week (1 week) after its receipt thereof.	• Annual Compliance Audit Plan (TESDA-OP-IAS-02-F01) • Assessment Center Compliance Audit Plan (TESDA-OP-IAS-02-F02)
ROD Chief (of the Auditee Region)	Consolidates the adjusted/revised quarterly audit schedule of Registered Programs to be audited and submits the same to the ODG-IAS on-line	Assessment Center Compliance Audit Plan (TESDA-OP-IAS-02-F02)
Provincial Office CAC Focal Person / Compliance Audit Focal Person	Digitization of the TVI/Company program registration documents filed in the Provincial Office (those that are due for audit)	
Provincial Office CAC Focal Person / Compliance Audit Focal Person	Set-up of a Google Drive Account where the digitized copy of TVI's program registration documents are uploaded/maintained	
Provincial Office CAC Focal Person / Compliance Audit Focal Person	• Adopt uniform and user-friendly naming and categorizing of files • Provide access credentials to the assigned auditors throughout the duration of the compliance audit	

VIII. Steps in the conduct of Compliance Audit – Assessment and Certification

COMPLIANCE AUDIT on ASSESSMENT and CERTIFICATION

A. Assumptions:

- ***Audit Approach: Inter-Regional Virtual Auditing***
- Business address of the AC is in an area under Enhanced Community Quarantine (ECQ), Modified ECQ, or under GCQ but movement of persons are suspended
- Internet Connectivity: Stable and Fast/Good
- Availability of CCTV Recording in the AC covering the actual conduct of assessment

CONDUCT OF AUDIT

STEP	Key Players	Key Steps	Interfaces
1	Provincial Office CAC Focal Person	Prepares email informing Auditees of the Assessment Center's Compliance Audit Schedule. Also, sends copy of the Assessment Center Compliance Audit Plan (TESDA-OP-IAS-02-F02) copy-furnish the Lead Auditor.	Assessment Center Compliance Audit Plan (TESDA-OP-IAS-02-F02)
2	Audit Team	The Lead Auditor shall discuss among its members on how the virtual audit process is going to work and what their responsibilities are during the audit. This includes: what data is required from them, expectations of response time for all methods of communication, the scope of the audit, and back up phone number and email addresses.	Conduct of calibration among audit members
3	Audit Team Leader	On-line notification to the auditee-AC concerned of the conduct of audit and provides the link for the chosen videoconferencing platform.	
4	Audit Team Leader	Conduct Opening Meeting including observance on the rules of virtual meeting etiquette	

5	Audit Team and AC personnel (of at least two)	Online checking and reviewing of documents as per accreditation requirements (application of "show me" approach) Focused Area requirements: 1 – Accreditation Documents 2 – Physical Structure 3 – Assessment Methodologies 4 – Assessment Documentation and Reporting	Assessment and Certification Compliance Audit Checklist (TESDA-OP-IAS-02-F03)
6	Audit Team Leader	Temporary adjournment of videoconferencing / interview.	
7	Audit Team	Prepares Compliance Audit Report *[This activity shall be done one (1) day after the completion* *of virtual conference with the AC auditee]* *[Report format should be prepared in a Portable Document Format (PDF) for data integrity. For e-signature, each party shall adopt features of either Adobe Acrobat or PDFelement software]*	• Assessment and Certification Compliance Audit Report (TESDA-OP-IAS-02-F04) • PDF e-signature procedures
8	Audit Team Leader and AC Auditees	On-line conduct of closing meeting to discuss the Audit Results	
9	AC Manager/ Authorized Personnel	Concurs with the results of the audit during the closing meeting	
10	Audit Team Leader	Provides the AC of the Audit Report electronically signed by the auditors *[Report format should be prepared in a Portable Document Format (PDF) for data integrity. For e-signature, each party shall adopt features of either Adobe Acrobat or PDFelement software]*	PDF e-signature procedures
11	Audit Team Leader	Requests the AC Manager or Authorized Representative to affix an e-signature on the Compliance Audit Report	Assessment and Certification Compliance Audit Report (TESDA-OP-IAS-02-F04)

		[This activity shall be done one (1) day after completion of the virtual conference with the AC auditee]	
12	AC Manager/ Authorized Personnel	Signs the Compliance Audit Report and sends back the signed audit report to the Audit Team Leader	Assessment and Certification Compliance Audit Report (TESDA-OP-IAS-02-F04)
13	Audit Team Leader	Submits the signed Assessment and Certification Compliance Audit Report (TESDA-OP-IAS-02-F04) to the Provincial Office at least 3 working days after the conduct of Closing Meeting	

Note: After item number 13, the next steps and thereafter shall follow with the existing procedure under TESDA-OP-IAS-02 Rev.01 Compliance Audit on Assessment and Certification

B. Assumptions:

- ***Audit Approach: Inter-Regional Blended On-line and Table Auditing***
- Business address of the AC is in an area under Modified GCQ or General Community Quarantine (GCQ) or and movement of persons are permitted subject to limitations
- Availability of CCTV Recording in the AC covering the actual conduct of assessment

NOTE: Steps 1-4 and 7-13 from the Virtual Auditing procedure will be followed in addition to the following steps:

STEP	Key Players	Key Steps	Interfaces
5.1	Audit Team and AC personnel (of at least two)	Online checking and reviewing of documents as per accreditation requirements (application of "show me" approach) Focused Area requirements: **1 –** Accreditation Documents **4 –** Assessment Documentation and Reporting	Assessment and Certification Compliance Audit Checklist (TESDA-OP-IAS-02-F03)
5.2	Audit Team Leader	Temporary adjournment of videoconferencing / interview.	

6	Provincial Office Personnel (from the Auditee Region)	Conducts physical audit of the following; Focused Area requirements: **2 –** Physical Structure **3 –** Assessment Methodologies Submits results of the audit conducted to the Audit Team Leader. *(Due diligence must be observed by the Provincial Offices to ensure that ACs follow the requirements in accordance with the minimum requirements in the CATs.)* *[This activity shall be done one (1) day after completion blended online auditing with the AC auditee]*	Assessment and Certification Compliance Audit Checklist (TESDA-OP-IAS-02-F03)

Note: After item number 13, the next steps and thereafter shall follow with the existing procedure under TESDA-OP-IAS-02 Rev.01 Compliance Audit – Assessment and Certification.

IX. SEPARABILITY CLAUSE

If any of the provisions of this Circular is declared invalid, the remaining parts not affected shall continue to be valid and operational.

X. EFFECTIVITY

This Circular takes effect as indicated and supersedes any other issuance/s inconsistent herewith.

SEC. ISIDRO S LAPEÑA, PhD, CSEE
Director General/ Secretary