

**STATUS OF IMPLEMENTATION OF PRIOR YEAR'S
AUDIT RECOMMENDATIONS**

Out of the 20 audit recommendations contained in the CY 2021 Annual Audit Report (AAR), 13 or 65% were fully implemented, two or 10% were partially implemented while five or 25% were not implemented.

Observations and Recommendations	Reference	Management Comments/ Actions taken	Status of Implementation and Reason for Partial/Non-Implementation
<p><i>1. The accuracy, completeness and existence of the balances of the Property, Plant and Equipment (PPE) accounts with a carrying amount of ₱589,112,115.66 as of December 31, 2021 were not established due to (a) unreconciled difference between Accounting and Property records amounting to ₱904,976.22; (b) inclusion of semi-expendable items totaling ₱2,158,600.00 in the Building account; and (c) inclusion of unserviceable items with a total carrying value of ₱196,209.26, contrary to the provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I and Section 79 of Presidential Decree (P.D.) No. 1445.</i></p> <p>We recommended the College President to:</p> <p>(a) Direct the Accountant and the Property Officer to adjust the books of accounts and property records, as warranted, once the results of reconciliation have been established;</p>	<p>CY 2021 AAR</p>	<p>The College Accountant made the necessary adjustments in the books of accounts as evidenced by Journal Entry Voucher (JEV) Nos. 21-03-069 to 21-03-074, all dated March 17, 2022. In BASC Memorandum No. 2022-07 dated March 24, 2022, the College President instructed the Accountant and Property Officer to comply with the recommendations of the Audit Team to adjust the books of accounts and property records, as warranted. However, the property records</p>	<p>(a) Partially Implemented</p> <p>There is an ongoing reconciliation between the records of the Accounting and</p>

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<p>(b) Require the Accountant to draw the appropriate adjusting entries to properly recognize the office equipment and semi-expendable items misclassified under the Building and Other Structures accounts, as well as other affected accounts, to ensure that the financial reports represent reliable information; and</p> <p>(c) Initiate proper disposal procedures for the unserviceable PPEs and direct the Accountant to derecognize the same in the books based on the IIRUP prepared by the Property Officer.</p>		<p>and accounting records remained unreconciled as of December 31, 2022.</p>	<p>Property and Supply Offices.</p> <p>(b) Fully Implemented</p> <p>(c) Not Implemented</p> <p>Reiterated the observations in Part II of the CY 2022 AAR.</p>
<p>2. <i>The accuracy of the reported Inventories as of December 31, 2021 with a carrying amount of ₱32,998,737.71 remained doubtful due to (a) unreconciled difference of ₱934,280.98 between the Accounting and Property records; and (b) incomplete Supplies Ledger Cards (SLCs) maintained by the Accounting Unit, inconsistent with the Instructions provided in Appendix 57 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume II.</i></p> <p>We recommended the College President to:</p>	<p>CY 2021 AAR</p>	<p>The Accountant prepared and maintained Supplies Ledger Cards to monitor the issuances and balances of each kind of supplies and materials owned by the College to the end-users.</p>	

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<p>(a) Instruct the Accountant and the Supply Unit to facilitate the reconciliation of the accounting books and property records, and immediately adjust the discrepancies noted, as warranted; and</p> <p>(b) Instruct the University Accountant to prepare Supplies and Ledger Cards (SLCs) for each kind of supplies and materials as required in Section 17, Chapter 8 of GAM for NGAs, Volume II.</p>			<p>(a) Partially Implemented</p> <p>(b) Fully Implemented</p>
<p>3. <i>The grant of financial assistance from the Commission on Higher Education (CHED) under the Smart Campus Development Program was recognized in the books as a liability instead of revenue despite the issuance of a Memorandum by the Office of the CHED Executive Director dated December 6, 2021 clarifying the nature of the funds as a donation, resulting in the overstatement of the Due to NGAs and understatement of Income from Grants and Donations account by the same amount of ₱25,000,000.00 as of December 31, 2021.</i></p> <p>We recommended and Management agreed to direct the Accountant to draw the corresponding adjusting entries to properly recognize the Smart</p>	<p>CY 2021 AAR</p>	<p>The Accountant made the necessary adjustments in its books of accounts to reclassify the amount of financial assistance received by the College from CHED under the Smart Campus Development Program as per JEV No. 22-02-053 dated February 22, 2022.</p>	<p>Fully Implemented</p>

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Development Campus funds amounting to ₱25,000,000.00 as Income from Grants and Donations instead of Due to NGAs/Accumulated Surplus.			
<p>4. <i>The reliability of the reported balance of Due to NGAs account as of December 31, 2021 amounting to ₱50,647,752.58 was uncertain due to:</i></p> <p>(a) <i>incorrect recognition of transactions totaling ₱29,024,349.44, overstating the account contrary to the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume III; and</i></p> <p>(b) <i>inclusion of unexpended fund balances of completed projects totaling ₱427,369.08, which are yet to be liquidated and returned to the source agencies, inconsistent with Section 4.9 of COA Circular No. 94-013 dated December 13, 1994.</i></p> <p>We recommended that Management undertake the following courses of action:</p> <p>(a) Direct the Accountant to draw a Journal Entry Voucher (JEV) reclassifying the amount of ₱29,024,349.44 to the proper accounts and derecognizing all items pertaining to the erroneous</p>	CY 2021 AAR	<p>The College President, through the issuance of BASC Memorandum No. 2022-06 dated March 24, 2022, instructed the Accountant to draw the adjusting journal entries to reclassify the transactions from Due to NGAs account their respective accounts. In compliance, the Accountant drew JEV No. 22-06-165 dated June 30, 2022 to adopt some of the adjusting journal entries proposed by the Audit Team that carried in the Due to NGAs accounts.</p>	(a) Fully Implemented

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<p>entries in the Due to NGAs account; and</p> <p>(b) Cause the immediate return/liquidation of the unexpended fund balances of completed projects to the respective source agencies or the Bureau of the Treasury.</p>			<p>(b) Not Implemented</p> <p>Reiterated the observations in Part II of the CY 2022 AAR.</p>
<p>5. <i>The erroneous recognition of School Fees and other income as Other Payables instead of Revenues resulted in the overstatement of the Liabilities account by ₱8,805,377.10. Inversey, Revenues/Accumulated Surplus (Deficit) was understated by the same amount, inconsistent with the provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volumes I and III, affecting the fair presentation of the Liabilities and Equity accounts in the year-end financial statements.</i></p> <p>We recommended that Management undertake the following courses of action:</p> <p>(a) Draw a Journal Entry Voucher (JEV) to correct the recording of various Revenue accounts from Other Payables to the respective Revenue accounts or Accumulated Surplus (Deficit), as the case may be; and</p>	<p>CY 2021 AAR</p>	<p>The Accountant drew JEV No. 22-01-005 dated January 31, 2022 to reclassify the transactions erroneously lodged from the Other Payables account to the respective Income accounts.</p>	<p>(a) Fully Implemented</p>

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(b) Direct the Accounting personnel to properly recognize transactions by using the accounts prescribed under the GAM for NGAS, Volume III, thus, ensuring the reliability and accuracy of the reported balances in the financial statements.			(b) Fully Implemented
<p>6. <i>The collection and remittance/deposit of school fees were not accurately recognized and reported in the books of accounts due to weak internal control in the handling of cash transactions resulting in a cash shortage of ₱45,050.00, which is a departure from Section 105 of Presidential Decree (P.D.) No. 1445.</i></p> <p>We recommended that Management require the Accountant to:</p> <p>(a) Require the AO to immediately restitute the cash shortage under her custody amounting to ₱45,050.00;</p> <p>(b) investigate the reason why the shortage occurred and impose appropriate sanctions against persons found liable thereto;</p> <p>(c) implement a more effective system of internal control in monitoring the collection and remittance/deposit of fees of the College to ensure</p>	CY 2021 AAR	Per OR No. 3340842 dated April 22, 2022, the AO returned the cash shortage to the accounts of BASC. The transaction was properly recorded by the Accountant through undated JEV No. 22-03. Likewise, a new employee was designated by the College as Acting Cashier.	<p>(a) Fully Implemented</p> <p>(b) Fully Implemented</p> <p>(c) Fully Implemented</p>

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<p>that the reports generated by the Cashier and the Accounting Units embody accurate financial data;</p> <p>(d) instruct the Accountant to draw the necessary adjusting entries in the books to recognize the Receivable account of the defaulting AO.</p>			(d) Fully Implemented
<p>7. <i>Long overdue loans of student beneficiaries under the Student Financial Assistance Program (StuFAP) and Student Assistance Fund for Education (SAFE) Loan Program of the Commission on Higher Education (CHED) amounting to ₱563,500.00 and ₱2,023,000.00, respectively, remained outstanding as of year-end due to Management's failure to institute effective measures of collection. Consequently, the government was deprived of further use of the funds for other productive purposes.</i></p> <p>We recommended that Management require the Accountant to:</p> <p>(a) Exert extra effort in developing an effective collection scheme to compel the student beneficiaries to settle their outstanding balances;</p> <p>(b) Institute legal remedies, such as garnishment of personal</p>	CY 2021 AAR	The College visited the new addresses of some of the liable persons to compel payment from their outstanding accounts but their demand remained unheeded.	<p>(a) Not Implemented</p> <p>Reiterated the observations in Part II of the CY 2022 AAR.</p> <p>(b) Not Implemented</p>

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property, in case of non-compliance with the demand.			Reiterated the observations in Part II of the CY 2022 AAR.
<p>8. <i>A sum of ₱16,591,870.00 or 7.35% of the total agency budget of ₱225,730,000.00 for CY 2021 was allocated by the College for projects and activities related to Gender and Development (GAD) in accordance with the provisions of Executive Order (E.O.) No. 273 and Philippine Commission on Women/National Economic and Development Authority/Department of Budget and Management (PCW/NEDA/DBM) Joint Circular No. 2012-01. The fund utilization rate was also beyond satisfactory at 179.02% of the budgeted amounts in the proposed GAD Plan and Budget (GPB). However, only 16 out of 29 GAD Programs/ Activities/ Projects (PAPs) or 55.17% were actually implemented in accordance with the GPB; thus, the overall utilization rate is deemed not representative of the Agency's GAD performance.</i></p> <p>We recommended that Management undertake the following courses of action:</p> <p>(a) Maintain adherence to the pertinent provisions of Executive Order No. 273 and PCW/NEDA/DBM Joint</p>	CY 2021 AAR	For CY 2022, BASC substantially complied with the existing rules and regulations on GAD related-activities and actual GAD attributions was 157.14% of the budgeted amounts in the GAD Plan and Budget.	(a) Fully Implemented

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<p>Circular No. 2012-01 on the proper attribution and implementation of GAD-responsive Programs/Activities/Projects (PAPs) as embodied in the approved GAD Plan and Budget; and</p> <p>(b) Continue to carefully plan and develop PAPs which are doable and attainable even in circumstances that hamper the attainment of plans and goals; make use of the individual performance outcomes of each PAP in determining and evaluating the areas of improvement in terms of sensitivity and responsiveness to identified gender issues and enable the GFPS to obtain a more accurate measurement of performance that would truly represent the College's compliance with the GAD mandate in a holistic manner.</p>			(b) Fully Implemented
<p>9. <i>As of December 31, 2021, the total audit disallowances amounting to ₱1,651,581.38 remained unsettled contrary to Section 7.1 of the Revised Rules on the Settlement of Accounts (RRSA).</i></p> <p>We recommended that Management undertake the following courses of action:</p> <p>(a) Require the immediate settlement of the disallowed</p>	CY 2021 AAR	The Accountant prepared the relevant documents of the disallowed transactions for the submission of the request to implement the installment payment scheme to the Legal Department of COA Central	(a) Not Implemented

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<p>claims that have become final and executory;</p> <p>(b) Instruct the officials/personnel involved in the processing and certification/approval of claims to exercise more prudence in ensuring that all financial transactions comply with the existing laws, rules and regulations to avoid suspensions and disallowances in audit.</p>		<p>Office. On the other hand, the Management constantly reminded the Accounting Office and other offices involved to exercise diligence and comply with existing rules and regulations on disbursements of government funds.</p>	<p>Reiterated the observations in Part II of the CY 2022 AAR.</p> <p>(b) Fully Implemented</p>