

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

Of the 24 audit recommendations embodied in prior year's Annual Audit Reports (AARs), 18 were fully implemented and six were not implemented.

Reference	Observations	Recommendations	Status of Implementation
<p>CY 2022 AAR, Observation No. 1, page 33</p>	<p>Inventories as of December 31, 2022 included issued semi-expendable properties with a total carrying value of ₱66,582,224.11 which is not in accordance with COA Circular No. 2022-004 dated May 31, 2022, thereby overstating the Accumulated Surplus by the same amount and overstating the Semi-Expendable Property accounts and the corresponding Allowance for Impairment Loss by ₱79,220,909.67 and ₱12,638,685.56, respectively. Likewise, a difference between the accounting and property records amounting to ₱1,360,809.82 remained unreconciled as of year-end.</p>	<p>a) Require the Accountant to draw the appropriate adjusting entries to properly charge the carrying amounts of semi-expendable properties that were issued to end-users to the Accumulated Surplus accounts;</p> <p>b) Direct the Accountant and the Supply Unit to expedite the reconciliation of the remaining semi-expendable property accounts with deficiencies and adjust the books of accounts and property records, as warranted, once the results have been established;</p> <p>c) Initiate the creation and issuance of its own policy on the estimated useful life of each semi-expendable item;</p> <p>d) Require the Property Officer to prepare and maintain the Registry of Semi-Expendable Property</p>	<p>a) Not implemented.</p> <p>Some semi-expendable items which were already issued to end-users remained in the books because the Accountant was not supplied with the Inventory Custodian Slips (ICS) to support the recording.</p> <p>b) Fully implemented.</p> <p>c) Fully implemented.</p> <p>d) Fully implemented.</p>

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		<p>Issued and Report of Semi-Expendable Property Issued; and</p> <p>e) Direct the Accountant and the Property Officer to observe the rules and guidelines on the categorization of semi-expendable properties under COA Circular No. 2022-04 dated May 31, 2022.</p>	<p>e) Fully implemented.</p> <p>Reiterated in Observation No. 3 of this AAR.</p> <p>These observations were first raised in the CY 2022 AAR.</p>
<p>CY 2022 AAR, Observation No. 2, page 40</p>	<p>The accuracy of the balances of the Property, Plant and Equipment (PPE) accounts with a total carrying amount of ₱624,956,966.76 as of December 31, 2022 was not established due to: (a) unreconciled difference between the accounting and property records amounting to ₱374,500.90; (b) inclusion of semi-expendable properties totaling ₱1,098,373.92; and (c) inclusion of unserviceable items with a total carrying amount of ₱39,435.10, contrary to the provisions of Section 79 of Presidential Decree No. 1445, Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, and COA Circular No. 2022-004 dated May 31, 2022.</p>	<p>a) Direct the Accountant to adjust the books of accounts, as warranted, once the results have been established;</p> <p>b) Require the Accountant to draw the appropriate adjusting entries to properly recognize the equipment donated to the College, charge the carrying amounts of the semi-expendable properties that were issued to end-users from PPE accounts to the Accumulated Surplus accounts, as well as to drop the unserviceable items lodged in the PPE accounts, to ensure that financial reports represent reliable information; and</p> <p>c) Ensure proper coordination between the Property Officer and the Accountant to facilitate timely monitoring in the</p>	<p>a) Fully implemented.</p> <p>b) Fully implemented.</p> <p>c) Not implemented.</p> <p>Discrepancies were still noted between</p>

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		movements of accounts.	Accounting and Property records. Reiterated in Observation No. 1 of this AAR. These observations have been raised in prior years' AARs.
CY 2022 AAR, Observation No. 3, page 46	Despite similar observations in the previous year, the balance of the Due to NGAs account as of December 31, 2022 still included funds which are incorrectly recognized as payables in the books, contrary to the GAM for NGAs, Volume III, thus the reported balance of Due to NGAs and Accumulated Surplus in the financial statements as of year-end are misstated by ₱1,002,892.07. In addition, unexpended fund balances of completed projects totaling ₱206,555.47 are yet to be returned to their sources, inconsistent with Section 4.9 of COA Circular No. 94-013 dated December 13, 1994.	a) Direct the Accountant to draw the Adjusting Journal Entries; b) Maintain individual subsidiary ledgers to monitor the transactions of each loan assistance program; and c) Continue exerting efforts to coordinate with the respective agencies and/or the Bureau of Treasury to cause the immediate return/liquidation of the unexpended fund balances of completed projects.	a) Fully implemented. b) Fully implemented. c) Not implemented. Unexpended balances of completed projects still remained unreturned to the source agencies or the Bureau of Treasury. Reiterated in Observation No. 5 of this AAR. These observations were first raised in the CY 2022 AAR.
CY 2022 AAR, Observation No. 4, page 51	Overtime pay totaling ₱340,043.75 to some Job Order workers of the BASC from January 1 to December 31, 2022 showed non-compliance with the payment terms as stipulated in the contracts,	a) Cease the payment of overtime services to JO workers whose contracts do not include stipulations on the rendering and payment of overtime, owing to lack of legal basis; and	a) Fully implemented.

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	resulting to irregular disbursement of government funds.	b) Cause the review of payment terms stipulated in the contracts prior to effecting payments to JOs.	b) Fully implemented.
CY 2022 AAR, Observation No. 5, page 55	Due to Management's gaps in instituting effective collection measures, the accounts 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 ₱531,500.00 and ₱2,008,000.00, respectively, remained outstanding for more than 18 years.	<p>a) Exert extra effort and formulate new strategies in identifying the whereabouts of the student-borrowers with outstanding loans;</p> <p>b) Develop an effective collection scheme to increase the rate of recovery of the unpaid loans by exhausting the remedies as provided in the Rules on Expedited Procedures in the First Level Courts; and</p> <p>c) Evaluate the collectability of the loan receivables and determine whether the accounts may be requested for write-off under the terms and guidelines set forth in COA Circular No. 2016-005 dated December 19, 2016.</p>	<p>a) Fully implemented.</p> <p>b) Not implemented.</p> <p>c) Not implemented.</p> <p>The BASC has been exerting efforts to recover the outstanding amounts from the debtors, to very minimal results.</p> <p>Reiterated in Observation No. 4 of this AAR.</p> <p>These observations have been raised in prior years' AARs.</p>
CY 2022 AAR, Observation No. 6, page 58	Additional cash advances were released to one Accountable Officer (AO) despite the non-liquidation of the previous grants,	a) Designate another AO and properly bond the same to ease the bulk of the transactions	a) Fully implemented.

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	<p>contrary to the provisions of Presidential Decree (P.D.) No. 1445, COA Circular No. 97-002 dated February 10, 1997, COA Circular No. 2012-001 dated June 14, 2012 and Section 14, Chapter 6 of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I.</p>	<p>under the accountability of the current AO; or</p> <p>b) Consider reducing the volume of cash advances being handled by the Acting Cashier by coursing the payments to regular employees and wages of contractual and job order workers through ATM;</p> <p>c) Ensure that there is a Certification from the Accountant that previous cash advances have been liquidated or accounted for in the books before authorizing the release of grants to AOs; and</p> <p>d) Formulate its own policies that will monitor and ensure that the grant, utilization, and liquidation of the cash advances are done in a timely manner in accordance with existing rules and regulations.</p>	<p>b) Fully implemented.</p> <p>c) Fully implemented.</p> <p>d) Fully implemented.</p> <p>The recommendations were implemented, however, the enforcement of these recommendations is not consistently applied.</p> <p>Reiterated in Observation No. 6 of this AAR.</p> <p>These observations have been raised in prior years' AARs.</p>
<p>CY 2022 AAR, Observation No. 7, page 61</p>	<p>The Bulacan Agricultural State College (BASC) allocated ₱19,945,050.00 or 7.98% of the total agency budget of ₱249,870,000.00 for CY 2022 for projects and</p>	<p>a) Maintain substantial compliance with the GAD mechanisms and processes in accordance with the</p>	<p>a) Fully implemented.</p>

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	<p>activities related to Gender and Development (GAD) while Actual GAD attributions as per GAD Accomplishment Report amounted to ₱73,975,122.26 or 157.14% of the budgeted amounts in the proposed GAD Plan and Budget (GPB), in accordance with the provisions of Executive Order No. 273 and PCW/NEDA/DBM Joint Circular No. 2012-01.</p>	<p>pertinent provisions of Executive Order No. 273 and PCW/NEDA/DBM Joint 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 PPAs which are doable and attainable even in circumstances that hamper the attainment of plans and goals.</p>	<p>b) Fully implemented.</p>
<p>CY 2022 AAR, Observation No. 8, page 66</p>	<p>As of December 31, 2022, the College had unsettled audit disallowances totaling ₱1,389,859.39.</p>	<p>a) Require the immediate settlement of the disallowed claims that have become final and executory; and</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>a) Not implemented.</p> <p>b) Fully implemented.</p> <p>No settlement was made on the outstanding disallowances in CY 2023.</p> <p>Reiterated in Observation No. 13 of this AAR.</p>