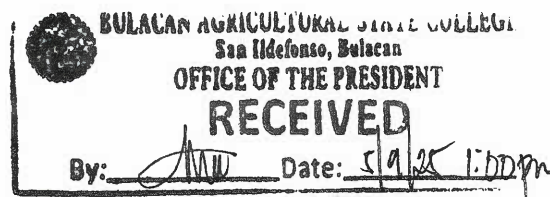




Republic of the Philippines
COMMISSION ON AUDIT
REGIONAL OFFICE NO. III
Maimpis, City of San Fernando, Pampanga

April 30, 2025

Dr. Jameson H. Tan, CESE
College President
Bulacan Agricultural State College
San Ildefonso, Bulacan



Dear **President Tan**,

We are pleased to transmit the Annual Audit Report on the audit of the Bulacan Agricultural State College (BASC) for Calendar Year 2024 in compliance with Section 43 of the Government Auditing Code of the Philippines (P.D. No. 1445).

The audit was conducted to (a) ascertain the level of assurance that may be placed on management assertions on the financial statements; (b) recommend agency improvement opportunities; and (c) determine the extent of implementation of prior year's audit recommendations.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs) and we believe that it provided a reasonable basis for the audit results. We rendered an unmodified opinion on the fairness of presentation of the financial statements of the College as stated in the Independent Auditor's Report in Part I of the report.

The significant audit observations and recommendations requiring immediate action are as follows:

1. The accuracy and reliability of the balances of Accounts Receivable and Loans Receivable - Others accounts amounting to ₱262,141.37 and ₱2.980 million, respectively, as of December 31, 2024 remains doubtful due to: (a) inclusion in the books of various dormant or non-moving accounts for 10 years or more; and (b) discrepancies noted between Accounting records and the computerized system being used by the College, thus, affecting the fair presentation of the financial statements as at year-end.

We recommended that Management take the following courses of action: (a) The Accounting Office, in coordination with the Management Information Systems (MIS) Office, identify the records of students with incorrect balances in the College's database and reconcile the same with Accounting records in order to establish the correct amount of receivables to be recovered and draw adjusting entries in the books, if necessary; and (b) Management continue to exhaust all possible action or remedies to collect the dormant receivables. Otherwise, facilitate the request for write off, if warranted, in accordance with COA Circular No. 2016-005 dated December 19, 2016 and submit relevant documents to the Audit Team for validation.

2. Discrepancies between accounting and property records aggregating to ₱74.028 million remained unreconciled as of year-end due to unrecognized issuances of supplies,

materials and semi-expendable equipment, contrary to the guidelines set forth by Chapter 8 of the Government Accounting Manual for National Government Agencies (GAM for NGAs), Volume I and COA Circular 2022-004 dated May 31, 2022; thus, affecting the accuracy, reliability and completeness of the reported balances of Inventories as of December 31, 2024 amounting to ₱25.410 million.

We recommended that Management take the following courses of action: (a) the Property/Supply Office to continue exerting efforts to locate the Requisition Issue Slips (RIS) or Inventory Custodian Slips (ICS), as the case may be, in order to determine the whereabouts of the noted variances, and prepare the reports therefrom for submission to the Accounting Office; (b) the Property/Supply and Accounting Offices to properly reconcile the property records with the accounting records in order to establish the correct balances of Inventory accounts; and (c) the Accounting Office to subsequently draw adjusting journal entries, if warranted, based on the result of the reconciliation.

3. Depreciation Expense as of December 31, 2024 totaling ₱31.664 million and its related Accumulated Depreciation are deemed unreliable due to (a) the failure of the Accounting Office to apply depreciation to the set of Property, Plant and Equipment (PPEs) valued at ₱8.751 million acquired during the year, contrary to the relevant provisions under Chapter 10 of the Government Accounting Manual for National Government Agencies (GAM for NGAs), Volume 1; and (2) the computation of depreciation for all PPEs is calculated based on the date of payment instead of the acquisition date, contrary to the accrual basis of accounting as promulgated by Chapter 2, Sections 2, 6(b) and 27(c) of the GAM for NGAs, Volume 1.

We recommended that Management take the following courses of action: (a) The Accounting Office to recognize the depreciation expense and corresponding accumulated depreciation on the set of laboratory equipment purchased in CY 2024; (b) adopt the correct computation of depreciation based on the date when the PPE is available for use instead of the date of payment, as prescribed by Section 27(c) of the GAM for NGAs, Volume I; (c) establish control procedures and mechanisms for the timely recognition of depreciation of PPEs; and (d) exercise more diligence in adhering to the rules and regulations governing the proper recognition of Property, Plant, and Equipment.

The other audit observations, together with the recommended courses of action, are discussed in detail in Part II of the report. These, along with the prior year's findings not yet or partially acted upon and included in Part III of the report, had been discussed with the officials and staff of the College.

We request that the recommended measures be implemented and we would appreciate receiving an action plan and status report, thru accomplishing the attached Agency Action Plan and Status of Implementation (AAPSI) form, to be submitted to the Audit Team within 60 days from receipt of this report pursuant to Section 99 of the General Provisions of R.A. No. 11975 or the FY 2024 General Appropriations Act (GAA).

We acknowledge the invaluable support and cooperation extended to our Audit Team by the officials and staff of the College.

Very truly yours,

COMMISSION ON AUDIT

By:

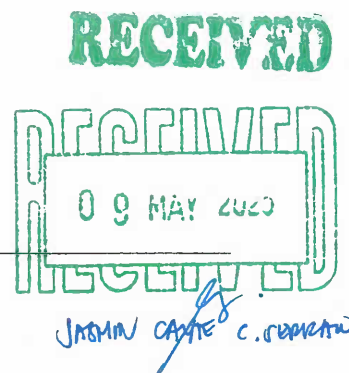


OMAR S. ROQUE
Regional Director

*cc: President of the Republic of the Philippines
Vice President of the Republic of the Philippines
President of the Senate
Speaker of the House of Representatives
Chairperson – Senate Finance Committee
Chairperson – Appropriations Committee
Secretary of the Department of Budget and Management
Presidential Management Staff, Office of the President
The Assistant Commissioner, NGAS, COA, Quezon City
The Commission Proper, COA, Quezon City*



Republic of the Philippines
COMMISSION ON AUDIT
REGIONAL OFFICE NO. III
Maimpis, City of San Fernando, Pampanga



April 30, 2025

Honorable DESIDERIO R. APAG III
Chairperson, Board of Regents
Bulacan Agricultural State College
San Ildefonso, Bulacan

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1. The accuracy and reliability of the balances of Accounts Receivable and Loans Receivable - Others accounts amounting to ₱262,141.37 and ₱2.980 million, respectively, as of December 31, 2024 remains doubtful due to: (a) inclusion in the books of various dormant or non-moving accounts for 10 years or more; and (b) discrepancies noted between Accounting records and the computerized system being used by the College, thus, affecting the fair presentation of the financial statements as at year-end.

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Very truly yours,

COMMISSION ON AUDIT

By:



OMAR S. ROQUE
Regional Director

*cc: President of the Republic of the Philippines
Vice President of the Republic of the Philippines
President of the Senate
Speaker of the House of Representatives
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Secretary of the Department of Budget and Management
Presidential Management Staff, Office of the President
The Assistant Commissioner, NGAS, COA, Quezon City
The Commission Proper, COA, Quezon City*