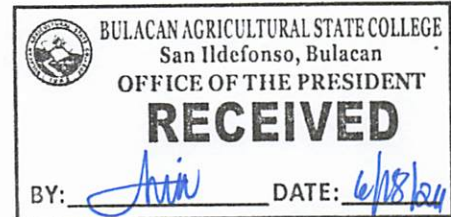




Republic of the Philippines
COMMISSION ON AUDIT
REGIONAL OFFICE NO. III
STATE UNIVERSITIES AND COLLEGES
AND OTHER STAND ALONE AGENCIES AUDIT GROUP
Maimpis, City of San Fernando, Pampanga

June 16, 2026

DR. JAMESON H. TAN, CESE
SUC President III
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 2025 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 a qualified 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 Accounts Receivable and Loans Receivable – Others accounts amounting to ₱0.658 million and ₱2.656 million, respectively, as of December 31, 2025, include various dormant accounts that were neither provided with adequate allowance for impairment nor requested for write-off, contrary to COA Circular No. 2016-005, thereby affecting the fair presentation of the financial statements as at year-end.

We recommended and the College Management agreed to implement the following courses of action: (a) 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; and (b) The Accountant to recognize impairment loss or apply allowance for impairment for receivable accounts with doubtful collectability.

2. The balance of Inventory – Semi-Expendable accounts as of December 31, 2025 amounting to ₱21.082 million comprised of property items already issued to end-users in previous years, contrary to the provisions of Section 10, Chapter 8 of the Government Accounting Manual for National Government Agencies (GAM for NGAs), Volume I, resulting



in the overstatement of the Inventory – Semi-Expendable and the Accumulated Surplus/(Deficit)accounts by ₱21.082 million.

We recommended and the College Management agreed to implement, through the concerned departments, the following corrective measures: (a) The Accountant to draw a Journal Entry Voucher to recognize the issuance of semi-expendable properties in prior years; (b) Trace the whereabouts of and provide ICSs for the semi-expendable properties already previously issued to end-users, and ensure that future issuances are duly and properly reflected in the books; (c) Require the monthly reconciliation between the reports prepared by the Property and Supply Office and the property ledger cards maintained by the Accounting Office to ensure consistency and accuracy of financial reports; and (d) Establish adequate internal controls over the management and recording of semi-expendable properties from acquisition, maintenance of property records and recognition in the books, up to their issuance or disposal.

3. The balance of the Computer Software account amounting to ₱6.683 million (net of amortization) as of December 31, 2025 is unreliable due to the improper application and recognition of amortization of intangible assets, contrary to the provisions of Chapter 12 of the GAM for NGAs, Volume I; thereby overstating the Accumulated Amortization – Computer Software account by ₱16.354 million and understating the corresponding Accumulated Surplus/(Deficit) account by the same amount. In addition, disclosures in the Notes to Financial Statements on Intangible Assets were inadequate, contrary to Section 16, Chapter 12 of the same Manual.

We recommended and the College Management agreed to implement, through the Accounting Office, the following corrective measures: (a) Draw a Journal Entry Voucher to correct the erroneous application of amortization on Computer Software with perpetual licenses; (b) Update the disclosures in the Notes to Financial Statements to accurately reflect the nature, useful lives, and accounting treatment of computer software; and (c) Be guided by the provisions of Chapter 12 of the GAM for NGAs, Volume I in the recognition, amortization, derecognition, and disclosure of computer software.

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 100 of the General Provisions of R.A. No. 12116 or the FY 2025 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:

 COA Signed
2026-06-16
14:04:29

EUMAIDA P. TIONGSON
OIC-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





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June 16, 2026

Honorable DESIDERIO R. APAG III, D.ENG.

Chairperson, Board of Trustees
Bulacan Agricultural State College
San Ildefonso, Bulacan



ROCHELLE JANE L. CORTEZ

JUN 18 2026

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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 owing to the exceptions noted in the audit as stated in the Independent Auditor's Report in Part I of the report.

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Very truly yours,

COMMISSION ON AUDIT

By:

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2026-06-16
14:04:29

EUMAIDA P. TIONGSON
OIC-Regional Director





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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

