

PART III - STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

Of the 26 audit recommendations embodied in the prior year's Annual Audit Report (AAR), 21 were fully implemented and five were not implemented.

Reference	Observations	Recommendations	Status of Implementation
<p>CY 2024 AAR, Observation No. 1, page 37</p>	<p>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 (1) inclusion in the books of various dormant or non-moving accounts for 10 years or more; and (2) 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.</p>	<p>We recommended and Management agreed that:</p> <p>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</p> <p>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.</p>	<p>a. Fully Implemented</p> <p>b. Not Implemented.</p> <p>Implementation is ongoing.</p> <p>Reiterated in Observation No. 1 of this AAR.</p>
<p>CY 2024 AAR, Observation No. 2,</p>	<p>Discrepancies between accounting and property records aggregating to ₱74.028 million remained</p>	<p>We recommended and Management agreed that:</p>	

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page 42	<p>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 No. 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.</p>	<p>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;</p> <p>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</p> <p>c. The Accounting Office to subsequently draw adjusting journal entries, if warranted, based on the result of the reconciliation.</p>	<p>a. Not Implemented.</p> <p>Balances of Semi-Expendable Inventory Accounts as of December 31, 2025 were found to be unsupported with actual inventory items found on hand.</p> <p>b. Not Implemented.</p> <p>Ongoing implementation as of December 31, 2025.</p> <p>c. Not Implemented.</p> <p>Reiterated in Observation No. 2 of this AAR.</p>
CY 2024 AAR, Observation No. 3, page 45	<p>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</p>	<p>We recommended and Management agreed that:</p> <p>a. The Accounting Office to recognize the depreciation expense and corresponding accumulated depreciation on the set of laboratory equipment purchased in CY 2024;</p> <p>b. Adopt the correct computation of depreciation based on</p>	<p>a. Fully Implemented</p> <p>b. Fully Implemented</p>

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	<p>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.</p>	<p>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;</p> <p>c. Establish control procedures and mechanisms for the timely recognition of depreciation of PPEs; and</p> <p>d. Exercise more diligence in adhering to the rules and regulations governing the proper recognition of Property, Plant, and Equipment.</p>	<p>c. Fully Implemented</p> <p>d. Fully Implemented</p>
<p>CY 2024 AAR, Observation No. 4, page 51</p>	<p>Significant delays were noted in the distribution and liquidation of funds for grant-in-aid under the UniFAST Tertiary Education Subsidy - Tulong Dunong Program (TES-TDP), inconsistent with the provisions of UniFAST Memorandum Circular No. 02, series of 2021 as amended by Memorandum Circular No. 02, series of 2022, and Memorandum Circular No. 03, series of 2023. Hence, the release of subsequent funding and its corresponding Administrative Support Costs may be withheld and the intended benefits of the program may not be sustained.</p>	<p>We recommended and Management agreed to:</p> <p>a. Submit the pending liquidation documents and return the undistributed amount of TES-TDP grants to the CHED-RO as soon as possible;</p> <p>b. Establish control procedures for the timely distribution of grants to the student beneficiaries and the subsequent submission of liquidation documents to the CHED-RO to ensure the continuous release of benefits to the scholars;</p> <p>c. Ensure that the 30-day release rule for</p>	<p>a. Fully Implemented</p> <p>b. Fully Implemented</p> <p>c. Fully Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
		the distribution of benefits and the 90-day period required for the liquidation of TES-TDP grants set by CHEDRO are strictly followed in order to avoid the withholding of subsequent scholarship fund releases and its corresponding Administrative Support Costs.	
CY 2024 AAR, Observation No. 5, page 56	The Bulacan Agricultural State College (BASC) substantially complied with the Bureau of Internal Revenue (BIR) Regulations on the withholding of taxes and the remittance thereof within the prescribed period in conformity with Revenue Regulations (RR) No. 2-98 dated April 17, 1998.	We recommended and Management agreed to continue to be compliant with Revenue Regulations No. 2-98 on the withholding of the appropriate taxes from its payment of transactions and ensure remittance thereof within the prescribed period.	Fully Implemented
CY 2024 AAR, Observation No. 6, page 58	The Bulacan Agricultural State College (BASC) judiciously complied with the regulations on the remittances of mandatory contributions due to the Government Service Insurance System (GSIS), in accordance with the stipulations of Republic Act No. 8291 or the GSIS Law. On the other hand, remittance to Pag-IBIG Fund of monthly Home Development Mutual Fund (HDMF) contributions was done in a timely manner, pursuant to Section 3(a) of Rule VII of Republic Act No. 9679.	We recommended and Management agreed to continue to comply with the requirements of R.A. No. 8291 on the withholding and timely remittance of monthly contributions and loan payments to the GSIS, and Section 3(a) of Rule VII of Republic Act No. 9679 on the prompt remittance to Pag-IBIG Fund of monthly Home Development Mutual Fund (HDMF) contributions.	Fully Implemented
CY 2024 AAR,	The Bulacan Agricultural State College (BASC)	We recommended and Management agreed to	Fully Implemented

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Observation No. 7, page 60	substantially complied with the withholding and remittances of amount withheld to PhilHealth pursuant to Paragraphs (a), (b), and (e) of Section 18 of the Revised Implementing Rules and Regulations of Republic Act No. 7875.	continue to be compliant with the remittance of mandatory contributions due to PhilHealth in accordance with Paragraphs (a), (b), and (e) of Section 18 of the Revised Implementing Rules and Regulations of Republic Act No. 7875.	
CY 2024 AAR, Observation No. 8, page 62	Of the total agency budget of ₱263.407 million for Calendar Year (CY) 2024, the Bulacan Agricultural State College (BASC) allocated ₱15.638 million or 5.94 per cent for projects and activities related to Gender and Development (GAD). Actual GAD expenditures and attributions as per GAD Accomplishment Report amounted to ₱19.867 million or 127.04 per cent 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>We recommended and Management agreed to:</p> <p>a. Require the GAD Focal Person to maintain substantial compliance with the GAD mechanisms and processes in accordance with the 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 programs, activities and projects which are doable and attainable even in circumstances that hamper the attainment of plans and goals.</p>	<p>a. Fully Implemented</p> <p>b. Fully Implemented</p>

Reference	Observations	Recommendations	Status of Implementation
<p>CY 2024 AAR, Observation No. 9, page 64</p>	<p>Disbursement for salary differentials to designated Vice Presidents (VPs) has become a complex and contentious issue due to conflicting rulings from the Commission on Higher Education (CHED), the Department of Budget and Management (DBM) and the Civil Service Commission (CSC), thereby resulting to significant financial and operational consequences for the College.</p>	<p>We recommended and Management agreed to:</p> <p>a. Immediately suspend payment of salary and bonus differentials to the designated Vice Presidents until the matter of contradictory rules and regulations is duly addressed and resolved;</p> <p>b. Make representation and directly communicate with the CSC, DBM and CHED for clarification and guidance on the conflicting mandates; and</p> <p>c. Document all actions taken to address this compliance issue, including any correspondence with all the governing bodies concerned and the steps taken to conform the salary structure with the applicable rulings.</p>	<p>a. Fully Implemented</p> <p>b. Fully Implemented</p> <p>c. Fully Implemented</p>
<p>CY 2024 AAR, Observation No. 10, page 67</p>	<p>Payments to government suppliers were made before the goods have been delivered or the services have been rendered, in violation of COA Circular No. 82-177 dated March 4, 1982 and Section 4 of Annex D of the 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No.</p>	<p>We recommended and Management agreed to:</p> <p>a. Refrain from making payments to government contractors and suppliers before the goods have been delivered or the services have been rendered; and</p>	<p>a. Fully Implemented</p>

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	9184, or the Government Procurement Reform Act.	b. Ensure strict compliance with the prohibition on advance payment of government contracts. Be guided with the provisions of COA Circular No. 82-177 dated March 4, 1982, and Section 4 of Annex D of the 2016 Revised Implementing Rules and Regulations of R.A. No. 9184.	b. Fully Implemented
CY 2024 AAR, Observation No. 11, page 70	The computation of proportional monthly salary and Personnel Economic Relief Allowance (PERA) of regular employees are not consistent with the prescribed formula under CSC Memorandum Circular No. 8, series of 2014 dated May 5, 2014, and DBM Budget Circular No. 3, series of 2009 dated August 18, 2009, thus, resulting to overpayments of salaries, wages and allowances to employees.	We recommended and Management agreed to: a. The Human Resource Management Office to adopt the prescribed 22 working days in a month in determining the daily salary rate for the computation of proportional salary and PERA of regular employees; and b. The Human Resource Management Office and the Accounting Office to review and standardize the formula to be used in the computation of daily salary rate, as needed.	a. Fully Implemented b. Fully Implemented
CY 2024 AAR, Observation No. 12, page 72	As of December 31, 2024, the total audit disallowances amounting to ₱1.390 million remained unsettled, contrary to Section 7.1. of the Revised Rules on the Settlement of Accounts (RRSA).	We recommended and Management agreed to: a. Require the immediate settlement of the disallowances that have been final and executory; and	a. Not Implemented Settlement of disallowances is ongoing.

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		<p>b. Instruct the officials involved in the processing of claims to be exercise diligence and ensure that succeeding transactions comply with the existing regulations to avoid suspensions and disallowances in audit.</p>	<p>b. Fully Implemented</p> <p>Post-audit of disbursements during the year showed that the College has been generally compliant with laws, rules and regulations on expenditures.</p>