



OFFICE OF THE COLLEGE PRESIDENT

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July 26, 2022

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 Regional Director
 Commission on Audit
 Rawis, Legazpi City

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 State Auditor IV/ Supervising Auditor
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 State Auditor III /Audit Team Leader
 Commission on Audit

Sir:

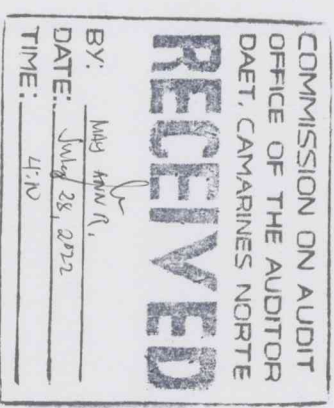
We respectfully submit the **Agency Action P and Status of Implementation (AAPSI) Report** of our College regarding the audit observations and recommendations contained in the Annual Audit Report (AAR) for CY 2021.

We are also extending our appreciation for your continuous support as our partner agency in promoting good governance.

Thank you very much.

Very truly yours,

DR. MARLO M. DE LA CRUZ, PECE
 SUC President III





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Republic of the Philippines
CAMARINES NORTE STATE COLLEGE

F. Pimentel Avenue, Brgy. 2, Daet, Camarines Norte – 4600, Philippines

INTERNAL CONTROL OFFICE

STATUS OF IMPLEMENTATION OF COA RECOMMENDATIONS ANNUAL AUDIT REPORT (AAR) CY 2021

COA Recommendations	Fully Implemented	Partially Implemented	Not Implemented	Ongoing	Total
COUNT					
CY 2021	63	25	7	0	95
Prior Years	32	25	7	0	64
Total	95	50	14	0	159
PERCENTAGE					
CY 2021	66%	26%	7%	0%	100%
Prior Years	50%	39%	11%	0%	100%
Total	60%	31%	9%	0%	100%

Note: Rate of implementation is based on data as of June 25, 2022.

Prepared by:

IRINE E. ANDAYA

Internal Control Officer

Agency Action Plan and Status Implementation 2021



AGENCY ACTION PLAN AND STATUS IMPLEMENTATION 2021

(AAPSI 2021)



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AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION

Audit Observations and Recommendations
For the Calendar Year 2021
As of June 25, 2022

Ref.	Audit Observations	Recommendations	Agency Action Plan				*Status of Implementation	Reason for Partial Delay/Non-Implementation, If Applicable	Action Taken/Action to be Taken
			Action Plan	Person/Unit Responsible	Target date of Implementation				
					From	To			
A. FINANCIAL AND COMPLIANCE AUDIT									
AOM No. 22-016 (21) dated February 22, 2022	1. "The correctness, completeness and existence of the reported Property, Plant and Equipment accounts totaling ₱924,495,331.18 (excluding Construction in Progress account) as of December 31, 2021, cannot be relied upon due to (a) inability to submit a complete Report on the Physical Count of Property, Plant and Equipment (RPCPPE); (b) deficiencies noted in the submitted year-end inventory report; (c) existence of unreconciled discrepancy of ₱16,959,790.17 between inventory report and PPE book balance; (d) inadequate documents supporting legal ownership of land; and (e) inclusion in the inventory report	We recommend that Management: a. Create an Inventory Committee that will conduct a complete annual physical count of PPE and prepare complete RPCPPE in accordance with Section 38, Chapter 10 of GAM for NGAs, Volume I; b. Remind the Supply Officers and Accountant to properly accomplish the forms and observe the instructions indicated under Appendices 69, 70, 71 and 73 of GAM for NGAs, Volume II; c. Remind the Supply and Property Officer to immediately prepare the PARs upon issuance of PPEs to end-users and attach a copy to the corresponding disbursement vouchers for payment; d. Require the Accountants and the SOs	To create an Inventory Committee	Madelon B. Lee Accounting Office	February 2022	June 2022	Fully Implemented	Issuance of Admin Order No. 56 S. 2022 Annex 1	
			To provide additional guidelines in processing and recording of inventories	Evangeline L. Sarion SPMO Head	February 2022	July 2022	Fully Implemented	Issuance of Admin Memo No. 121 S. 2022 Annex 2	
			To provide additional guidelines in processing and recording of inventories		February 2022	July 2022	Fully Implemented	Issuance of Admin Memo No. 121 S. 2022 Annex 2	
					February 2022	July 2022	Partially Implemented	Reconciliation is partially done Issuance of Admin Memo No. 121 S. 2022 Annex 2	

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	<p>of unserviceable properties, thereby, affecting the fair presentation of the asset accounts in the Financial Statements.</p> <p>a. The RPCPPEs of various PPE accounts under the Regular Agency Fund (RAF) and Business-Related Fund (BRF) as of December 31, 2021, were not submitted contrary to Section 38, Chapter 10 of the GAM for NGAs, Volume I.</p> <p>b. Deficiencies were noted in the preparation of PPE records and reports not in conformity with the applicable rules and regulations under the GAM.</p> <p>c. Unreconciled variance of ₱16,959,790.17 between inventory report and PPE book balance cast doubt on the correctness thereof in the financial statements.</p> <p>d. Damaged and unserviceable properties costing at least ₱1,087,183.36 were included in the PPE balance.</p>	<p>to reconcile any discrepancy noted between their records to enable them to adjust accordingly; and</p> <p>e. Direct the concerned SO and Accountant to review and verify from previously prepared IIRUP those PPE items that were already disposed and items that are identified as unserviceable and dropped from the books by debiting Impairment Loss-Property, Plant, and Equipment (cost of the PPE less Accumulated Depreciation).</p>	<p>To provide additional guidelines in processing and recording of inventories</p> <p>To provide additional guidelines in processing and recording of inventories</p>		<p>February 2022</p>	<p>July 2022</p>	<p>Partially Implemented</p>	<p>Review of record was initiated and on-going</p>	<p>Issuance of Admin Memo No. 121 S. 2022</p> <p>Annex 2</p>
<p>AOM No. 22-017 (21) dated March 04, 2022</p>	<p>2. Accuracy and reliability of the Cash in Bank-Local Currency, Current Accounts (CIBLCCA) balance as of</p>	<p>We recommend that the Management require the College Accountant to prepare and submit complete Monthly BRS in</p>	<p>To require accountants to submit BRS religiously</p>		<p>March 2022</p>	<p>December 2022</p>	<p>Partially Implemented</p>	<p>Land Bank of the Philippines (LBP) does not provide bank statements (BS) religiously despite continuous requests.</p>	<p>As of this writing, the last BS of LBP is May 2022. The late BS of LBP is beyond our control.</p> <p>Annex 41</p>



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	December 31, 2021, amounting to ₱85,912,579.49 could not be ascertained as a consequence of a noted material variance amounting to ₱10,868,374.29 between the book and bank records, non-inclusion of cash in bank balance of ₱159,801.29 and erroneous treatment of a reconciling item in the books of the College.	accordance with the rules and regulations. Furthermore, effect the necessary adjustment in the books of the erroneous treatment of outstanding checks, henceforth, ensure proper treatment of reconciling items in the books in order to reflect reliable and accurate cash in bank balance in the financial statements.	To make necessary adjusting journal entries to reflect reliable and accurate cash balance	Madelon B. Lee Accounting Office	March 2022	March 2022	Fully Implemented		JEV No. 05-2022-03-0021 was made. Annex 3
AOM No. 21-023 (21) dated November 17, 2021	3. Some official receipts (ORs) assigned for the collection of fees under one fund cluster were issued for collection of other funds, contrary to Section 73 of the Government Accounting and Auditing Manual (GAAM), Volume I and sound internal control, hence, exposing risk of misuse of government collection.	We recommend that Management require the concerned Cash Collecting Officer to issue official receipts in strict numerical sequence pursuant to Section 73 of GAAM, Volume I. Avoid using / issuing ORs from one Fund to another and be more cautious on the appropriate use of official receipt for a particular collection to avoid erroneous issuance thereof.	To call the attention of the Collecting Officer (CO) and to require her to be more cautious in issuing ORs	Jeanette C. Abaquita PCFC-CoEd	November 2021	November 2021	Fully Implemented		The CO commits to be more extra cautious in issuing ORs. Annex 4
AOM No. 21-026 (21) dated November 17, 2021	4. Various expenses for meals, pantry supplies and accommodation were charged to the petty cash fund (PCF)	We recommend that Management instruct the PCF Custodian to discontinue the practice of charging meals, snacks, groceries/pantry supplies and accommodation to the	To issue guidelines about PCFC and about meals.	Maria Luisa T. Baria PCFC-Entienza	November 2021	June 2022	Fully Implemented		Admin Memo No. 75 S. 2021 and Admin Memo No. 113 S. 2022 were issued. Annexes 5 & 6



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	contrary to Item 4.0 of COA Circular No. 2012-003 dated October 29, 2012 and pertinent provisions in the GAM for NGAs, Volume I, resulting in improper utilization of government funds.	PCF for the performance of regular activities inherent in programs/projects essential to the operations of the Agency be given priority in order to avoid unnecessary expenditures as provided under the above-cited provisions of COA Circular No. 2012-003.						
AOM No. 21-031 (21) dated November 17, 2021	5. Deficiencies in handling Petty Cash Fund were noted contrary to the pertinent provisions of the GAM for NGAs, Volume I, thereby defeating the purpose for its establishment and may be open to plausible misuse or abuse of funds.	We recommended and Management agreed to take the following courses of action: a. Strictly comply with Section 36 of the GAM for NGAs, Volume I and COA Circular No. 2012-001 on the submission of the required documents to support the liquidation of cash advances; b. Discontinue the charging of expenditures that are not essential to operation to avoid unnecessary expenditures; and c. Refrain from splitting transactions pursuant to Section 35 of the GAM for NGAs, Volume I.	To issue guidelines about PCFC.	Amelia O. Elep Cashier Office	November 2021	July 2022	Fully Implemented	Admin Memo No. 75 S. 2021 and Admin Memo No. 113 S. 2022 were issued. Annexes 5 & 6
			To issue guidelines about PCFC.		November 2021	July 2022	Fully Implemented	Admin Memo No. 75 S. 2021 and Admin Memo No. 113 S. 2022 were issued. Annexes 5 & 6
			To issue guidelines about PCFC.		November 2021	July 2022	Fully Implemented	Admin Memo No. 75 S. 2021 and Admin Memo No. 113 S. 2022 were issued. Annexes 5 & 6
AOM No. 21-029 (21) dated November 17, 2021	6. Petty Cash Fund was not replenished upon reaching 75% of disbursements, contrary to Paragraph 4.3.1 of COA Circular No. 97-002, thus, the petty cash fund at some point in time will	We recommend and Management agreed to require the PCFC to request replenishment of the PCF upon reaching 75 percent of disbursements or as the	To issue guidelines about PCFC.	Irvin O. Bequillo PCFC-CANR	November 2021	July 2022	Fully Implemented	Admin Memo No. 75 S. 2021 and Admin Memo No. 113 S. 2022 were issued. Annexes 5 & 6



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	not be available to pay for the petty operating expenses of the agency defeating the purpose for which the fund was established.	need arises by submitting a replenishment voucher together with the required supporting documents.							
AOM No. 21-029 (21) & AOM No. 21-031 (21) dated November 17, 2021	7. The Petty Cash Fund granted to the AOs of the College exceeded the one-month requirement, contrary to Paragraph 4.3.1 of COA Circular No. 97-002 dated February 10, 1997, thus, exposing the cash to possible loss, misuse and unnecessarily typing up the agency's fund/cash which could have been used for other purpose.	We recommend that Management reduce the PCF to an amount sufficient to cover the one-month requirement for the specific operation of the College based on the historical data on the average monthly expenses charged to the fund.	To analyze the necessity of the delivery unit to determine the PCF level	Irvin O. Bequillo PCFC-CANR Amelia O. Elep Cashier Office	November 2021	December 2021	Fully Implemented		OR No. 432338 was issued for the reduction of PCFC of the hostel. Annex 7
AOM No. 21-031 (21) dated November 17, 2021	8. Petty Cash Funds Records (PCFR) were not properly filled out in accordance with Appendix 50 of the GAM for NGAs, Volume II, hence, transactions cannot be properly verified in the related records and reports. Also, discrepancies in the records of the PCFC casted doubt on the actual amount of cash on hand defeating the purpose of providing immediate cash resource when the need arises.	We recommend the Management instruct the PCFC to properly filled out the PCFR per transaction as indicated in the PCV so as to reflect actual disbursements for easy verification in other records for the PCFC to reflect actual cash on hand in all her records and stop charging expenses that are not covered by the replenishment made so as not to compromise the operation of the IGP.	To provide guidelines for PCFC	Amelia O. Elep Cashier Office	November 2021	December 2021	Fully Implemented		Admin Memo No. 75 S. 2021 was issued. Annex 5

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<p>AOM No. 21-033 (21) dated November 17, 2021</p>	<p>9. The accountable officer (AO) was granted cash advances beyond the maximum cash accountability allowed under the fidelity bond coverage, contrary to pertinent provisions of COA Circular No. 97-002, thereby, exposing the government to risks of possible losses due to non-indemnification in cases of defalcation, shortages or unrelieved losses that might occur in the safekeeping of such fund.</p>	<p>We recommend that the Management to strictly require the following: a. For the Accountant to regularly check the updated copy of fidelity bond coverage of the AO before processing the request for cash advance and ensure that the amounts granted are within the maximum cash accountability of each AO. Otherwise, cause the application of additional bond of the AO for the increase in accountability; and b. For the Accountable Officer to be cautious in observing his maximum cash accountability and promptly inform the Cashier/Accounting Department should his current balance or cash advance granted exceeds the allowable amount per approved bond.</p>	<p>To provide guidelines for PCFC</p>	<p>Marilyn Ferrer Cashier Office</p>	<p>November 2021</p>	<p>July 2022</p>	<p>Fully Implemented</p>		<p>Admin Memo 122 s. 2022 was issued. Annex 52</p>
<p>AOM No. 21-013 (21) dated February 11, 2022</p>	<p>10. Existence of negative balances and unidentified adjustments of the Accounts Receivable account amounting to ₱1,465,963.32 and ₱1,212,801.49, respectively, render the accuracy, reliability and validity thereof in the financial statement, doubtful. a. Existence of negative balances totaling ₱1,465,963.32 decreases the actual balances of Accounts Receivable. b. Deduction in the balances of Accounts Receivable as adjustment was effected to the account with no</p>	<p>We reiterate our previous recommendations for Management to meticulously plan ways to retrieve documents relative to the receivable accounts with negative balances and evaluate/assess properly so that adjustment thereof can be effected accordingly. Moreover, restore the adjustments made on the accounts with no specific breakdown and unidentified/undocumented adjustments.</p>	<p>To trace the root cause of the negative balances and make proper correcting actions accordingly.</p>	<p>Madelon B. Lee Accounting Office</p>	<p>March 2022</p>	<p>December 2022</p>	<p>Partially Implemented</p>	<p>List of Items to be adjusted was already forwarded to MIS Head up to now it was not changed.</p>	<p>The AO signifies her indulgence to the recommendation Annex 8</p>
					<p>November 2021</p>	<p>November 2021</p>	<p>Fully Implemented</p>		
					<p>March 2022</p>	<p>March 2022</p>	<p>Not Implemented</p>		



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	specific breakdown and supporting document.								
AOM No. 21-011 (21) dated February 08, 2022	11. The reliability, accuracy and existence of Inventory accounts with a total book value of ₱19,451,729.60 as of December 31, 2021 cannot be ascertained due to difference of ₱11,819,570.08 or 60.76 per cent of the total Inventories compared to the ₱7,632,159.52 balance per Report on the Physical Count of Inventories.	<p>We recommend that Management:</p> <p>a. Require the Accountant and Property Officer to reconcile their respective Inventory balances and make necessary adjustments to reflect the correct value of the Inventory accounts in the Financial Statements;</p> <p>b. Reconcile periodically and monitor the movement of the Inventory accounts using RSMI and RIS to ensure that the appropriate valuations are reflected in the financial reports;</p> <p>c. Require the Supply Officers of all the campuses to submit the RIS for supplies and materials allegedly issued immediately to end-users;</p> <p>d. Require all Supply Officers to prepare and submit the RPCI for inventories under their custody and to follow the correct/proper classification of accounts in the RPCI in accordance with the</p>	<p>To continue the reconciliation process of inventory accounts</p> <p>To continue the reconciliation process of inventory accounts</p> <p>To provide guidelines in supply and property management.</p> <p>To provide guidelines in supply and property management.</p>	<p>Evangeline L. Sarion – Supply Office</p> <p>Madelon B. Lee Accounting Office</p>	<p>March 2022</p> <p>February 2022</p> <p>February 2022</p> <p>February 2022</p>	<p>December 2022</p> <p>July 2022</p> <p>February 2022</p> <p>July 2022</p>	<p>Partially Implemented</p> <p>Partially Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Partial documents were provided by SPMO and Accounting Office to each other for reconciliation</p> <p>Partial documents were provided by SPMO and Accounting Office to each other for reconciliation</p>	<p>Admin Memo No. 121 s. 2022 was issued</p> <p>Annex 2</p> <p>Admin Memo No. 12 S. 2022 was issued.</p> <p>Annex 9</p> <p>Admin Memo No. 121 s. 2022 was issued</p>



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		Revised Chart of Accounts; and e. Maintain updated SLCs in the Accounting Office and Stock Cards in the Property and Supply Office for all inventory items to ascertain the accuracy of the reported balance of Inventories and undertake periodic reconciliation of accounting and supply unit records.	To update inventory records both in Accounting Office and SPMO regularly.		February 2022	December 2022	Partially Implemented	SLCs and Stock Cards are partially updated	
AOM No. 22-004 (21) dated January 18, 2022	12. Discrepancy of ₱787,323.52 between the balance of the Due to NGAs account and the confirmed reciprocal account balances from the Source Agencies was noted, thereby affecting the fair presentation of the affected account in the financial statements as of September 30, 2021.	We recommend that Management to require the accountant to: a. Perform periodic reconciliation of the balances of the Due to NGAs account with the Source Agencies concerned and effect necessary adjustments, as appropriate; and b. Strictly adhere with the prescribed accounting entries of recording transactions pertaining to the receipts, disbursements and liquidation of externally-funded projects, in conformity with those provided in Annex M of the Government Accounting Manual (GAM) for National Government Agencies, Volume I.	To ensure that internal records per projects are reconciled between Accounting Office and Project Teams. Periodic Liquidation and submission of reports to source agencies shall be done per project. Reconciliation with source agencies shall be done regularly	Madelon B. Lee Accounting Office	January 2022	December 2022	Partially Implemented	On-going liquidation of the expenses per project is submitted regularly while the project is on-going.	NCAA was reconciled and fully liquidated/refunded Annex 10 Periodic reconciliation for DOST was initiated on July 13, 2022 Annex 11 Periodic reconciliation for CHED was initiated on July 14, 2022 Annex 12
					January 2022	May 2022	Fully Implemented		Reclassification entry was made Annex 13

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<p>AOM No. 22-020 (21) dated March 11, 2022</p>	<p>13. Several accounts of the College were not appropriately classified in the books of accounts, not in conformity with the Revised Chart of Accounts (Updated 2019) for National Government Agencies (NGAs) prescribed under COA Circular No. 2020-001 dated January 8, 2020, thus, affecting the fair presentation thereof in the Financial Statements.</p>	<p>We recommend that Management direct the accountant to properly analyze, classify and record every transaction in the books in accordance with the Revised Chart of Accounts. Also, prepare the necessary adjusting/reclassification entries relative to the outstanding/unrecouped mobilization fee as follows: Advances to Contractors – xxx Construction in Progress – Buildings and Other Structures - xxx</p>	<p>To follow the correct journal entries prospectively.</p>	<p>Madelon B. Lee Accounting Office Nida T. Pimentel Budget Office</p>	<p>March 2022</p>	<p>March 2022</p>	<p>Fully Implemented</p>		<p>JEV No. 01-2022-03-0018 was made. Annex 14</p>
<p>AOM No. 21-014 (21) dated February 15, 2022</p>	<p>14. Poor Collection efficiency on loans and accounts receivables totaling ₱21,350,128.81 (excluding negative balances, unidentified/unsupported adjustments and errors) due to inadequate monitoring and lenient actions, contrary to Section 6.1 of COA Circular No. 2016-005, thus, depriving the College of additional income which could be used to finance its programs, projects and activities.</p>	<p>We reiterate our previous recommendations that the Management: 1. On Outstanding Accounts Receivable a. Exert extra efforts in securing the necessary documents by determining and validating the existence of the causes and conditions for non-compliance of debtors and expedite the submission of the request for the write-off of dormant receivable accounts pursuant to COA Circular No. 2016-005; and b. Verify and evaluate records to determine the accurate balance of the Accounts Receivable and</p>	<p>To send demand letters to each debtors.</p>	<p>Joshua F. Orobia SFAU-In Charge Madelon B. Lee Accounting Office</p>	<p>2020</p>	<p>2022</p>	<p>Partially Implemented Partially Implemented</p>	<p>Continues sending of demand letters with the addresses supplied by the registrar's office. Continues sending of demand letters with the addresses supplied by the registrar's office</p>	



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		<p>make necessary adjustments or corrections.</p> <p>2. On Loans Receivable</p> <p>a. Intensify the collection of due and demandable accounts by issuance of demand letters to student-borrowers and to the co-makers in case of refusal or failure of student-borrowers to settle their liabilities; and</p> <p>b. Coordinate with CHED and solicit possible solutions and actions to be take regarding the long outstanding undocumented and uncollected loans.</p>					<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Continuous sending of demand letters with the addresses supplied by the registrar's office</p> <p>Inquiry letter to CHED was sent last April 13, 2022, awaiting response</p> <p>Annex 44</p>
AOM No. 21-019 (21) dated November 03, 2021	15. Procedural lapses pertaining to the collections from canteen operations covering CY 2020 up to the 3rd Quarter of CY 2021 resulted in the unremitted collections amounting to ₱251,061.00, contrary to Sections 69 (1) and 112 of Presidential Decree (PD) No. 1445, further exposing government funds to possible loss and/or misuse.	<p>We recommend that Management take the following courses of action:</p> <p>a. Stop immediately the practice of making outright disbursements out of collections and remit all collections intact daily to the collecting officer in accordance with law and existing regulations;</p> <p>b. Instruct the IGP Office and the PCFC to reconcile their records and account in details the sales, remittances and disbursements directly charged against collection;</p>	To improve IGP operations.	<p>Ronnie E. Asis IGP Director</p> <p>Madelon B. Lee Accounting Office</p> <p>Maria Cristina C. Azuelo, PhD VPAF</p>	<p>September 2021</p> <p>August 2021</p>	<p>Onwards</p> <p>August 2021</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Proof of daily remittance.</p> <p>Annex 39</p> <p>Records were reviewed. JEV No. 06-2021-08-0059 was made for the unremitted cash sales.</p> <p>Annex 15</p>



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		<p>c. Require the Former IGP Director and concerned personnel who handled the cash from sales to present proof of actual disbursements using the unremitted collections for canteen operations. If no proof of use of collections presented, require the said AOs to remit immediately to the Cashier the unremitted collections amounting to ₱251,061.00; and</p> <p>d. Direct the Accounting Office that in the recording of all transactions ensure that figures reflected in the reports submitted to their office are duly supported and properly verified from the source documents to determine the accuracy and correctness of said report.</p>			September 2021	December 2022	Partially Implemented	Result of Investigation is attached. Annex 40
					November 2021	November 2021	Fully Implemented	Admin Memo No. 58 S. 2021 is attached. Annex 16
AOM No. 21-020 (21) dated November 03, 2021	16. The correctness of leave credit records of each employee and the propriety of the monetized number of days as well as the accuracy and reliability of the affected accounts in the financial statements could not be ascertained due to the following: a. Non-adherence to regulations on Monetization of Leave Credits under Rule XVI of Omnibus Rules Implementing Book V of Executive Order	<p>We recommend that Management strictly adhere to Rule XVI of the Omnibus Rules Implementing Book V of EO 292 and CSC Resolution No. 000034 on the granting and approval of monetization of leave credits:</p> <p>a. For regular monetization, ensure that only who have accumulated 15 days of vacation leave credits shall be allowed to monetize a minimum of 10 days and at least 5</p>	To follow the guidelines in processing of monetization of leave credits.	Martin M. Lukban HRMO	November 2021	Onwards	Fully Implemented	As of this writing, no request for monetization for CY 2022. HRMO Head signifies his commitment to adhere with the guidelines Annex 17



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	<p>No. 292 and Civil Service Commission (CSC) Resolution No. 000034 dated January 5, 2000.</p> <p>b. Monetization of leave credits was debited to Salaries and Wages account instead of Other Personnel benefits account, contrary to COA Circular No. 2020-001 dated January 8, 2020 resulting in the overstatement and understatement of both accounts, respectively, thus, affecting the fair presentation thereof in the Statement of Financial Performance.</p>	<p>days is retained after monetization;</p> <p>b. Stop the practice of allocating deductions of the applied leave credits for monetization from the accumulated vacation leave credits and sick leave credits. In case the monetization falls under the special monetization vacation leave credits must be exhausted first before sick leave credits may be used.</p> <p>We recommend that the College Accountant use the proper account codes/ titles in recording the monetization of leave credits in accordance with the Revised Chart of Accounts (Updated 2019) for NGAs prescribed under COA Circular No. 2020-001.</p>		<p>Madelon B. Lee Accounting Office</p>	<p>November 2021</p> <p>November 2021</p>	<p>Onwards</p> <p>Onwards</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>HRMO Head signifies his commitment to adhere with the guidelines</p> <p>Annex 17</p> <p>Accounting Office Head signifies her commitment to adhere with the guidelines.</p> <p>Annex 18</p>
AOM No. 22-002 (21) dated January 12, 2022	<p>17. Liquidated damages due to late deliveries of various goods totaling ₱735,680.72 was not fully imposed to erring suppliers leaving an uncollected amount of ₱493,909.09, contrary to Government Procurement Policy Board (GPPB) Resolution Nos. 07-2019 and 02-2020, thus, deprived the College of additional</p>	<p>We recommend that Management:</p> <p>a. Strictly enforce the remedies available including the termination of the contract, imposition of liquidated damages and forfeiture of the performance security when the Supplier fails to satisfactorily deliver any or all of the goods within the period specified in the Contract;</p> <p>b. Stop the practice of practice of imposing only the maximum deduction of 10 percent of the contract amount without</p>	<p>To enforce liquidated damages and other remedies to erring suppliers.</p>	<p>Madelon B. Lee Accounting Office</p>	<p>January 2022</p> <p>January 2022</p>	<p>Onwards</p> <p>Onwards</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Liquidated damages is part of new checklist to ensure that delivery is checked prior payment</p> <p>Annex 42</p> <p>Also, Admin Memo No. 23 S. 2022 was issued.</p> <p>Annex 19</p> <p>Sample new computation</p> <p>Annex 20</p>



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	income that could be use in its operations.	considering the actual number of days delayed pursuant to the above cited regulation; and c. Demand payment from the concerned suppliers the amount of ₱493,909.09 pertaining to the uncollected amount of the liquidated damages for delayed deliveries of various of goods.			January 2022	December 2022	Fully Implemented		Demand letters were sent to suppliers through post office.
AOM No. 22-008 (21) dated January 28, 2022	18. Management has been unsuccessful in the enforcement of refund for breach of contracts by those grantees who were not able to complete their scholarship, thus, recoupment of scholarship benefits, salaries, and allowances remain uncollected, inconsistent with CNSC Board Resolution No. 33 series of 2015 and Board Resolution No. 47 series of 2020.	We recommend that the Management take the following courses of action: a. To cause the promulgation of a decision to be able to recoup the financial assistance, salaries, and allowances relative to the scholarship grants from those scholars with breach of contracts; b. That the Accounting Office, in coordination with the Scholarship Committee, come up with their computations of the violation and recognize the receivable in the books of the College; and c. Henceforth, immediately enforce collection from defaulting scholars.	To enforce the contract related to faculty scholars.	Dr. Dolores C. Volante OVPAA Madelon B. Lee Accounting Office	February 2022	December 2022	Partially Implemented	Scholars were required to sign an undertaking	15/17 Scholars have submitted the affidavit of undertaking as of July 15, 2022.
					February 2022	December 2022	Partially Implemented	Computation of the financial obligation of each scholar is still being made.	
					February 2022	December 2022	Partially Implemented	Scholars were required to sign an undertaking	
AOM No. 21-015 (21) dated February 16, 2022	19. Representation and Transportation Allowance (RATA) totaling ₱35,000.00 paid to the former and current Deans of the College of Agriculture	We recommend that Management require the former and current Deans of the CANR to immediately refund the excess amount of RATA claimed amounting	To prevent excessive payment of RATA moving forward	Engr. Ricardo D. Diño CD-CANR	February 2022	December 2022	Partially Implemented		Dr. Ezaki refunded the RATA OR No. 6570718 is attached. Annex 21



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ISO 9001:2015

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	and Natural Resources (CANR) for the period September 23 to December 31, 2021 was excessive, contrary to Chapter 7 of the Manual of Position Classification and Compensation and COA Circular No. 2012-003 dated October 29, 2021.	₱26,309.52 and ₱8,690.48, respectively.		Dr. Arden Peejay L. Ezaki Dean- CANR Madelon B. Lee Accounting Office					
AOM No. 21-018 (21) dated February 16, 2022	20. Incomplete supporting documents and deficiencies noted relative to the payment of Collective Negotiation Agreement (CNA) incentives for Calendar Year (CY) 2021 contrary to COA Circular No. 2012-001 dated June 14, 2021 and Department of Budget and Management (DBM) Budget Circular No. 2021-3 date November 17, 2021, thus, cast doubt on the validity and propriety of the transaction.	We recommend that the Management provide valid justification and/or explanation particularly on the discrepancies noted in the actual charges to identified object of expenditures for the grant of C.N.A. We likewise recommend submission of necessary documents as required under COA Circular No. 2012-001 and DBM BC 2021-3, to enable us to make a decision in audit.	To process CNA incentives based on the guidelines	Nida T. Pimentel Budget Office Madelon B. Lee Accounting Office	February 2022 February 2022	Onwards Onwards	Fully Implemented Fully Implemented		Explanation was provided on the comment Annex 22 Budget office submitted the documents as part of the comment Annex 23
AOM No. 22-006 (21) dated January 24, 2022	21. Unutilized balances from collections of liquidated damages and sale of bid documents were not recognized as income in the Regular Agency Fund (RAF) and not remitted to the Bureau of the Treasury (BTr), contrary to Section 65 (1) of Presidential Decree (P.D.) No.	We recommend and Management agreed to: a. Record the collection from liquidated damages as Miscellaneous Income in accordance with the GAM for NGAs, Volume I; b. Record the collection from sale of bid documents and other related fees as well as the corresponding disbursements under	To follow the guidelines regarding the collections from liquidated damages and sale of bid docs.	Madelon B. Lee Accounting Office	January 2022 January 2022	March 2022 March 2022	Fully Implemented Fully Implemented		Sample JEV No. 22020076 is attached Annex 24 Sample JEV No. 05-2022-01-07 is attached Annex 25



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ID 910863506

	1445, provisions of the 2016 Revised Implementing Rules and Regulations (R-IRR) of Republic Act (R.A.) No. 9184 and Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, thereby depriving the government of the use of funds for other programs and projects.	Trust Liabilities account in the Trust Fund books; c. Transfer the excess/unutilized balance amounting to ₱2,227,000.00 to the Regular Agency Fund which shall be recognized as Income of the College; and d. Remit the excess amount of ₱2,274,401.99 to the Bureau of the Treasury to be accounted under the special account of the General Fund; and e. Comply with the above mentioned regulations on the appropriate recognition of receipts/proceeds from the sale of bid documents and the unutilized balance thereof in the books of the College and religiously deposit any excess/unutilized amount to the BTr.			January 2022	March 2022	Fully Implemented	Sample JEV No. 05-2022-01-07 is attached Annex 25
					January 2022	March 2022	Fully Implemented	OR No. 0097844 is attached Annex 26
					January 2022	Onwards	Fully Implemented	The accountant signifies compliance to the mentioned regulations Annex 27
AOM No. 22-001 (21) dated February 7, 2022	22. Non-conformance with Section 88 of PD No. 1445 and pertinent provisions of the R-IRR of RA No. 9184 were noted relative to the infrastructure project: Completion of Supply Office with Stockroom and Garage, Phase 2 with a total contract amount of ₱19,956,500.48, as follows: a. There was evidence that advance payment was made on the final payment despite	In view of the foregoing, we recommended to Management the following: a. Stop the practice of making full payments to projects if they are not yet fully 100 percent completed to avoid the commission of advance payment for items not yet satisfactorily completed pursuant to Section 88 of PD No. 1445; b. Initiate appropriate legal sanctions against the officials who certified that the projects were already completed even if	To comply with the provisions of RA 9183 particularly in the procurement and implementation of infrastructure projects.	Madelon B. Lee Accounting Office Engr. Aser N. Dino IPDO Head	February 2022	Onwards	Fully Implemented	Updated checklist of documentary requirements for infrastructure project was made. Annex 43
					February 2022	December 2022	Not implemented	



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ISO 9001:2015



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	<p>some portion of the project not yet satisfactorily completed in violation of Section 88 of PD No. 1445, hence, found to be irregular.</p> <p>b. The Agency did not impose liquidated damages despite evidence that there was delay in the implementation of the project contrary to Section 8.1 of Annex E of the R-IRR of RA No. 9184.</p> <p>c. The Agency released the retention money at the same time with the release of the final payment without the required supporting documents contrary to Section 6.2 of Annex E of the R-IRR of RA No.9184.</p>	<p>they showed otherwise based on evidence herein presented;</p> <p>c. Investigate on the issue as to delay in the implementation of the project and determine the unperformed work as of the target date of completion of the aforementioned projects and impose the appropriate liquidated damages; and</p> <p>d. Strictly comply with the regulations on the release of retention money pursuant to Section 6.2 of Annex E of the R-IRR of RA No. 9184 to avoid the incurrence of the same deficiency in the future.</p>			February 2022	Onwards	<p>Not Implemented</p> <p>Fully Implemented</p>	<p>Demand letter for LD will be sent within the year</p> <p>Sample transaction is attached.</p> <p>Annex 48</p>
AOM No. 22-005 (21) dated January 18, 2022	<p>23. Six projects with total contract cost of ₱88,906,226.28 were certified complete by the Inspectorate Team and accepted by the Management, notwithstanding that the projects were not yet satisfactorily completed; hence, payment thereof may result in irregular expenditures and deprived the end-users of the optimum use of the projects.</p>	<p>We recommend that Management agreed to take the following courses of action:</p> <p>a. Ensure that punch list issued indicates the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project considering the approved remaining contract time;</p> <p>b. Ensure that preliminary inspection is conducted upon reaching 95 percent accomplishment and not when the projects are already 100 percent</p>	To improve the quality of inspection of infrastructure projects by implementing 95% inspection.	Engr. Aser N. Dino IPDO Head	January 2022	Onwards	Fully implemented	<p>An office memorandum was issued by former IPDO Director about the guidelines in inspection and punchlist</p> <p>Annex 45</p> <p>Annex 45</p>



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ISO 9001:2015



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		<p>complete so that any deficiencies can be communicated to the contractor for their compliance;</p> <p>c. Direct the Inspectorate Team to ensure that all infrastructure projects are closely and properly monitored in accordance with plans and schedules of implementation so that appropriate actions are taken against defaulting contractors and corrective measures are implemented on time;</p> <p>d. Stop the practice of issuing Certificate of Completion and Final Inspection Report on projects with noted deficiencies as reported in the punch list, which are not yet corrected/complied by the contractor; and</p> <p>e. Enforce the collection of liquidated damages for projects that are not yet satisfactorily completed within the approved contract time.</p>			<p>January 2022</p> <p>January 2022</p> <p>January 2022</p>	<p>Onwards</p> <p>Onwards</p> <p>Onwards</p>	<p>Fully implemented</p> <p>Fully implemented</p> <p>Not Implemented</p>	<p>Demand letter for LD will be sent within the year</p>	<p>Annex 45</p> <p>Annex 45</p>
AOM No. 21-034 (21) dated January 03, 2022	24. Various lapses and non-conformance with pertinent provisions of the Revised Implementing Rules and Regulations (R-IRR) of Republic Act (R.A.) No. 1984 were not noted for the project Installation of	<p>We recommend that the Management take the following courses of action:</p> <p>a. Ensure that documents for the acknowledgement of turn-over and custody are properly accomplished;</p>	Engr. Aser N. Dino IPDO Head	January 2022	June 2022	Fully Implemented		<p>Sample Acknowledgement of Turnover Custody with complete details is attached.</p> <p>Annex 49</p>	



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	<p>Water System Facilities with Filtration and Construction of Comfort Room at CNSC Entienza Campus, casting doubt on the propriety of transaction and further deprived the end-users of the benefits that could have been derived from the timely completion thereof.</p>	<p>b. Submit the following supporting documents for the grant of time extensions for review and evaluation, such as;</p> <ol style="list-style-type: none"> 1. Copy of the approved time extension; 2. Copy of the contractor's request for time extension; 3. Copy of the Evaluation Report by the agency concerned establishing the need for time extension including the computation showing in sufficient detail how the number of days of extension was determined; 4. Certification or reports establishing the existence of the grounds for the contract time extension, as follows: <ol style="list-style-type: none"> a) PAGASA Report covering the area where the Project is located if extension requested is due to adverse weather conditions b) Provincial Commander's Report, if the extension requested is due to deteriorating/worsening peace and order situation c) Certification from DOLE, DTI, DILG and / or DND, among others, whichever is applicable, for the other grounds such as shortage of construction materials, general labor strike or similar activities that disrupted construction operations through no fault of the contractor; and 			<p>January 2022</p>	<p>February 2022</p>	<p>Fully Implemented</p>		<p>Submitted last February 15, 2022. Annex 50</p>
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		<p>5. Copy of approved original PERT/CPM Network Diagram reflecting the effect of the subject time extension on the original contract time and all previously issued Time extensions.</p> <p>c. Justification/comment on the inconsistency in the adjusted expiration of contract;</p> <p>d. Submit copies of the verified position paper prepared by the contractor and the written notice of the Head of the Procuring Entity's decision on the termination of contract; and</p> <p>e. Henceforth, promptly act on delays in the implementation of infrastructure projects considering the remedies provided under Annex E of the R-IRR of RA No. 9184 and Section 4 of GPPB Circular No. 03-2019.</p>						
AOM No. 21-038 (21) dated January 11, 2022	25. Inability to diligently observe the provision of the Revised Implementing Rules and Regulations (R-IRR) of Republic Act (R.A.) No. 9184 and Department of Public Works and Highways (DPWH) Department Order (D.O.) No. 197 series of 2016 in the preparation of the Approved Budget for the Contract (ABC) of various infrastructure projects may result in	<p>We recommend that the Management take the following courses of action:</p> <p>a. Provide the Audit Team supporting documents and valid justification that will establish the technical capability of the supplier to deliver the above mentioned furniture and fixtures, tools and office equipment;</p> <p>b. Provide the College Accountant basis to prepare necessary</p>	Engr. Aser N. Dino IPDO Head	January 2022	February 2022	Fully Implemented		Valid justification was part of the comments submitted. Annex 28
				January 2022	December 2022	Partially Implemented	The PPE items were summarized by	



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	<p>over-estimated or excessive ABC.</p> <p>a. Various infrastructure contracts totaling P91,448,137.06 included items amounting to P12,862,455.53 which are not considered part of infrastructure projects, hence, should be deducted from the contract cost and produced separately as goods.</p> <p>b. Overhead, Contingencies and Miscellaneous (OCM) and Profit were added to the cost of some work items which should not be subjected to such mark-up per DPWH DO No. 197, thereby, increasing the estimated cost of the project.</p>	<p>journal entries for reclassification of portion of Infrastructure and Building account to its proper PPE on inventory account;</p> <p>c. Stop the practice of including in the procurement of infrastructures, items which can be categorized as goods; and</p> <p>d. Provide valid justification for our review and evaluation on why the goods component of the project were considered as direct cost which were used and included in the computation of Profit, Vat, and OCM of the ABC and the additional cost due to OCM and profit mark-up for work items that should not be subjected thereto, in order to avoid suspension or disallowance in audit.</p>			<p>January 2022</p> <p>January 2022</p>	<p>February 2022</p> <p>February 2022</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>IPDO already will forward to Accounting Office within this month</p>	<p>The practice of including goods in the procurement of infra was stopped after the receipt of AOM.</p> <p>Valid justification was part of the comment submitted</p> <p>Annex 28</p>
<p>AOM No. 21-036 (21) dated January 03, 2022</p>	<p>26. Copies of Variation/Extra Work Order (EWO) and extension of contract time and their supporting documents for various infrastructure projects were not submitted to the Audit Team within five working days after its approval, not in conformity with provisions of COA Circular No. 2009-001 dated February 12, 2009, COA Circular No. 2012-001 dated June 14, 2012 and</p>	<p>We recommend that the Management take the following courses of action:</p> <p>a. Strictly comply with the prompt submission of copies of variation/extra work orders and approved time extensions together with the necessary supporting documents enumerated in Annexes B and E of COA Circular No. 2009-001;</p> <p>b. Review and evaluate thoroughly the Program</p>	<p>To comply with the provisions of RA 9184 particularly in the procurement and implementation of infrastructure projects</p>	<p>Engr. Aser N. Dino IPDO Head</p>	<p>January 2022</p> <p>January 2022</p>	<p>January 2022</p> <p>Onwards</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>	<p>Admin Memo No. 15 s.2022 was issued</p> <p>Annex 29</p> <p>Admin Memo No. 15 s.2022 was issued</p>	



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	Annex E of the Revised Implementing Rules and Regulations (R-IRR) of Republic Act (R.A.) No. 9184, thus, precluding the timely review and evaluation thereof.	of Works (POW) to ensure that project designs and estimates are properly prepared and all phases of the projects are covered to minimize variation orders and time extensions which often results in increased cost and delayed project completion; and c. Submit the above-enumerated supporting documents to establish the validity and legality of disbursements.			January 2022	February 2022	Fully Implemented	Annex 29 Documents were submitted last February 7, 2022 Annex 47
AOM No. 22-024 (21) dated March 04, 2022	27. Retention money was not properly deducted from progress payments for infrastructure projects, contrary to Section 6.1, Annex E of the 2016 Revised Implementing Rules and Regulations (R-IRR) of Republic Act (R.A.) No. 9184, thereby exposing the College to risk of insufficiency of fund that will cover uncorrected defects and third-party liabilities, if any.	We recommended and Management agreed to take the following courses of action: a. Require the Accountant to deduct the appropriate amount of retention money from every progress payment up until 50 percent of the value of works, as determined by the procuring entity, are completed. The amount to be retained shall be based on the total amount due to the contractor prior to any deduction. b. Allow the release of the retention money only upon request by the contractor for substitution of the retention money with irrevocable standby letters of credit from a commercial bank, bank guarantees or surety bonds callable on	To comply with the provisions of RA 9184 particularly in the procurement and implementation of infrastructure projects	Engr. Aser N. Dino IPDO Head Madelon B. Lee Accounting Office	March 2022	Onwards	Fully Implemented	Sample Vouchers with Retention Money Annex 30 Retention Money is added in the checklist Annex 43 Sample transaction is attached. Annex 47
					March 2022	Onwards	Fully Implemented	

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CNSC-OP-ICO-01F1
Revision: 0



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		demand and provided the project is on schedule and satisfactorily undertaken, otherwise, retention money shall be due for release only upon final acceptance of the project.							
AOM No. 21-037 (21) dated January 03, 2022	28. Warranty securities do not cover the required period specified under Section 62.2.3 of the Revised Implementing Rules and Regulations (R-IRR) of Republic Act (R.A.) No. 9184, thus unnecessarily exposed the College to insufficient financial guarantee of the contractor's performance of its responsibilities for structural defects and failures which may arise after final acceptance of infrastructure projects.	We recommend that the Management require the contractors to post warranty securities covering the required period and amount provided under Section 62.2.3.4 of the R-IRR of R.A. 9184 otherwise, structural defects and or failure within the warranty period not covered by the surety bond and not repaired by the contractor shall be borne by persons liable. We likewise recommend that to ensure contractor's compliance to the requirements of the law, require the concerned office to implement a sound and effective monitoring system to ensure that the procuring entity will be reimbursed of its expenses in restoration or reconstruction work in case of Structural Defects/Failure occurring during the applicable warranty period.	To comply with the provisions of RA 9184 particularly in the procurement and implementation of infrastructure projects	Engr. Aser N. Dino IPDO Head	January 2022	Onwards	Fully Implemented		Admin Memo No. 16 s.2022 was issued Annex 31
					January 2022	Onwards	Fully Implemented		Warranty securities is added in the checklist Annex 43

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<p>AOM No. 22-012 (21) dated February 04, 2022</p>	<p>29. The results of operations of eight Income Generating Projects (IGP) of the College for CY 2021 were poor, incurring total net loss of ₱494,065.36 (excluding non-cash expenses), thus, the objective of income generation was not fully attained.</p>	<p>We recommend that Management take the following courses of action:</p> <p>a. Regularly monitor the performances of the different IGP Projects and determine the root cause of low performance and give solutions thereto;</p> <p>b. Consciously plan and implement cost-saving and efficiency-improving measures to improve projects performance;</p> <p>c. Revisit the IGP Manual and consider the need for updating of policies and guidelines particularly on IGPs that are no longer profitable and viable with the current condition and production capability of the College.</p>	<p>To improve the IGP Operations.</p>	<p>Ronnie E. Asis IGP Director</p>	<p>February 2022</p>	<p>December 2022</p>	<p>Fully Implemented</p>	<p>The revision of IGP Manual is on-going</p>	<p>Admin Memo No. 50 s. 2022 was issued</p> <p>Also, root causes was discussed on a meeting w/ concerned officials. Admin Memo No. 50 s. 2022</p> <p>Annex 32</p> <p>Action Plan was initially discussed by concerned officials.</p> <p>Annex 32</p> <p>Admin Memo No. 82 s. 2022 was issued</p> <p>Annex 33</p>
<p>AOM No. 22-023 (21) dated March 18, 2022</p>	<p>30. Deficiencies were noted relative to the grant of CY 2020 incentives to various personnel involved in the Income Generating Projects (IGPs) of the College totaling ₱480,273.92, contrary to the provisions of the Production and Business Development Center (PBDC) Manual of Operations, thus, cast doubt on the propriety and regularity of the transaction.</p>	<p>We recommend that Management:</p> <p>a. Require the Accountant and other personnel concerned to properly establish the net income derived from each IGP ventures considering all expenses incurred for operations;</p> <p>b. Establish the use of the 10 percent College share taking into consideration the purpose and objectives of the program;</p>	<p>To revise the IGP Manual including the sharing</p>	<p>Ronnie E. Asis IGP Director</p>	<p>February 2022</p>	<p>December 2022</p>	<p>Fully Implemented</p>	<p>The revision of IGP Manual is on-going</p>	<p>Admin Memo No. 82 s. 2022 was issued</p> <p>Annex 33</p> <p>IGP Director was instructed to submit a Revised Manual.</p> <p>Annex 33</p>



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		<p>c. Provide the criteria used by the management board in the determination of the amount received by each personnel; and</p> <p>d. Submit the BOT approved budget for the Business-Related Fund of the College covering CYs 2020 and 2021.</p>					<p>Partially Implemented</p> <p>Not Implemented</p>	<p>The revision of IGP Manual is on-going</p>	<p>IGP Director was instructed to submit a Revised Manual.</p> <p>Annex 33</p> <p>Admin Memo No. 82 s. 2022 was issued</p> <p>Annex 33</p>
AOM No. 21-010 (21) dated February 08, 2022	31. Management was not able to fully implement/adopt the Supply and Property Management Information System (SuPMIS) in its property and inventory management, hence, the objective to improve the accuracy and efficiency of processes, reporting and control of supplies, properties and equipment was not attained.	We recommend that the Management give preferential attention on addressing the issues and concerns of the users of the SuPMIS and conduct evaluation of the efficiency and effectiveness in its operation.	To address the issues and concerns of the users of the SuPMIS.	<p>Evangeline L. Sarion Supply Office</p> <p>Raymond Q. Zaratar MIS - Head</p>	February 2022	December 2022	Partially Implemented	Programmer of SuPMIS Resigned	We have already conducted initial training for the users of the system last November 2021.
AOM No. 21-035 (21) dated January 03, 2022	32. Management was not able to consistently notify the Auditor of the time and date of scheduled deliveries of procured items pursuant to Sections 6.06 of COA Circular No. 95-006 dated May 18, 1995, hindering the timely inspection by the Auditor and determination of its validity, completeness, existence and condition.	We recommend that the agency official responsible for accepting deliveries of procured items notify the Auditor of the time and date of the scheduled deliveries, within 24 hours from such acceptance pursuant to COA Circular 95-006.		<p>Evangeline L. Sarion Supply Office</p>	January 2022	January 2022	Not Implemented		<p>Admin Memo No. 12 s. 2022 was made</p> <p>Annex 9</p> <p>This is now part of checklist</p> <p>Annex 42</p>

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<p>AOM No. 22-003 (21) dated January 17, 2022</p>	<p>33. Disallowances remained unsettled notwithstanding the issuance of Notices of Finality of Decision (NFD) and COA Orders of Execution (COE), contrary to the provisions of the 2009 Rules and Regulations on the Settlement of Accounts (RRSA), resulting in unsettled balance of ₱234,493.09 as of December 31, 2021.</p>	<p>We recommend that Management take the following courses of action:</p> <p>a. Strictly enforce the immediate settlement of the remaining disallowances totaling ₱234,493.09, that have already become final and executory pursuant to Sections 7.1.1 and 7.1.2 of the RRSA to avoid the imposition of sanctions provided by law;</p> <p>b. For those persons found liable but are no longer in the service, nor connected or transacting with the College, issue final demand letters to cause the collection or settlement of disallowances directly from them;</p> <p>c. Go after all persons determined to be solidarily liable under an ND accordance with Section 16.3 of COA Circular No. 2009-006; and</p> <p>d. Submit an updated report of refunds to disallowances to COA regularly, for reconciliation of records and issuance of Notice of Settlement or Suspensions/ Disallowances/ Charges (NSSDC).</p>		<p>Amelia O. Elep Cashier Office</p> <p>Madelon B. Lee Accounting Office</p> <p>Maria Cristina C. Azuelo, PhD VPAF</p>	<p>January 2022</p>	<p>July 2022</p>	<p>Fully Implemented</p>		<p>1. Some payee refunded the disallowed amount.</p> <p>2. Responsible signatories paid/signed an authorization letter to deduct from salary the outstanding balances</p> <p>Annex 34</p> <p>Demand Letter was issued to those liable persons who are no longer in service</p> <p>Annex 35</p> <p>1. Some payee refunded the disallowed amount.</p> <p>2. Responsible signatories paid/signed an authorization letter to deduct from salary the outstanding balances</p> <p>Annex 34</p> <p>Sample submission of ORs to COA</p> <p>Annex 36</p>
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B. COMPLIANCE WITH GENDER AND DEVELOPMENT (GAD)

<p>AOM No. 22-019 (21) dated March 10, 2022</p>	<p>34. Gender and Development (GAD) Plan and Budget was not endorsed and GAD Accomplishment Report not submitted for review by the Philippine Commission on Women (PCW) contrary to pertinent provisions of the PCW-National Economic and Development Authority (NEDA)-Department of Budget and Management (DBM) Joint Circular No. 2012-01, PCW Memorandum Circular Nos. 2020-05 and 2021-06, thus, compliance to PCW priority agendas and targets cannot be ensured and further hindered assessment of the actual GAD accomplishments.</p>	<p>We recommend that the Management:</p> <p>a. Comply with the prescribed guidelines and procedures for the preparation, development, submission, implementation, monitoring and evaluation, including accounting of results of agency annual GAD plans and budgets and GAD Accomplishment Reports as provided by PCW-NEDA-DBM;</p> <p>b. Ensure that the GPB is submitted to CHED Regional Office for review and properly endorsed by the PCW to guarantee that the projects, activities and programs (PAPs) to be undertaken are part of the GAD priority agenda of the government.</p> <p>c. Submit GAD AR to CHED for review and to PCW for assessment and reporting to Congress and Office of the President; and</p> <p>d. Set up sufficient GAD Database and/or disaggregated data that will facilitate identification of existing gender gaps and issues present in the College, thus, enable them to formulate GAD plans and programs that are relevant, necessary, and accordingly accomplish them.</p>		<p>Dr. Analyn D. Ramos GAD Chairperson</p>			<p>Not Implemented</p>		<p>The GAD Chairperson signifies her indulgence to the guidelines.</p> <p>Annex 51</p> <p>GAD AR for 2021 was submitted last March 11, 2022 but not yet reviewed by PCW.</p>
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C. REMITTANCE OF MANDATORY GSIS, PHILHEALTH AND PAG-IBIG CONTRIBUTIONS AND LOANS AMORTIZATIONS

*Note: Status of Implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially implemented, or (e) Delayed



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<p>AOM No. 22-021 (21) dated March 18, 2022</p>	<p>35. Remittances of contribution/repayments to GSIS, Pag-IBIG and PhilHealth were not reconciled with the amounts withheld resulting in unremitted/unreconciled amounts of ₱1,309,510.14, ₱37,602.00 and ₱123,936.43, respectively.</p>	<p>We recommend that Management:</p> <p>a. Require the Accountant to conduct a detailed review on the transactions affecting the Inter-Agency Payables to ascertain the correctness of the balances;</p> <p>b. Instruct the Accountant to prioritize the reconciliation of the agency's records with that of the GSIS, HDMF and PhilHealth to arrive at correct/reliable balances and effect the necessary adjustments in the books, if any;</p> <p>c. Remind the Budget Officer that remittances of the contributions to the GSIS, Pag-IBIG and PhilHealth shall take priority over and above the payment of any and all obligations, except salaries and wages of its employees; and</p> <p>d. Give the highest priority on the immediate remittance to the concerned agencies of the unremitted balances. Henceforth, ensure that future collections are remitted promptly and intact to avoid penalties that maybe imposed by the said agencies for late remittance.</p>	<p>Issue a guideline with proper delegation of duties regarding processing of remittances</p>	<p>Madelon B. Lee Accounting Office</p> <p>Nida T. Pimentel Budget Office</p>	<p>Partially Implemented</p>	<p>Detailed review on the transactions of inter-agency payables is initiated by the persons in charge</p>	<p>Admin Memo No. 77 s. 2022 was issued</p> <p>Annex 37</p>
					<p>Fully Implemented</p>		<p>Admin Memo No. 77 s. 2022 was issued</p>
					<p>Fully Implemented</p>		<p>Admin Memo No. 77 s. 2022 was issued</p>
					<p>Fully Implemented</p>		<p>Admin Memo No. 77 s. 2022 was issued</p>



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STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATION									
CY 2020 AAR OB No. 1 Pages 31-32	1. Petty Cash Fund (PCF) was not replenished upon reaching 75 per cent of disbursements and was closed at year end by submitting liquidation report.	We recommended that the Management take the following courses of action:					Fully implemented	During cash examinations on 2021, various AOs still have not replenished the PCF upon reaching 75 per cent of disbursements.	Management issued Administrative Memo No. 75, s. 2021 directing all PCFC to replenish the PCF regularly
		1. The PCFCs request replenishment of the PCF upon reaching 75 per cent of disbursements by submitting a replenishment voucher together with the required supporting documents; and 2. Unused balance of PCF shall not be closed/refunded at the end of the year. Instead, the PCFCs shall submit to the Accounting Division/Unit as at year-end all unreplenished Petty Cash Vouchers (PCVs) for proper recording in the books of accounts.	All PCFC				Fully Implemented		Confusion if 75% is minimum or maximum was not settled due to varying interpretations of COA Auditors.
CY 2020 AAR OB No. 2 Pages 32-34	2. The accuracy of the balances of the Cash in Bank-Local Currency, Current Accounts (CIB-LCCA) as of December 31, 2020, amounting to ₱71.47 million could not be ascertained in view of the material variance of ₱41.11 million between the book and bank records and non-reconciliation of Cash in Bank balances in the general and subsidiary ledgers of the different department and campuses, with a variance of ₱159,739.00.	3. We recommended that Management require the College Accountant to religiously prepare and submit the required Monthly BRS for all the bank accounts maintained in accordance with the afore-cited rules and regulations and to check/verify the discrepancies between the balances reflected in the SFP and the books of the different departments and campuses of the College. Noted discrepancies shall be adjusted accordingly.		Madelon B. Lee Accounting Office			Partially implemented	November and December 2021 BRS for LBP Bank Account of the College were received by the Audit Team on March 11, 2022 only. With related finding in Part 2 of CY 2021 audit report.	Management has made necessary strategic actions with the submission of Monthly BRS concerning their bank accounts in DBP but having a hard time with LBP because the bank statement is more or less three months late despite repeated requests, thus, asking for the Commission's help regarding this matter. As of this writing, the latest BS of LBP was as of May 2022. Follow ups were made for June & July 2022 Annex 41
CY 2020 AAR OB No. 3 Pages 34-37	3. Non-compliance with the rules and regulations on cash advances resulted in control weakness over the granting,	4. We recommended that Management require the Accountable Officer to stop the practice of transferring her actual custody of cash to another Accountable		All PCFC/ SDO			Fully Implemented		Management already designated additional PCFC for the operations of the College



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<p>utilization and liquidation of cash advances.</p> <p>a. Cash Advances granted to Accountable Officers of the College were being transferred to the utilized by another personnel</p> <p>b. Several SDOs were unable to maintain Cash Disbursement Record (CDR) to record the grants liquidation of Cash Advances.</p> <p>c. Cash advances were not liquidated within the prescribed period.</p>	<p>Officers. Designate additional Special Disbursing Officer (SDO)/ PCFC to handle the disbursing functions for other program and activities of the College.</p> <p>5. We recommended that Management direct the SDOs to immediately prepare and maintain CDRs for cash advances by Fund Cluster, to record all transactions thereof and ensure that these are updated regularly.</p> <p>6. We recommended that Management require the SDOs to liquidate their cash advances as soon as the purpose for which it was granted has been served. Henceforth, strictly enforce the rules and regulations on the granting, utilization and liquidation of cash advances in accordance with COA Circular No. 97-002</p>		SDO	Madelon B. Lee Accounting Office			Fully Implemented	Fully Implemented	<p>CDRs are already being prepared and maintained by the SDOs</p> <p>Management agreed to strictly adhere with the recommendations. Accounting office, as part of monitoring shall require the concerned SDOs to liquidate their cash advances as soon as the purpose for which it was granted has been served</p>
							Partially implemented	Some cash advances of SDOs were still not liquidated within the prescribed period. Further, Report of Disbursement were not dated, hence, the actual date of liquidation cannot be determined as to compliance with the period of liquidation	

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<p>CY 2020 AAR OB No. 4 Pages 37-40</p>	<p>4. Inability to collect school fees from students amounting to ₱53.11 million deprived the College as of additional revenues and receivables outstanding or dormant for more than ten years in the amount of ₱2.22 million remained in the books.</p>	<p>7. We recommended that Management intensify collection efforts by periodically sending communications through collections/ demand letters, electronics mails, etc. to those with unsettled accounts in order not to deprive the College of much needed funds to support its operations. Further, review available documents relative to the dormant accounts, and in case it could no longer be collected, request from COA for an authority to write-off the accounts with complete supporting documents as required under COA Circular No. 2016-005.</p>		<p>Madelon B. Lee Accounting Office</p>			<p>Partially implemented</p>	<p>Balances of receivables and dormant accounts are still outstanding in the books. Reiterated in Part 2 of the CY 2021 audit report.</p>	<p>Sending of demand letters to students is still ongoing and depends on the addresses being supplied by the Registrar's Office to the Accounting Office. Likewise, verification of records will be made to determine accurate balance of the account and make necessary adjustments</p>
<p>CY 2020 AAR OB No. 5 Pages 40-42</p>	<p>5. The accuracy, reliability and validity of accounts receivable account for payment of tuition and other school fees could not be ascertained due to existence of negative balance of ₱1.57 million.</p>	<p>We reiterated our previous recommendations for Management to take the following courses of action: 8. Monitor and reconcile the Accounts Receivable Account to determine the cause of the abnormal balances and effect necessary adjustments; and 9. Address issues and concerns on the lapses in the information and accounting system.</p>		<p>Madelon B. Lee Accounting Office</p> <p>Raymond Q. Zaratar MIS Head</p>			<p>Partially implemented</p> <p>Partially Implemented</p>	<p>There are still negative balances which reduce the amount of accounts receivable in the books. This observation was reiterated in the CY 2021 audit.</p> <p>Issues regarding the use of the system are still encountered</p>	<p>Concerned accounting personnel provided the root causes of negative balances with corresponding action plans for each and in coordination with other offices for the accomplishment of the plan. Some negative balances were already traced but adjustment of accounts was put on hold due to lack of documents. Nonetheless, Management will facilitate the process of correcting as recommended.</p> <p>The Student Information and Accounting System (SIAS) is being fixed. Management is exerting efforts in addressing those issues</p>



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CY 2020 AAR OB No. 6 Pages 42- 47	6. Inadequate monitoring and unavailability of documents for loans granted to student under various loan programs of CHED resulted in long outstanding receivable balance.	We recommended that Management: 10. Retrieve the pertinent documents supporting the receivables from student's loans particularly the MOA/Loan agreements on various loans grants to ensure the correctness of the recorded balance in the books; 11. Set up an effective monitoring system to keep track of the whereabouts of the student grantees who have already graduated or are gainfully employed; and		Joshua F. Orobia SFAU Head			Partially implemented	Liquidation Report and some copies of MOA were submitted to the Audit Team. Other supporting documents and copies of MOA were lost according to the Personnel-in-Charge before due to typhoon, reorganization and transfer of offices/assignment	Initial actions such as visiting CHED RO V and trying to retrieve old documents submitted were made by the OSSD. However, minimal documents were available due to change in personnel assignments/offices
		12. Intensify the collection of due and demandable accounts issuance of demand letters to student borrowers and to the co-makers in case of refusal or failure of student borrowers to settle their liabilities, in order to have adequate funds for relending to financially needy students.		Joshua F. Orobia SFAU Head			Partially implemented	Corresponding data of student grantees are still being monitored.	Updated list of student-borrowers retrieved by the OSSD from the Accounting Office was also provided to the Registrar's Office for validation and data completion. Hoping that when those were duly verified by the Registrar, they could finalize a better monitoring system. Further, coordination with other concerned offices regarding this matter is ongoing. The Accounting Office will depend on the addresses that will be given by the Registrar's Office for them to send demand letters to the borrowers.
				Madelon B. Lee Accounting Office			Partially implemented	Loans Receivable balance is still outstanding with very minimal collection on the dormant accounts in CY 2021, hence, was reiterated in audit.	

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<p>CY 2020 AAR OB No. 7 Pages 48-51</p>	<p>7. Inventory accounts totaling ₱8.73 million were overstated by ₱2.51 million due to non-recording of issuances to end user as expense.</p>	<p>We recommended that the Management require Accountant and the Property/ Supply Officer to comply with the following courses of action:</p> <p>13. Trace the discrepancies and effect the necessary adjustment on the affected inventory accounts;</p> <p>14. Check, verify and / or investigate the difference between the balance per card SLC of the Accounting office and actual count;</p> <p>15. Religiously conduct periodic reconciliation to have reliable inventory account balances on the records of both offices; and</p> <p>16. Maintain updated SLCs in the Accounting Office and Stock Cards in the Property and Supply Office to facilitate reconciliation of the inventory report with records.</p>		<p>Madelon B. Lee Accounting Office</p> <p>Evangeline L. Sarion SPMO Head</p>			<p>Not Implemented</p> <p>Not Implemented</p> <p>Partially Implemented</p> <p>Partially Implemented</p>	<p>Discrepancies were still noted in the CY 2021 audit of the account.</p> <p>Existing differences on the balance per SLC and actual count</p> <p>Periodic reconciliation is not regularly conducted, thus, the variance in records as discussed in CY 2021 audit observation relative to inventories. SLCs and stock cards for IGF were not maintained as also discussed in similar audit findings for CY 2021.</p>	<p>Tracing is still ongoing and necessary adjustments will be made</p> <p>Tracing and verification of account is still ongoing</p> <p>The Accounting Office and SPMO were instructed to conduct reconciliation of inventory records.</p> <p>Some accounts were updated already. Reconciliation is ongoing</p> <p>SLCs and Stock Cards for inventories under the BRF and RAF are being maintained.</p>
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CY 2020 AAR OB No. 8 Pages 51-55	8. The existence, accuracy and reliability of PPE accounts valued in the books at ₱607.89 million (excluded Land, Land Improvement and Infrastructure Assets) could not be determined and ascertained due to the following:	We recommended that Management take the following courses of action: 17. Require the Inventory Committee to conduct a thorough review of RPCPPE by conducting actual count, validation, verification and inspection of PPE owned by the College;						
	a. Unreconciled variance of ₱30.98 million between the balance in the FS and Report on the Physical Count of Property, Plant and Equipment (RPCPPE);	18. Maintain a complete and updated PCs and perform periodic reconciliation to ensure that all discrepancies are immediately investigated, cleared and reconciled with the books of accounts; and	Evangeline L. Sarion SPMO Head				Fully Implemented	Inventory Committee was created Annex 1
	b. Building account totaling ₱480.61 million in the Statement of Financial Position was unreliable due to inclusion of the value of demolished buildings, amounting to ₱2.55 million, out of the 17 demolished buildings and structures from CYs 2018 to 2020, resulting in overstatement of assets by same amount and accumulated depreciation by ₱1.47 million.	19. Derecognize the tree demolished buildings and coordinate with the concerned office for the determination of other demolished buildings still existing in the books, to correct the overstatement of PPE accounts.	Evangeline L. Sarion SPMO Head				Not Implemented	Property cards were not properly accomplished, some were unreadable and were not reconciled with the RPCPPE.
			Madelon B. Lee Accounting Office				Fully Implemented	Adjusting entries were made.



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<p>CY 2020 AAR OB No. 9 Pages 55-59</p>	<p>9. The inclusion of obligations not yet due and demandable and non-recording of its obligation to pay for the completion of project in the year-end balance of Accounts Payable totaling ₱207.77 million, overstated and understated respectively, the Accounts Payable account at year-end</p> <p>a. Recognition of Accounts Payable for obligations not yet due and demandable amounting to ₱101.74 million.</p> <p>b. Obligation to pay for completed project amounting to ₱1.36 million was not included in the Accounts Payable account balance.</p>	<p>We recommended that Management take the following courses of action:</p> <p>20. Stop the practice of recording procured good, services, or projects which were not yet delivered, rendered, or completed and accepted as Accounts Payable, regardless of the year when these obligations were incurred, and make the necessary adjusting entries for the inclusion to the Accounts Payable account of the obligation not yet due and demandable amounting to ₱101.74 million;</p> <p>21. Verify and secure the necessary documents prior to recording of obligations in the Accounts Payable account in the books of the College;</p> <p>22. Secure Certificate of Completion for Repair of CBPA Building and once established, make the necessary entry for the recognition of Accounts Payable amounting to ₱1.36 million; and</p> <p>23. Strictly adhere to the guidelines provided in the GAM for NGAs in the recognition of accounts payable and COA Accounting Circular Letter No. 2007-002 on the preparation of the List of Not Yet Due and demandable Obligations and disclosure thereof in the Notes to Financial Statements.</p>	<p>Nida T. Pimentel Budget Office</p>	<p>Madelon B. Lee Accounting Office</p>	<p>Partially Implemented</p>	<p>Adjusting entries are still being affected.</p>	<p>Entries are continuously recorded every payment on the projects. Adherence to the proper practice of recognizing accounts payable shall be observed.</p>
<p>CY 2020 AAR OB No. 10 Pages 59-63</p>	<p>10. The accuracy and reliability of the Due to NGAs account balance of ₱1.87 million as of September 30, 2020</p>	<p>24. We recommended that the Management require the Accountant to coordinate with SAs to establish the correct balance of fund transfer and make necessary</p>	<p>Madelon B. Lee Accounting Office</p>	<p>Not Implemented</p>	<p>With related audit findings in the CY 2021 audit of the accountant.</p>	<p>Concerned personnel were directed by the College President through Administrative Memorandum No. 28 s. 2022 for adherence to the recommendation.</p>	

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	could not be ascertained due to net variance of P464,714.57 against the confirmed reciprocal account balances of the Source Agencies (SA).	adjustment in the book of accounts, if warranted.						
CY 2020 AAR OB No. 11 Pages 63-66	11. Inconsistencies in the quarterly balances reported in the Budget and Financial Accountability Reports (BFARs) as well as the recorded balances in the registries maintained by the Budget Office.	We recommended that Management require the Budget Officer and College Accountant to take the following courses of action: 25. Facilitate reconciliation of records and ensure that information in the reports submitted to DBM and COA GAS and posted in the URS are consistent with the corresponding reports/ summaries and records maintained in the Budget Office; and 26. Regularly submit the required Budget and Financial Accountability Reports in accordance with the deadline set under COA-DBM Joint Circular No. 2019-1 dated January 1, 2019.				Fully Implemented		Reconciliation was made with the records.
				Nida T. Pimentel Budget Office		Partially Implemented	Only FARs 1, 1A and 2A were being submitted quarterly to the COA.	The Budget Office has already been instructed to submit the required budget and financial accountability reports in accordance with the deadline set.
CY 2020 AAR OB No. 12 Pages 66-68	12. The monthly take home pay of several employees of Camarines Norte State College was lower than required minimum amount of P5,000 caused by	27. Instruct the personnel in-charge in the processing/ approving loan application to make sure that the net take home pay of each employee-borrower does not fall below the minimum required amount as prescribed		Madelon B. Lee Accounting Office		Fully Implemented		AM Memo No. 009 s. 2021 was issued to refrain from approving loans to those employees with monthly take home pay of less than P5,000.



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<p>CY 2020 AAR OB No. 15 Pages 72-74</p>	<p>15. The performance security posted by the contractors of various projects expired before the final acceptance thereof.</p>	<p>We recommended that Management take the following courses of action:</p> <p>31. Require the concerned Contractors to renew/extend its performance bond and furnish the Auditor a copy thereof and;</p> <p>32. Designate personnel to monitor the implementation of Infrastructure projects to ensure that the contractors are informed and required to renew their performance securities before its expiration.</p>		<p>Engr. Aser N. Dino IPDO Director</p>			<p>Fully Implemented</p> <p>Fully Implemented</p>		<p>This is part of checklist of DV for every progress Billing Annex 43</p> <p>An IPDO staff has been designated to monitor the validity of performance security issued by contractor.</p>
<p>CY 2020 AAR OB No. 16 Pages 74-76</p>	<p>16. Inconsistency of the duration for the project "Completion of Supply office with stock room and Garage (Phase 2) indicated in the Program of work (POW), Invitation to Bid (ITB) and Contract Agreement. Also, Disbursement Voucher for the final payment and other related documents remained unsubmitted.</p>	<p>33. We recommended that the Management instruct the BAC to ensure that all data relating to the procurement of infrastructure projects are thoroughly verified and crossed-check with other documents. Also, require the Accountant and other officials concerned to submit immediately the unsubmitted disbursement voucher and supporting documents to the Audit Team for post audit.</p>		<p>Madelon B. Lee Accounting Office</p>			<p>Fully Implemented</p>	<p>Inconsistencies in various documents were still noted during conduct of contract review for infrastructure projects.</p>	<p>DV was submitted to COA</p>
<p>CY 2020 AAR OB No. 17 Pages 76-82</p>	<p>17. Deficiencies were noted in the procurement of various goods.</p> <p>a. Inability of the BAC to attach the Invitation</p>	<p>In view of the foregoing, we recommend the following:</p> <p>34. Require the BAC to observe Section 20 of the IRR of RA No. 9184 and</p>		<p>Dr. Rosalie Almadrones BAC Chairman</p>			<p>Fully Implemented</p>		<p>Copies of minutes of pre-procurement conference were submitted to the Audit Team.</p>



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<p>CY 2020 AAR OB No. 18 Pages 83-87</p>	<p>18. Several infrastructure projects with total contract cost of ₱103.73 million awarded to same contractor showed overlapping contract implementation.</p>	<p>We recommended that Management comply with the following: 37. Require contractors to augment their manpower and equipment to be utilized in the projects awarded to them which have the same or overlapping period implementation to expedite the completion thereof; and</p>		<p>Maria Cristina C. Azuelo, PhD BAC-Infra Engr. Aser N. Dino IPDO Head</p>			<p>Partially Implemented</p>	<p>Various projects were awarded to contractors with existing contracts with the College but with same equipment and manpower pledged to the contract, thus, causing delay in the implementation thereof.</p>	<p>Administrative Memorandum No. 10. s. 2021 was issued for this observation</p>
		<p>38. Henceforth, direct the BAC and its TWG to carefully examine contractors' manpower and equipment on all the projects to be awarded and not on the individual project only in case the contractor is the lowest bidder in several projects which have the same or overlapping period of implementation.</p>		<p>Maria Cristina C. Azuelo, PhD BAC-Infra Engr. Aser N. Dino IPDO Head</p>			<p>Partially Implemented</p>	<p>Some projects which have the same contractor and overlapping period of implementation almost have the same equipment and manpower.</p>	<p>The new IPDO Director is already monitoring the projects awarded to same contractors and the TWG was directed to evaluate the capability of contractors through examination and consideration of previous or existing projects with the College prior to award of the contract.</p>
<p>CY 2020 AAR OB No. 19 Pages 88-90</p>	<p>19. Prior years expenses totaling ₱5.18 million that were charged against the current year's appropriation.</p>	<p>39. Direct the Budget Officer to enforce the compliance of the deadline of submission of valid claims by officials and employees before year-end to ensure that transactions and events are obligated with in the period to which they relate/ incurred to avoid the improper use of the current year's appropriations for un-booked prior year's</p>		<p>Nida T. Pimentel Budget Office</p>			<p>Fully Implemented</p>		<p>Directive to submit DVs with supporting docs will be done twice a year. Annex 38</p>



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		<p>obligations pursuant to Section 119 of PD No. 1445;</p> <p>40. Direct the Accounting Office to comply with the accrual basis of accounting by ensuring that all the due and demandable obligations of the College, duly obliged during the year that they are incurred by the Budget Office, are accounted for as Accounts Payable in the books; and</p> <p>41. Ensure that transactions are properly supported with complete documentation before payment of claims to avoid suspension thereof in audit.</p>		<p>Madelon B. Lee Accounting Office</p> <p>Madelon B. Lee Accounting Office</p>			<p>Partially Implemented</p> <p>Partially Implemented</p>	<p>With corrections in the JEV previously recorded as direct expense. At the beginning of the year 2022, however, some expenses for 2021 were still directly recorded as expense..</p> <p>Not fully adhered to as disbursements still lacks the required documentary requirements.</p>	<p>Conformance to the accrual basis of accounting shall be observed</p> <p>Ongoing verification that supporting documents for each transaction are complete before payment of claims</p>
CY 2020 AAR OB No. 20 Pages 90-92	20. Corona Virus Disease (Covid 19) Hazard pay amounting to ₱.054 million was granted to employees of the College during the period of declared General Community Quarantine (GCQ) and Modified general community quarantine (MGCQ), contrary to AO No. 26 and DBM BC No. 1	42. We recommend that the Management strictly adhere with pertinent issuances relative to COVID 19 particularly on the grant of hazard pay. It is also recommended to submit the office order/ approved authority of employees assigned to report as Skeleton Work Force (SWF) during the period May to June 2020 as well as the MOA identifying CNSC campuses as Community Isolation Units (CIUs) for the said Period.					Fully Implemented		A certification from the Municipal Disaster Risk Reduction and Management Officer stating the list of employees of CNSC who served during the time the CNSC designated as CIU last CY 2020 was submitted to the Audit Team



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CY 2019 AAR OB No. 3 Pages 34-36	21. Registries to monitor the budget were not prepared and maintained by the Budget Officer.	43. We recommend that the management require the budget officer to prepare and maintain all the registries required to be maintain by the budget office in order that the registries needed for audit are readily available and the reports to be submitted to DBM and COA GAS will contain accurate and reliable information.		Nida T. t. Pimentel Budget Officer			Fully Implemented		Registries are already being maintained at the Budget Office.
CY 2019 AAR OB No. 7 Pages 47-48	22. The College did not submit 1,177 pieces of disbursement vouchers, payrolls and cancelled checks for CY 2019 aggregating ₱258.33 million as of February 7, 2020 thus validity, propriety and legality of the financial transactions could not be ascertained.	44. We recommend that the Management direct the Accountant, or whoever is in custody thereof, to submit the soonest possible time to the Office of the Auditor the unsubmitted paid disbursement vouchers, payrolls and cancelled checks with complete supporting documents for review and verification.		Madelon B. Lee Accounting Office			Fully Implemented		The 1,173 pieces of DVs and payrolls were already submitted.
CY 2019 AAR OB No. 9 Pages 54-56	23. Cash Advances and Petty Cash Fund in the total amount of ₱0.84 million and ₱60,000, respectively, were granted to CNSC Personnel without official designation as Special Disbursing Officer and/ or Petty Cash Fund Custodian. Also, these personnel did not maintain Cash Disbursement Record (CDR) and/ or Petty Cash Fund Record (PCFR) to record their cash advances and utilization	45. Require all accountable officers to prepare, maintain and update daily their CDR and PCFR to ensure that all transaction are properly recorded and accounted for; and 46. Abide by the rules and regulations on the granting, utilization and liquidation of cash advances.		All PCFC All PCFC Madelon B. Lee Accounting Office			Fully Implemented Partially Implemented	There are still some cash advances that were not liquidated within the prescribed period.	These reports are required to be attached in the replenishment voucher Annex 5 Management agreed to strictly adhere with the recommendations.



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CY 2019 AAR OB No. 11 Pages 60- 62	24. The request for write- off of dormant Accounts Receivable amounting to ₱1.53 million which were non- moving for more than 11 years and where collectability could no longer be ascertained were not supported with complete supporting documents.	47. We recommended that management strictly comply with the documentary requirements enumerated under item No. 8.3 of COA Circular No. 2016- 005 dated December 19, 2016 for the request for write- off of the dormant receivable accounts submitted to Commission on Audit.		Madelon B. Lee Accounting Office			Partially Implemented	Balances of receivables and dormant accounts are still outstanding in the books. Retrieving of students' addresses is still ongoing.	Sending of demand letters to students are still ongoing. For the dormant receivable accounts, as soon as the applicable documentary requirements are completed and submitted, request for write-off will be made.
CY 2019 AAR OB No. 14 Pages 66- 68	25. The Lists of Due and Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA) and the Summary of LDDAP-ADAs Issued and Invalidated ADA Entries (SLIIE) were not submitted to COA	48. We recommend that Management require the Accountant to submit to the Audit Team the copy 3 of LDDAA-ADA and copy 4 of SLIIE in order to verify/validate the completeness of DVs settled thru LDDAP-ADA and the accuracy of the amounts transferred to the creditors/payee's accounts.		Madelon B. Lee Accounting Office			Fully Implemented		SLIIE are already submitted.
CY 2019 AAR OB No. 15 Pages 69- 71	26. The Lists of Due and Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA) were not properly accomplished.	49. We recommended that the Accounting Office prepares the LDDAP-ADAs properly in accordance with specific guidelines provided in DBM Circular Letter Nos. 2013-16, 2018-14 and Appendix 42 of GAM for NGAs, Volume II.		Madelon B. Lee Accounting Office			Fully Implemented		Proper accomplishment of the said GAM forms is being observed.
CY 2019 AAR OB No. 17 Pages 77- 85	27. Monetary PRAISE incentive totaling ₱3.83 million was grated to CNSC employees under the Program on Awards and Incentives for Service Excellence (PRAISE) not in accordance with the guidelines of the Civil	We recommended that Management comply with the following courses of action: 50. Considering that the monetary PRAISE incentive was not one of the exempted allowances under Section 12 of RA 6758 and not among the		Madelon B. Lee Accounting Office			Not Implemented	Recommendation and approval for the DBM and the President were not secured. A notice	An Appeal was submitted by the Management to COA RO V. However, said appeal was denied by the COA RO V Regional Director.



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	Service Commission (CSC) Memorandum Circular (MC) No. 01. S. 2001	<p>listed benefits and incentives under Joint Resolution No. 4 s. 2009, secure the requisite recommendation and approval from the DBM and the President, respectively; and</p> <p>51. Refrain from granting allowances, benefits and incentives without legal basis to avoid disallowance in audit.</p>		Employee Association			Fully Implemented	<p>of disallowance was issued dated August 10, 2020 for the monetary PRAISE granted. Pending settlement of the Notice of Disallowance.</p> <p>Appeal was escalated to commission proper.</p> <p>Allowances and incentives that were the subject of Notices of Disallowances were already discontinued.</p>
CY 2019 AAR OB No. 23 Pages 98-100	28. Tarpaulin signboards posted for all infrastructure projects implemented by the College did not conform with the specifications prescribed by regulation.	52. We recommended that the Management require the Institutional Planning and Development Office, to comply with the COA rules and regulations on the posting of the proper tarpaulin signboard containing complete necessary information for all infrastructure projects to be implemented. Also, inform the Office of the Auditor within 10 days after the award of the infrastructure contract that the appropriate signboard is already posted onsite for Audit Team's validation.		Engr. Aser Dino IPDO Director			Fully Implemented	An updated checklist was made to include this recommendation.



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<p>CY 2019 AAR OB No. 25 Pages 101-103</p>	<p>29. Annual GAD Accomplishment Report was not prepared based on the PCW- endorsed GAD Plan and Budget, thus, the judicious use of GAD budget amounting to ₱17.6 million and the efficiency and effectiveness of interventions used in addressing gender issues could not be validated.</p>	<p>We recommend that the management direct its GAD Focal Point System Chairperson to:</p> <p>53. require the Campuses/ College to align GAD Activities based on the PCW- endorsed GAD Plan and Budget;</p> <p>54. implement properly all planned GAD activities to ensure that all GAD gender issues raised during the year are properly addressed;</p> <p>55. submit consolidated GAD ARs and not by the Campus/College in order to verify that the GAD Budget was properly utilized based on the PCW- endorsed GAD Plan and Budget;</p> <p>56. submit HGDG test on the attributed Infrastructure Projects to the GAD Budget.</p>		<p>Dr. Analyn D. Ramos GAD Chairperson</p> <p>Dr. Analyn D. Ramos GAD Chairperson</p>			<p>Partially Implemented</p> <p>Partially Implemented</p> <p>Fully Implemented</p> <p>Partially Implemented</p>	<p>GAD Plan and Budget was not endorsed to PCW.</p> <p>For CY 2021, there is no guarantee that GAD activities are in accordance with PCW agendas and targets since GPB are not reviewed and endorsed by CHED and PCW and no Statement of Allotment, Obligation and Disbursements particularly on GAD funds were available in the Budget Office, hence, posed difficulty on the verification of the expenditures charged to the fund.</p>	<p>Ensure that the GPB will be endorsed and GAD Activities will be aligned based on it.</p> <p>The College concurs with PCW-NEDA-DBM Joint Circular No. 2012-01 to properly implement all planned GAD activities in view of addressing GAD issues</p> <p>GAD Accomplishment Report for CY 2020 and 2021 were received by the Audit Team on March 26, 2021 and March 11, 2022 respectively.</p> <p>Ensure to attach HGDG test on each attributed Infrastructure Projects.</p>
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								Assessment for project/program implementation, management and monitoring and evaluation (PIMME) using boxes 16 and 17 of the GAD checklist for PIMME was not included in the report. For CY 2021, there were no HGDG attached for attributed infrastructure projects.	
CY 2018 AAR OB No. 4 Pages 31-33	30. The reported balances of Trees, Plants/Crops and Large Ruminants under Biological Asset account at Labo Campus amounting to ₱287,699 and ₱201,000, respectively, were unreliable due to non-movement of the account and non-reporting at its fair value less cost to sell at year-end.	57. We recommended that Management direct the Accountant to adhere with the provisions of PPSAS 27 and Section 6, Chapter 11 of GAM, Volume I on the appropriate accounting of Biological Assets by recording the additions, reductions, physical and price changes to come up with accurate balance of Biological Assets at year-end.		Madelon B. Lee Accounting Office			Partially Implemented	Prior year's balance is already updated. Annual inventory for the current year is still ongoing.	Proper forms were communicated to the Biological Assets Coordinator by the Accounting Office in May 2021. Schedule of the physical count of biological assets was planned and communicated to the biological assets coordinator.
CY 2018 AAR OB No. 6 Pages 34-35	31. Delayed implementation and low completion rate of 21.32 and 49.02 percent of infrastructure projects at the CNSC Entienza and Labo Campuses, respectively with total	We recommended that Management: 58. Closely and diligently supervise the implementation of the project at Entienza Campus to reduce health risks and be a responsible educational		Engr. Aser Dino IPDO Direcor			Fully Implemented		Installation of water facility with filtration and construction of Comfort Room was completed on November 27, 2019. The documents for inspection of the project were submitted to the Audit Team last July 2021.



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	contract amount of ₱7.96 million.	institution implementing the provision of the Magna Carta of Women							
CY 2018 AAR OB No. 7 Pages 35-37	32. The establishment of a Medical School at CNSC Labo Campus adjacent to the Labo District Hospital will develop innovations in research and equitable access to education for its social responsiveness and will improve the availability of health care services in the Province of Camarines Norte.	We recommended that Management: 59. Partner with the heads of Labo District Hospital, Camarines Norte Provincial Hospital, Rural Health Units physicians, and other healthcare providers through strong research and extension linkages needed for its clinical programs. In that way, it will facilitate the approval of the plan by the Board of Trustees.	To include in the priority of research and extension divisions to generate projects for health related issues.	Dr. Eduardo M. Abad Director, Research Services			Partially Implemented	Procedures are still ongoing.	The result shall be analyzed with regard to its feasibility. The findings indicate that two conditions are necessary to facilitate CNSC allied medical courses: 1)The need to popularize CNSC course offerings, especially the satellite campuses to decongest the main campus 2) A list of students identified MAC priorities is provided in the report with BS Nursing at 10.7% and BS Medicine at 17.9, the two top preferred courses. If the feasibility conditions are achieved, it shall undergo the quality process of approval within the University of Camarines Norte in collaboration with concerned government agencies for the possibility of forging partnership agreement and for funding purposes.
CY 2017 AAR OB No. 1 Pages 29-30	33. Non-Recognition of the impairment loss of six classrooms and partially damaged library caused by a fire incident at Labo Campus resulted to an overstatement of assets amounting to ₱2.3 million and an overstatement of both the depreciation and accumulated depreciation accounts	We recommended that the accountant: 60. Derecognize the value of the damaged rooms by the Commission on Audit the request for the relief from property accountability.		Madelon B. Lee Accounting Office			Fully Implemented		Value of damaged rooms was already derecognized



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	by ₱0.97 million at year end								
CY 2016 AAR OB No. 1 Pages 31-33	34. The CNSC was not able to immediately collect the receivables from the Income Generating Projects (IGPs) amounting to ₱6.28 million.	61. We recommend that management demand from active CNSC employees the immediate settlement of overdue accounts, otherwise, these shall be deducted from their salaries or any emoluments due them.		Madelon B. Lee Accounting Office			Partially Implemented	Some accounts are still outstanding in the books	Ongoing collection of receivables and settlement of overdue accounts per department or through payroll deduction.
CY 2016 AAR OB No. 10 Pages 42-43	35. The CNSC did not implement the agri-based and aqua-based development projects at the Labo and Mercedes Campuses thus defeated the purpose of generating additional income and of developing the entrepreneurial capabilities of its stakeholders.	62. We recommend Management to comply with the requirements of the CNSC Production Manual and COA Circular No. 84-239 by reviving the aqua-based and agri/crop-based projects at the Mercedes and Labo Campuses to provide better learning facilities for the students and at the same time generate income. The implementation of these projects will provide an opportunity for manpower capacity building and implement academic-oriented programs to increase entrepreneurial, as well as management skills of faculty, staff and students.					Fully Implemented		IFMS and CANR have submitted their respective accomplishment report.



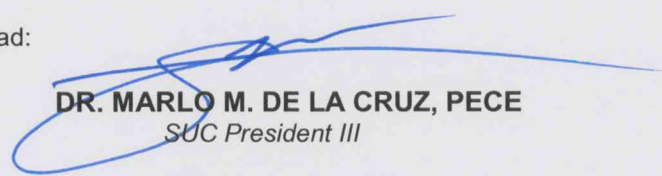
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<p>CY 2015 AAR OB No. 4 Pages 32-33</p>	<p>36. The validity and propriety of land account amounting to ₱6,957,478 could not be fully ascertained due to inadequate records/documents supporting the College's legal ownership.</p>	<p>63. Management to exert extra efforts to facilitate the acquisition of land title to document its ownership/safeguard the real properties of the college and in order to fully ascertain the validity of its recorded land account.</p>		<p>Engr. Aser N. Dino IPDO Head</p>			<p>Partially Implemented</p>	<p>Delay in the process is a result of the current pandemic situation. Reiterated in CY 2021 audit report.</p>	<p>The relocation and consolidation survey has been procured and being implemented as the fundamental steps in securing title of the securing title of the properties of CNSC. Pre-procurement meeting for the services necessary on land registration was conducted last June 16, 2021.</p> <p>Titling of Panganiban Campus by virtue of Deed of Donation and RA 7352 is in process.</p> <p>Tax Declaration of all lots in Labo Campus was transferred to CNSC as of July 25, 2022</p>
<p>CY 2011 AAR OB No. 12 Pages 44-47</p>	<p>37. Despite an order of dismissal from the service effective July 18, 2011 and unliquidated cash advances of PhP 28,055, an accountable officer was still awarded with PRAISE, PEI, loyalty and others worth ₱51,409 in violation of the very purpose and rationale of said grants.</p>	<p>64. Management to require the refund of the amount of ₱51,409 and the settlement of the outstanding cash balances worth ₱28,055 stated above or a total of ₱79,464, otherwise hold all officials who approved transactions favoring the said Accountable Officer, jointly and severally liable therefor.</p>		<p>Madelon B. Lee Accounting Office</p>			<p>Partially Implemented</p>	<p>Letter was sent to COA Regional Director on September 11, 2017 requesting for Legal Opinion on the matter COA ROV Decision No. 2014-N-039 dated December 1, 2014 was forwarded to the COA Commission Proper for Automatic Review as mentioned in the reply letter of COA ROV dated November 15, 2017. No reply yet as of December 31, 2020</p>	<p>Follow-up letter was submitted to COA on June 23, 2021</p> <p>Decision No. 2020-508 was received last January 01, 2022</p>

Agency Head:


DR. MARLO M. DE LA CRUZ, PECE
SUC President III

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