STATUS OF IMPLEMENTATION BY MANAGEMENT OF PRIOR YEARS’ AUDIT RECOMMENDATIONS

Out of the 54 prior years’ recommendations, 16 were fully implemented, 20 were partially implemented and 18 were not implemented, details of which are presented below.

| **Observations and Recommendations** | Ref. | **Management’s Action/Reply** | **Result of Auditor’s Validation** |
| --- | --- | --- | --- |
| 1. The College implementation of the Expanded Students’ Grant-in-Aid Program for Poverty Alleviation (ESGP-PA) left much to be desired as for School Year (SY) 2014-2015 the scholars were reduced from 20 to eight, while at the end of the current SY 2015-2016 only 33 out of the 35 grantees remained at end of school year due to failed grades, late releases of funds and inability of PhilSCA to institute bridging program by providing remedial/mentoring program to cater to the special needs of the scholars required in the Joint Memorandum Circular No. 2014-1 dated February 3, 2014-Guidelines on the Implementation of the ESGP-PA.   **We recommended that Management:**   1. **continuously monitor the academic performance of the Program grantees and conduct remedial and mentoring programs to cater to the special needs of the students-grantees;** 2. **coordinate with the DSWD, CHED, DBM and DOLE, the other key players/implementers of the Program to address the delay in the release of benefits, and other issues preventing the efficient and effective implementa-tion of the program;** 3. **require the Accountant and the Scholarship Coordinator to have a database on scholarship to prevent occurrence of double charges from cash allocation, and revert back to the BTr the excess cash allocation of ₱283,400.00; and** 4. **require the Budget Officer to be accurate in reporting of budgetary data.** | Pages 33 -36 of AAR 2015 | Evaluation of grades of the grantees is made every end of the semester.  The University is in continuous coordination with the concerned agencies for the efficient and effective implementation of the program. | *Fully Implemented*  The University evaluated the grades of each scholar at the end of the semester and monitored their academic performance at the end of each academic year.  *Partially Implemented*  The University through the Admission Office coordinates with DSWD, CHEd and DBM as verified by communication sent by the University to concerned agencies.  *Partially Implemented*  The Accounting Office maintains database on scholarship.  *Not Implemented* |
| 1. The implementation of the Tulong Dunong Program incurred delays in the selection of scholars due to confusion on the actual allocation per legislator and absence of internal guidelines resulting to the non-utilization of the entire allotment of ₱324,000.00 as of December 31, 2015, hence depriving the scholars of the much needed financial assistance.   **We recommended that Management initiate action to come up with its own internal policy to implement the Tulong Dunong Scholarship Program effectively and efficiently; and make representation with the Office of the Legislators to promptly submit their list of scholars.** | Pages  36 – 39 AAR 2015 | The College drafted internal policy as guidelines for implementation of Tulong Dunong Program. | *Not Implemented*  Approved internal policy is not yet submitted to COA. |
| 1. The details of the approved Special Trust Fund (STF) budget of ₱125,653,420.84 as well as other required information were not indicated in both the Summary of Approved Budget, Utilizations, Disbursements and Balances (SABUDB) and Summary of Approved Budget, Utilizations, Disbursements and Balances by Object of Expenditures (SABUDBOE) for 2015 rendering these reports unreliable and preventing determination if the obligations incurred were within the amounts per class/object of expenditure.   **We recommended that Management correctly and completely provide the data required in the SABUDB and SABUDBOE by including the detailed budget of each class/item of expenditure, UACS codes, among others, in compliance with the format and instructions in filling up these reports. Those pertaining to Fiduciary Fees and Other Fiduciary Fees should be separately shown in order to facilitate monitoring of their utilization.** | Pages  39 – 41 AAR 2015 |  | *Not Implemented*  The Special Budget for CY 2016 approved by the Board of Trustees was not supported by schedule of fiduciary fees broken down by college, campus, and fund showing the details of the fees collected.  Reiterated in Part II on audit observations and recommendations on utilization of STF. |
| 1. PhilSCA failed to substantially discharge its research services function as shown by the low rate of 19 percent utilization of its budget of ₱6,832,834.83, non-completion of the five BOT approved proposals, failure to undertake the budgeted activities, and the Research Council non-conveying since last year contrary to its mandated function and mission that could be a minus factor in the leveling of the College.   **We recommended and Management agreed to strengthen PhilSCA’s research services thru the RDC and the Research Council by assessing its research program strategy towards the efficient implementation of the planned research programs/ projects/activities and proposals. Prioritize the completion of the five approved research proposals if the outcome thereof will benefit PhilSCA and the aviation industry. Likewise, maximize the utilization of the budget as planned in accordance with existing rules and regulations.** | Pages  41 – 45 AAR 2015 | No comment/ action from the Management | *Not Implemented* |
| 1. The total PPE accounts costing ₱410,872,059.87 is unreliable due to: a) difference of ₱1,291,895.00 between the General Ledger (GL) balance of ₱410,872,059.87 and the Schedules (serve as Subsidiary Ledgers) totaling ₱409,580,164.87; b) six buildings and parking facility constructed by a private corporation in 2010 not yet recorded in the books; c) incomplete physical inventory of PPE conducted in 2015, with no Report on the Physical Count of Property, Plant and Equipment (RPCPPE) rendered by Property and Supply Office on the existence and condition of the assets; and d) PPELC and Property Cards (PC) which should provide information on the acquisition/disposal for each PPE were incomplete or not updated, hence, unreliable references for reconciling balances of both records.   **We recommended that Management:**   1. **reconcile the records between General Ledger and subsidiary ledgers;** 2. **require the Accounting Section and Supply/ Property Section to maintain an updated PPELC and Property Records to facilitate reconciliation of records;** 3. **engage the services of an independent appraiser to appraise the cost and structural integrity/ soundness of the buildings and structures as basis in the issuance of certificate of acceptance, recording in the books and other possible action of PhilSCA to correct any noted defects in the structural integrity of the buildings, and** 4. **expedite the completion of the inventory taking and accomplish completely the report thereon, ensure that the records of the Accounting Section and Supply/Property Section are regularly reconciled to come up with accurate property records and PPE balances and establish the integrity of property custodianship.** | Pages  46 – 50 AAR 2015 | Management conducted an inventory of PPE for CY 2016 | *Not Implemented*  *Not Implemented*  *Not Implemented*  *Partially Implemented*  Inventory of PPE not yet submitted to COA Office. |
| 1. PhilSCA did not remit to the Bureau of the Treasury (BTr) the amount of ₱593,777.65 as of December 31, 2015 consisting of collections from performance bonds and bid documents contrary to the provisions of Section 6 of the General Provisions of FY 2015 General Appropriations Act (GAA).   **We recommended that Management remit to the BTr the total amount of ~~₱~~593,777.65 pursuant to Section 6 of the General Provisions of FY 2015 GAA.** | Pages  50 – 51 AAR 2015 | As per Accounting Office, collections from performance bonds and bid documents were remitted fully to the BTr. | *Not Implemented*  For verification since no data/document was presented to COA Office. |
| 1. Since CY 2013, PhilSCA has opted to hire individuals as security guards on contract basis without employer-employee relationship incurring a total expenditures of ₱5,677,539.19 in CY 2015 charged from the STF instead of engaging a duly licensed security services agency, hence, may put at stake the security of the campus and stakeholders due to the absence of accountability provisions in the contract of service with individual guard. Moreover, the contract is not consistent with Sections 27 and 28 of the GAA for CY 2015 and previous GAAs.   **We recommended that Management strictly comply with the provisions of the GAA on the engaging of security services and hiring of contractuals, taking into consideration their accountability in case safety of their people and properties are at risk during their tour of duty.** | Pages  51 – 53 AAR 2015 |  | *Not Implemented*  PhilSCA is still in the practice of hiring individuals as Security guards on contract of service basis without employer-employee relationships instead of engaging a duly licensed security services agency. |
| 1. PhilSCA utilized ₱2,393,897.01 or 95 percent of its allocation with only three activities accomplished out of the 17 GAD activities in the GAD Plan and Budget (GPB). Hence identified gender issues and concerns in PhilSCA were not fully addressed. Moreover, foreign travel expenses of ₱308,033.50 not included in the approved GPB was incurred and GAD activities were held outside PhilSCA campus whereby PhilSCA incurred hotel accommodation of ₱297,000.00.   **We recommended that the Management:**   1. **require the Chair, GAD Focal Point System, to see to it that GAD planned activities were accomplished fully to address the identified gender issues and concerns in PhilSCA;** 2. **see that GAD allocated funds were spent as budgeted in accordance with laws, rules and regulations, and** 3. **plan and conduct GAD program and activities with prudence towards addressing the gender issues.** | Pages  53 – 59 AAR 2015 | For CY 2016, GAD activities addressed the identified gender issues and concerns in PhilSCA.  The GAD Focal person submitted GAD program and activities for 2016. | *Partially Implemented*  Reiterated in Part II on audit observations and recommendations on GAD.  *Partially Implemented*  GAD expenses were supported by other documentary requirements.  *Partially Implemented*  GAD programs and activities involved gender issues. |
| 1. Only ₱3.568 million or 13.88 percent out of the ₱25.704 million STF budget for Capital Outlay was utilized resulting in failure to address the need of the College for a modern and improved facilities due to deficient planning, budgeting and execution of procurement activities which is evident further by the absence of time lines, mode of procurement and other required data in the Approved Procurement Plan and the frequent resorting to small value procurement/shopping methods for similar items which if procured in bulk may be more advantageous to the government.   **We recommended and Management agreed to:**   1. **be more meticulous and judicious in planning the procurement projects and ensure full implementa-tion thereof as well as the efficient utilization of the budget in compliance with RA No. 9184;** 2. **prepare an APP that is sufficient in form and substance following the requirements of the same RA, and** 3. **why the college had adopted alternative modes of procurement through shopping and small value procurement instead of public bidding.** | Para. 10-15  Pages  33-37  AAR 2014  Para.  1-9  Pages  20-22  AAR 2013 | Complied with  CHED Memoran-dum and COA Circular in the preparation of the budget proposal for approval by the BOT.  Submitted APP for 2016 | *Partially implemented*  Certification by the Chief Accountant that sufficient cash is available to cover 2015 STF funding requirement was not yet submitted to COA.  *Partially Implemented*  *Not Implemented* |
| 1. The College overshot its approved budget for extension services of ₱400,000.00 by 108 percent or ₱433,299.18 due to: a) unreasonable number of at least 15 travelling personnel per training activity resulting to travelling expenses of ₱347,311.00, b) approving reimbursement of expenses as a common practice totaling ₱272,960.26; and c) incurrence of unnecessary expenses of ₱48,800.00 for snacks and meals thus, resulting to uneconomical spending of government resources.   **We recommended that Management submit the BOT post approval for the incurrence of expenditures beyond the budget as well as the accomplishment reports of those who have travelled and submit valid justification for a) authorizing the travel of 15 -17 personnel in the same activity; b) reimburse-ment of expenses; and c) charging from the College Fund the food expenses incurred. Henceforth, spend within the budget, limit the number of travelling personnel and discontinue the practice of reimbursement of expenses which are not allowable in audit.** | Para. 16-23  Pages  33-37  AAR 2014  Para. 24-34  Pages  40-44  AAR 2014  Para. 24-32 Pages 27-30  AAR 2013 | Charging from the College Fund the food expenses incurred was stopped by PhilSCA Officials in CY 2017. | *Partially Implemented*  In line with the AOM issued by COA in use of PCF for CY 2016, a memorandum was issued to stop the practice of charging food expenses of various official and employees while performing liaison activities. |
| 1. Out of the 35 potential student-grantees allocated to PhilSCA for Academic Year (AY) 2014-2015 for the Expanded Students’ Grants-in-Aid Program for Poverty Alleviation (ESGP-PA) with an appropriation of ₱2,182,000.00, only 20 were enrolled in the three campuses but only seven were actual grantees who were included in the validated Master List of the DSWD-NCR while the 13 are still for approval by the DSWD-NCR, hence the amount of ₱432,600.00 was obligated, thereby leaving an unutilized balance of ₱1,749,400.00 as of December 31, 2014.   **We recommended and Management agreed to:**   1. **coordinate closely with DSWD-NCR for the immediate validation and approval of the remaining 13 enrolled students;** 2. **facilitate the release of NCAs and scholarship grants to the students; and** 3. **address the issues and concerns affecting the effective implementation of the said Program at PhilSCA.** | Para. 35-42  Pages  45-47  AAR 2014 | 35 slots were filled up in CY 2016 | *Fully Implemented*  It is confirmed that 35 slots for PhilSCA were filled up during CY 2016 as per Master List of the DSWD-NCR.  *Fully Implemented*  AY 2014-2015 grants were already released to the grantees.  *Fully Implemented*  Continuing grantees were allowed to enroll for the next semesters. |
| 1. The Budget Officer did not fill up the line item data on MOOE and Capital outlay approved budget and unutilized budget but only the total per class of expenditure and also committed error in presenting the total capital outlay budget as approved by the BOT of ₱22,904,702.00 as ₱25,704,702.00 or a difference of ₱2,800,000.00 in the Statement of Approved Budget, Utilizations, Disburse-ments and Balances by Object of Expenditures (FAR No. 2-A) under COA-DBM Joint Circular No. 2014-1 dated July 2, 2014, which rendered unreliable and incomplete the said budgetary report as well as the concealed information on the incurrence of overdrafts per object of expenditure.   **We recommended and Management agreed to revise the SABUDBOE to include the required data in the columns for approved budget and unutilized budget and to correct the misstatement in the total of the Capital Outlay account. Henceforth, observe completeness and transparency in the filling up of data in the budgetary report.** | Para. 43-47  Pages  47-49  AAR 2014 |  | *Not Implemented*  Line item data on PS, MOOE, CO on FAR No. 2-A of CY 2015 still not presented in the report. |
| 1. Contrary to the Audit Team’s prior years’ recommendation to stop giving additional benefits without legal basis or DBM authority, PhilSCA continued granting Personnel Welfare & Benefits (PWB) in the form of “Best Organizational Unit Award” to all its personnel and extended 13th Month Pay in CY 2014 to personnel, student assistants, and security guards under job order/contractual basis without employee-employer relationship amounting to ₱8,554,353.16 charged from the STF resulting in audit disallowance totaling ₱27,235,653.16 (for CY 2012, 2013 & 2014) due to violation of Civil Service Commission (CSC) Resolution No. 010112 dated January 10, 2001, RA 8292 and the Salary Standardization Law of 2009 (Joint Resolution No. 4 s. 2009 of the Senate and the House of the Representatives).   **We recommended that Management:**   1. **stop the practice of giving out incentives/benefits to its employees chargeable against the STF without legal basis and appropriate supporting documents;** 2. **submit the documentary requirements on the Notice of Suspension issued and require the persons liable to refund based on the Notice of Disallowance.** | Para. 48-61  Pages  49-53  AAR 2014  Para. 10-23 Pages 22-27  AAR 2013 | Granting of PWB was stopped in CY 2015. | *Fully Implemented*  No payment of PWB was made in CY 2015 onwards.  *Partially Implemented*  Management submitted their appeal to the Commission proper. |
| 1. PhilSCA has not yet addressed the recurring deficiencies in property management as proven by the a) continued inadequacy of records in the Accounting and Property Sections both of which did not maintain the required Property, Plant and Equipment ledger card (PPELC) and the Property Cards; b) incomplete conduct of physical inventory taking wherein the latest is for CY 2013; and c) unreliable inventory report showing an unreconciled difference of ₱36,056,560.72 as against the book balance of even date, thereby resulting in the high risk of loss of depreciable assets without detection and rendering their doubtful existence and validity of the book balance totaling ₱150,914,771.54 as of December 31, 2014.   **We recommended and Management agreed to:**   1. **give preferential attention on improving the internal control on property management by strictly complying with the aforesaid rules and regulations. In case of continued non-compliance thereof, enforce firmly the corresponding legal sanctions against the concerned personnel for neglect of duty;** 2. **conduct the required annual inventory taking, the result of which should be reported in a duly accomplished and timely submitted RPCPPE which should be reconciled with the records of the Accounting Section;** 3. **maintain PPELC and Property Cards which should be regularly updated and reconciled by the concerned offices; and** 4. **require the Property Officer to renew the ARE every three years or every time there is a change in accountability.** | Para. 63-69  Pages  53-69  AAR 2014 | Completed 2014 Physical Inventory in four PhilSCA campuses | *Not Implemented*  *Partially Implemented*  Inventory report was not yet submitted by the Management.  *Not Implemented*  The University still does not maintained PPELC.  *Partially Implemented*  Property Acknowledge-ment Receipts (PARs) were issued only when there is a change of accountability. |
| 1. PhilSCA incurred total expenditures of ₱1,935,615.93 that is more than the approved budget of ₱1,850,000.00 although 13 approved activities with a budget of ₱980,000.00 were not undertaken, of which ₱374,667.38 was incurred for personnel’s training/seminars conducted at the resort, and the amount of ₱46,000.00 was spent on seminars for local/Barangay officials and their constituents, hence not within the concerned sector of the College.   **We recommended and Management agreed to:**   1. **disburse the GAD funds within the approved budget and only for activities that will address gender issues within the College’s concerned sectors or mandate avoiding the use of expensive outside facilities/venue to save funds; and** 2. **submit justification for incurring expenditures in excess of the budget despite the non-implementation of the 13 activities.** | Para. 70-76  Pages  56-62  AAR 2014  Para.  78-87 Pages 46-51  AAR2013 |  | *Fully Implemented*  In CY 2016, GAD expenses are within the approved budget.  *Not Implemented* |
| 1. Due to the absence of development and building/ structure plans, detailed construction cost per building/ structure and other pertinent documents from the MEGAWORLD, the agency has not yet issued the Certificate of Acceptance as basis to book up the assets in the books of accounts resulting in unreliable balance of the Office Buildings and School Building accounts, both with zero balance as of December 31, 2013. Moreover, the absence of the Certificate of Acceptance has delayed the process for the transfer of title of the Campus site in the name of PhilSCA pursuant to the land swapping arrangement among PhilSCA, BCDA and MEGAWORLD covered by Memorandum of Agreement (MOA) dated June 10, 2010 which may affect their legal right of ownership.   **We recommended and Management agreed to closely coordinate with the BCDA to obtain the development and building/ structure plans, detailed construction cost per building/structure and other pertinent documents from the MEGAWORLD; and ascertain the structural soundness of the buildings and structures and identify defects, if any, for Megaworld to rectify in order to fast track the issuance of Certificate of Acceptance by the Management.** | Para. 42-55 Pages 32-37  AAR 2013  Para. 1-17  Pages 18-23  AAR  2012 | PhilSCA management exert extra effort to coordinate with BCDA and Megaworld. | *Partially Implemented*  Reiterated in Part II of this report on audit observations and recommendation on status of land used by PhilSCA Villamor Campus. |
| 1. Management failed to strictly implement COA Circular No. 2012-004 dated November 28, 2012 resulting in a minimal reduction of 14 percent or ₱123,352.35 of the unliquidated cash advances of ₱865,450.78 as of December 31, 2011 of individuals no longer connected with PhilSCA, whose remaining cash advances of ₱742,098.43 are still recorded as Advances to Officers and Employees Account instead of Other Receivables account. Moreover, they have the practice of granting additional cash advances to accountable officers without requiring the liquidation of the previous ones thus exposing the funds to misuse.   **We recommended that Management:**   1. **comply strictly with the procedures in COA Circular No. 2012-004 dated November 28, 2012, including the filing of appropriate charges against the defaulting accountable officers. For those cash advances which are deemed impossible to collect after exerting best efforts, request for the writing off pursuant to COA Circular No. 97-001 dated February 5, 1997; and** 2. **refrain from granting additional cash advances for those with outstanding cash advances as well as extending cash advances for infrastructure project and ensure that all cash advances are liquidated within the required due dates, in accordance with COA Circular No 97-002.** | Para.  56-64  Pages  37-40  AAR  2013  Para. 18-31  Pages 24-27  AAR 2012 | Management wrote a letter request to the COA for write off of unliquidated cash advances to individuals who are no longer connected with PhilSCA and cannot be recovered.  The University refrained from granting cash advances to those with outstanding cash advances. | *Partially Implemented*  No charges were filed against the defaulting accountable officers. Reiterated in Part II of this report on audit observations and recommendation on Other Receivable accounts.  *Fully Implemented*  The Management did not grant additional cash advance to those with outstanding advances. |
| 1. There were 39 Petty Cash custodians during the year, of which: a) 18 have existing petty cash funds (PCF) of ₱112,716.35 as of December 31, 2013, ₱39,998.00 thereof belongs to two former employees who were already resigned or on AWOL whose PCFs were established six to 20 years ago; b) 34 have petty cash fund of ₱4,999.00 each to avoid the bonding requirement, majority or 29 of them, which included the Accountant and the Budget Officer, were not bonded and expenses incurred were mostly on meals for their office meetings; and c) three AO made payments out of their Petty Cash Fund for expenses that exceeded the ₱15,000.00 limit of each transaction or for payment of the payroll of laborer and travelling allowances/expenses contrary to existing regulations.   **We recommended and Management agreed to:**   1. **limit to one PCF for each campus whose custodian should be properly bonded and knowledgeable on the proper procedures in the handling of PCF including the bookkeeping of transactions;** 2. **observe the existing rules and regulations in the disbursement as well as replenishment of the PCF. Charge from the representation allowance of the heads of office food expenses during their meetings; and** 3. **reclassify the balance of PCF of the two former PhilSCA personnel from Petty Cash Fund account to Other Receivables account and exert best efforts for the return those balances.** | Para. 72-77 Pages 42-46  AAR 2013 | Management reduced the number of Petty Cash Custodian from 39 to only 3 as of Dec. 31, 2014. | *Partially Implemented*  For CY 2016, Both Basa, Pampanga Campus and Mactan Campus have still two PCF Custodians.  *Fully Implemented*  Charging of food expenses to PCF was stopped.  *Partially Implemented*  ₱39,998.00 belongs to two former employees who were already resigned or on AWOL were reclassified to account Other Receivable. |
| 1. The accountabilities/ cash shortages of the two former Cashiers of PhilsCA were not properly booked-up resulting in the overstatement of Cash - Collecting Officer account by ₱107,504.05, misstatement of Prior Year Adjustments Account by ₱51,477.27 and understatement of the Other Receivables Account by ₱158,981.32, which represents the total accountability and which has not yet been settled to date, thus may result to loss of government funds.   **We recommended that management** **initiate immediately legal remedies to recover the funds from Ms. Palado and from the heirs of the late Ms. Daligdig to protect the interest of the government.** | Para. 24-31  Pages 25-27  AAR 2012  AAR 2011  AAR 2007 | The husband of the late Ms. Evangeline Daligdig partially settled the amount of ~~₱~~28,780.79 leaving a balance of ~~₱~~34,261.77 | *Partially Implemented*  Reiterated in Part II of this report on audit observations and recommendation on Other Receivable accounts. |
| 1. Two Tampico trainer planes of the College have remained grounded or unutilized since 2008 because of the failure of the management to secure from the Civil Aviation Authority of the Philippines (CAAP) the Certificate of Airworthiness Directive (CAD) and Aviation Training Organization Certificate (ATOC), as requirements to operate a Flying School, thus resulting in the non-achievement of the College’s mandate to provide advance level of instructions in the field of aeronautics, loss of income of ₱13.96 million for the training of eight qualified student pilots for Private and Commercial Pilot Courses that were outsourced from private flying school; continuous incurrence of unnecessary expenses for the planes maintenance of ₱2.17 million and under-utilization of key personnel of the Flight and Ground Training Section.   **In order for PhilSCA to attain fully its mandate, gain income, prevent incurrence of unnecessary expenditures and maximize the utilization of its key Flight Personnel, we recommended that management:**   * 1. **secure Aviation Training Organization Certificate from CAAP**   2. **comply with the requirements of the CAAP by upgrading the airworthiness condition of the two Tampico trainer planes, if feasible;**   3. **make representation with the Office of the President and the Department of Budget and Management for the inclusion of budget for the procurement of new trainer planes.** | AAR 2010  AAR  2011  Para. 40-53  Pages 29-33  AAR 2012 | Management requested CAAP for the issuance of CAD and already performed preliminary test flight of one of their trainer planes.  Representation withSen. Pia Cayetano was initiated by PhilSCA for inclusion of appropriation for acquisition of new trainer planes in the 2016 GAA. | *Not Implemented*  ATOC from CAAP are still not secured.  *Partially Implemented*  *Fully Implemented*  Included in FY 2016 GAA amounting to ₱40M. |
| 1. The need to enhance the collection efficiency of the College as receivables from: a) unpaid tuition fees of ~~₱~~ 1.15 million for SY 2011-2012; b) overdue lease/rentals of ₱76,500; and c) disallowances of ₱299,407.25 remained uncollected for 61 days to 365 days which may adversely affect its operational budget under the special trust fund and may incur losses from bad debts.   **Recommendations:**   1. **prepare and submit for approval to the Board of Trustees written policies and guidelines on minimizing or eliminating outstanding balances of tuition fees of delinquent students and to lessen uncollected leases/rental with emphasis on billing, collecting, monitoring, accounting and reporting;** 2. **adopt strict collection written policies/measures such as imposition of penalty and interest on delinquent students and lessees; and** 3. **send immediately and regularly thereafter, demand letters to students and concessionaires with unpaid obligations.** | AAR 2011 |  | *Not Implemented*  The Management admitted that they were helpless in enforcing the collection of unpaid tuition fees since students were allowed to take their examinations even with outstanding obligations due to CHED policy not to prevent any student to take final examination.  *Partial Implementation*  The Management included in the lease contract agreement the imposition of penalty and interest in case of delayed payment.  *Fully Implemented*  Demand letters were sent to students and concessionaires with unpaid obligations. |
| 1. The College failure to integrate in its regular activities, plans, programs and projects intended to address the concerns of senior citizens, provide facilities for the differently-abled persons and to allocate funds of at least one percent or ₱615,581.00 of its ₱61.56 million budget was inconsistent with Sections 32 and 34 of the General Appropriations Act (GAA) of 2011 or R.A. 10147, thus, defeating its purpose to address the needs of the intended beneficiaries.   **Recommendations:**   1. **comply strictly with Sections 32 and 34 of the general provisions of the General Appropriations Act of 2011; and** 2. **give priority to the implementation of the programs/projects related to senior citizens and the differently-abled persons and provide facilities for them that shall enhance their mobility, safety and welfare.** | AAR 2011 |  | *Not Implemented*  Reiterated in Part II of this report on audit observations and recommendation on compliance for laws senior citizens  *Not Implemented* |
| 1. Deficiencies were noted in the implementation of the rental of spaces/stalls operation that contributed to their failure to collect unpaid rentals of ₱382,500 from 27 stallholders which, if not immediately addressed properly, may weaken the viability of the College to sustain and augment its financial undertakings.   **Recommendations:**   1. **prepare written policies on Income Generating Projects to be reviewed and approved by the Board of Trustees for proper implementation of the concerned unit/ division;** 2. **strictly follow Section 533 of GAAM Volume II on the renewal of revenue-generating contracts;** 3. **consider the possibility of revising the contract to be inclusive of utility charges or cause the installation of separate electric/water sub meters as well as provisions for penalty/ surcharges for delayed/ non-payment of rent,** **and security or advance deposits to answer for possible damages to the PhilSCA property and other important provisions,** 4. **send demand letters to stallholders with unpaid rentals;** 5. **demand for the cancellation of contracts of delinquent stallholders and blacklisting them for future similar transactions;** 6. **comply with our previous years’ audit recommendations;** 7. **require the Accounting Office to prepare and issue billing statements for all stall owners to monitor easily the collection of rental income. Exert all efforts to collect the rental from the Diaz canteen and other food stall owners.** 8. **Formalize contracts with all occupants of college spaces and enforce collections due from them.** | AAR 2010 | Management commented that the Resource Generation Development Committee was tasked to draft policies on Income Generating Projects. | *Partially Implemented*  No copy of policies was submitted by the Management.  *Fully Implemented*  Subsequent contracts entered by the University contained all the provisions recommended by COA. Also, electric/ water sub meters were installed. Concessionaires were billed of the power and water usages.  *Fully Implemented*  *Fully Implemented*  Demand letters were sent to concessionaires with unpaid obligations.  *Fully Implemented*  As of CY 2016, no previous stallholders rented space in the University compound.  *Fully Implemented*  *Partially Implemented*  For CY 2016, Auxiliary Services prepared and issued billing statements for lessees and Accounting Office was provided a copy.  *Fully Implemented*  No contracts had been entered with old/previous stallholders. |