

PHILIPPINE STATE COLLEGE OF AERONAUTICS
Template on the Summary of Misstatements
Period Covered January 1 to December 31, 2021

Audit Observation/ Description of Misstatement (A)	Misstatements			Classification (Factual/ Judgmental/ Projected) (E)	Material by Nature/ Circumstance of Occurrence? (F)	Corrected/ Uncorrected? (G)
	Amount (B)	Accounts Affected (C)	Effect (Overstatement)/ Understatement (D)			
a) Net overstatement of Cash - Treasury/Agency Deposit, Regular account (TADR) account due to non-closure of the balance to the Accumulated Surplus/(Deficit) account at year-end.	89,046,564.31	Cash – TADR Accumulated Surplus/(Deficit)	(89,046,564.31) 89,046,564.31	Factual	Exceed Materiality level/ persistent but not pervasive	Corrected
b) Net understatement of Receivables due to: b.1 Erroneous posting in the General Ledger of the Commission on Higher Education (CHED) - Unified Student Financial Assistance System for Tertiary Education (UniFAST) Free Higher Education's billing for the first Semester of Academic Year (AY) 2021-2022. b.2 Unrecorded transactions between PhilSCA and Department of Budget and Management - Procurement Service (DBM-PS). b.3 Unrecorded interest income earned from the College's	116,460,337.04	Due from National Government Agencies (NGAs) Due from GOCCs Accumulated Surplus/Deficit School Fees Interest Income	116,452,183.22 8,153.82 (547,813.78) 116,999,997.00 8,153.82	Factual	Exceed Materiality level/not persistent nor pervasive	Corrected the amount of ₱116,452,183.22


Audit Observation/ Description of Misstatement (A)	Misstatements			Classification (Factual/ Judgmental/ Projected) (E)	Material by Nature/ Circumstance of Occurrence? (F)	Corrected/ Uncorrected? (G)
	Amount (B)	Accounts Affected (C)	Effect (Overstatement)/ Understatement (D)			
transferred funds to the Philippine International Trading Corporation (PITC) for the fourth quarter of Calendar Year (CY) 2021.						
c) Net understatement of Inventories due to: c.1 Unrecorded issuances of Semi-Expendable Inventories. c.2 Unrecorded deliveries of Inventories from DBM-PS.	72,238.10	Office Supplies Inventory Semi-Expendable Inventory Office Supplies Expense Semi-Expendable Machinery and Equipment Expense Semi-Expendable Furniture, Fixtures and Books Expense	529,481.10 (457,243.00) 529,481.10 321,625.00 135,618.00	Factual	Does not exceed Materiality level/ not persistent nor pervasive	Uncorrected
d) Net understatement of Property, Plant and Equipment due to: d.1 Unrecorded cost of completed building and gymnasium transferred by the Department of Public Works and Highways (DPWH) Regional Office IV-A	18,909,435.91	PPE accounts Accounts Payable Accumulated Depreciation	18,909,435.91 (56,928,573.31) 2,417,776.27	Factual	Exceed Materiality level/ persistent but not pervasive	Corrected the amount of ₱56,938,077.50

Audit Observation/ Description of Misstatement (A)	Misstatements			Classification (Factual/ Judgmental/ Projected) (E)	Material by Nature/ Circumstance of Occurrence? (F)	Corrected/ Uncorrected? (G)
	Amount (B)	Accounts Affected (C)	Effect (Overstatement)/ Understatement (D)			
d.2 Non-derecognition of transferred PPEs to the Philippine Air Force (PAF)		Accumulated Surplus/(Deficit)	79,548,442.81			
d.3 Unrecorded Impairment loss on unserviceable properties		Impairment Loss-PPE	1,273,648.94			
d.4 Incorrect method of depreciation						
d.5 Erroneous adjustment of Other Land Improvement and depreciation						
e) Overstatement of Accounts Payable due to recognition of various obligations as payables despite the absence of proofs of actual delivery or rendered service	73,313,443.18	Semi-Expendable Furniture and Fixtures	(29,800.00)	Factual	Exceed Materiality level/ persistent and pervasive	Corrected the amount of ₱65,590,545.81
		School Buildings	(24,999,953.31)			
		Information and Communications Technology Equipment	(8,500,000.00)			
		Aircrafts and Aircrafts Ground Equipment	(31,832,500.00)			
		Books	(96,120.00)			
		Accounts Payable	(73,313,443.18)			


Audit Observation/ Description of Misstatement (A)	Misstatements			Classification (Factual/ Judgmental/ Projected) (E)	Material by Nature/ Circumstance of Occurrence? (F)	Corrected/ Uncorrected? (G)
	Amount (B)	Accounts Affected (C)	Effect (Overstatement)/ Understatement (D)			
		Accumulated Surplus/(Deficit)	(3,757,479.87)			
		Drugs and Medicines Expenses	(177,996.00)			
		Medical, Dental and Laboratory Supplies Expenses	(66,640.00)			
		Other Supplies and Materials Expenses	(298,671.00)			
		Consultancy Services	(1,275,750.00)			
		Repairs and Maintenance – Others	(1,970,553.00)			
		Printing and Publication Expenses	(117,980.00)			
		Subscription Expenses	(190,000.00)			
f) Net understatement of Expense due to: f.1 Misclassification of Honoraria to Training Expense f.2 Non-posting of two transactions in the GL	212,480.00	Honoraria Expense Training Expense Telephone Expense	139,230.00 (139,230.00) 73,250.00	Factual	Does not exceed Materiality level/ not persistent nor pervasive	Corrected.

Audit Observation/ Description of Misstatement (A)	Misstatements			Classification (Factual/ Judgmental/ Projected) (E)	Material by Nature/ Circumstance of Occurrence? (F)	Corrected/ Uncorrected? (G)
	Amount (B)	Accounts Affected (C)	Effect (Overstatement)/ Understatement (D)			
		Fuel, Oil and Lubricants Expenses	(73,250.00)			
Total Identified Misstatements	298,014,498.54					
Total Corrected Misstatements	218,363,695.84					
Total Uncorrected Misstatements	79,650,802.70					
Overall Planning Materiality	1,275,128.86					
Audit Opinion		QUALIFIED OPINION				

Prepared by:


JUVY C. DE GUZMAN
 OIC-Audit Team Leader
 Team NCR 05 - PhilSCA

Reviewed by:


IMELDA G. CELSO
 OIC-Supervising Auditor
 Other State Universities and Colleges
 (OSUCs) Audit Group

Annex B

PHILIPPINE STATE COLLEGE OF AERONAUTICS
UNRECONCILED BALANCES IN THE FSs AND SOURCE JOURNALS
FUND CLUSTER CODE 05 (INTERNALLY GENERATED FUNDS)
CY 2021

Account Title	Balance per FS/TB/GL	Balance per Journals	Variance/ Difference	Remarks
Cash in Bank - Local Currency, Current Account	538,117,110.53	538,247,985.89	(130,875.36)	JEV No. 2021-10-532 dated 10/28/2021 was not posted to GL - 112,500
Other Structures	19,579,796.51	19,496,296.51	83,500.00	JEV No. 2021-10-058 dated 10/31/2021 was not posted to GL - 83,500
Accumulated Depreciation - Other Structures	389,296.57	388,276.18	1,020.39	Adjustment not supported by JEV
Accumulated Depreciation - Info. & Com. Tech. Equipment	26,549,822.12	26,572,690.14	(22,868.02)	Adjustment not supported by JEV
Accumulated Depreciation - Other Machinery & Equipment	1,172,994.27	1,204,268.52	(31,274.25)	Adjustment not supported by JEV
Aircrafts & Aircrafts Ground Equipment	20,942,479.33	21,025,979.33	(83,500.00)	JEV No. 2021-10-058 dated 10/31/2021 was not posted to GL - 83,500
Construction in Progress	-	(63,371.36)	63,371.36	JEV No. 2021-12-125 dated 12/31/2021 was not posted to GL - 63,371.36
Advances to Special Disbursing Officer	2,629,341.00	2,614,217.88	15,123.12	Unaccounted balance
Advances to Officers & Employees	56,527.28	62,527.28	(6,000.00)	Unaccounted balance
Advances to Contractors	5,278,981.25	5,294,168.75	(15,187.50)	Unaccounted balance
Prepaid Subscription	1,955,766.67	1,806,366.67	149,400.00	Unaccounted balance
Accounts Payable	12,667,567.26	12,833,495.13	(165,927.87)	JEVs not accounted to GL of AP account: 2021-01-015 - P108,980.00 2021-02-075 - (18,000.00) 2021-03-017 - 156,319.21 2021-06-045 - (18,000.00) 2021-12-125 - (63,371.36)
Due to BIR	1,412,971.47	1,136,612.62	276,358.85	Unaccounted balance
Other Payables	3,406,583.22	3,739,105.76	(332,522.54)	JEV No. 2021-12-125 dated 12/31/2021 was not posted to GL - 63,371.36
Miscellaneous Income	257,077.18	88,018,183.48	(87,761,106.30)	Unposted JEV No. 2021-12-056 on receipt of the sum of all money transferred to PITC amounting to P87,761,106.30 (P89,300,000.00 minus cancellation fee of P1,538,893.70) due to cancellation of all outstanding AORs.
Honoraria	11,708,736.94	11,754,230.34	(45,493.40)	Unaccounted balance
Training Expenses	63,006,894.48	62,988,396.98	18,497.50	Unaccounted balance
Other Supplies & Materials Expenses	1,235,788.99	1,248,100.49	(12,311.50)	Unaccounted balance
Electricity Expenses	448,170.96	448,360.96	(190.00)	Incorrect Adjustment
Postage & Courier Services	4,088.50	3,898.50	190.00	Incorrect Adjustment
Internet Expenses	291,542.67	270,742.67	20,800.00	Incorrect Adjustment
Other Professional Services	38,603,079.50	38,543,972.69	59,106.81	Unaccounted balance
Other General Services	13,456,328.12	13,519,141.57	(62,813.45)	Unaccounted balance
Advertising Expenses	140,000.00	133,187.96	6,812.04	Adjustment not supported by JEV
Representation Expenses	994,802.25	995,192.25	(390.00)	Incorrect Adjustment
Subscription Expenses	230,234.73	386,446.77	(156,212.04)	Incorrect Adjustment
Repairs & Maintenance - Machinery & Equipment	579,357.57	586,653.57	(7,296.00)	Unaccounted balance
Other Maintenance & Operating Expenses	123,141.00	235,641.00	(112,500.00)	JEV No. 2021-10-532 dated 10/28/2021 was not posted to GL - 112,500
Depreciation - Buildings & Other Structures	277,107.87	276,087.48	1,020.39	Adjustment not supported by JEV
Depreciation - Info. & Com. Tech. Equipment	876,268.99	899,137.01	(22,868.02)	Adjustment not supported by JEV
Depreciation -Other Machinery & Equipment	54,181.82	85,456.07	(31,274.25)	Adjustment not supported by JEV
GRAND TOTAL	766,446,039.04	854,751,449.10	(88,305,410.06)	

Prepared by:

JUVY C. DE GUZMAN
OIC-Audit Team Leader

Date: March 28, 2022

Reviewed by:

IMELDA G. CELSO
OIC-Supervising Auditor

Date: March 28, 2022