


PHILIPPINE STATE COLLEGE OF AERONAUTICS
Template on the Summary of Misstatements
Period Covered January 1 to December 31, 2022

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 account due to unrecorded book reconciling items	4,386,693.11	Cash in Bank– Local Currency, Current Account (LCCA)	4,386,693.11	Factual	Exceed Materiality level/ persistent and pervasive	Corrected
		Due to Other National Government Agencies (NGAs)	4,367,412.50			
		Interest Income	19.67			
		Accumulated Surplus/(Deficit)	19,260.94			
b) Net understatement of Inventories due to:	4,915,748.85			Factual	Exceed Materiality level/ persistent but not pervasive	Not corrected
b.1 Unrecorded issuances of Inventories		Inventory Accounts	(684,516.00)			
		Semi-Expendable Accounts	(1,448,427.01)			
		Expenses Accounts	2,132,943.01			
b.2 Erroneous recording of returned/undelivered semi-expendable furniture and fixtures		Semi-Expendable-Furniture and Fixtures	(87,250.00)			
		Accounts Payable	(87,250.00)			
b.3 Erroneous reclassification of issued tangible items previously classified as Property, Plant and Equipment (PPE)		Semi-Expendable Accounts	(11,322,186.95)			
		Allowance for Impairment-Semi-Expendable Accounts	(8,626,631.11)			
		Accumulated Surplus/(Deficit)	2,695,555.84			


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)			
		Semi-Expendable Accounts	(11,322,186.95)			
c) Net understatement of PPEs due to:	125,818,925.99			Factual	Exceed Materiality level/ persistent but not pervasive	Corrected the amount of P117,223,812.57
c.1 Unrecorded cost of transferred/donated buildings		Buildings	22,000,000.00			
		School Buildings	23,274,115.98			
		Donations in Kind	33,274,115.98			
		Accumulated Surplus/(Deficit)	12,000,000.00			
c.2 Non-derecognition of transferred PPEs to the Philippine Air Force (PAF)		School Buildings	(6,446,802.00)			
		Accumulated Depreciation	4,883,128.57			
		Accumulated Surplus/(Deficit)	1,563,673.43			
c.3 Non-derecognition of PPE items below the new P50,000.00 capitalization threshold		PPE Accounts	(10,703,474.13)			
		Accumulated Depreciation	7,005,742.87			
		Accumulated Surplus/(Deficit)	3,697,731.26			
c.4 Unrecorded depreciation expenses of donated school buildings and other structures		Accumulated Depreciation	86,921,543.83			
		Depreciation - School Buildings	5,540,121.63			
		Accumulated Surplus/(Deficit)	(81,381,422.20)			
c.5 Erroneous computation of depreciation		Accumulated Depreciation	(1,115,329.13)			
		Accumulated Surplus/(Deficit)	(1,115,329.13)			

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) Net understatement of Liability due to:	641,624.81			Factual	Does not exceed Materiality level/ not persistent nor pervasive	Not corrected
d.1 Erroneous recording of subsequent year remittance of taxes		Due to BIR	360,190.28			
		Subsidy from National Government	(360,190.28)			
d.2 Erroneous recording of payment of penalties due to late remittances of taxes		Due to BIR	281,434.53			
		Due from Officers and Employees	281,434.53			
Total Identified Misstatements	135,762,992.76					
Total Corrected Misstatements	121,610,505.68					
Total Uncorrected Misstatements	14,152,487.08					
Overall Planning Materiality	2,180,520.93					
Audit Opinion		QUALIFIED OPINION				

Prepared by:


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

Reviewed by:


CECILIA E. BERNALES
 Supervising Auditor
 Other State Universities and
 Colleges (SUCs) Audit Group