

**Philippine State College of Aeronautics**  
**AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION (AAPSI)**  
**CALENDAR YEAR 2023 and PRIOR YEARS**

Reference	Audit Observations	Audit Recommendation	Agency/ Action Plan			Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken	
			Action Plan	Person/Dept. Responsible	Target Implementation From To				
CURRENT YEAR									
FINANCIAL AUDIT - Various Accounting Deficiencies									
AAR 2023, pages 49-62	<b>Cash and Cash Equivalents</b>	Reconcile the net difference of P2,526,678.52 between the balances per book and per bank and submit the BRSs for LBF Account No. 3562-1003-25;		Accounting	2024	2025	Not Implemented	NA	The Accounting Unit will reconcile the noted difference per book and per bank and will submit the BRS for LBP Account No. 3562-1003-25 once the necessary supporting documents are completed.
	a) Unreconciled amounts between the balances per bank and per book P2,526,678.52;								
	b) Non-preparation and non-maintenance of separate SLs for the STF and Payroll fund accounts;	Maintain separate SLs for the STF and Payroll Fund accounts to keep track of the movement of the respective account balances, otherwise, cause the suspension of payment of salaries of the concerned personnel.		Accounting	2024	2025	Implemented	NA	The Accounting Unit will maintain separate SLs for the STF and payroll accounts as a requirement to the electronic government accounting system that was installed recently right after the conduct of the e-NGAS training by COA for Accounting and IT personnel.
	<b>Inventories</b>	a) Reconcile the noted difference amounting to P6,054,364.25;		Accounting and/or Supply Office	2024	2025	Implemented	NA	a) The Accounting Office will prepare the JEVs for the noted difference to recognize the receipt and issuance of inventories to be supported with documents.
	c) Improper recording of receipt, inspection, acceptance, and issuance of inventory items -- P6,054,364.25;	b) Properly prepare and maintain the RSMI by including all inventory accounts; and							b) The Supply Office is still gathering all other inventory items for inclusion in the RSMI upon validation.
		c) Henceforth, strictly comply with the procedures in the receipt, inspection, acceptance, and issuance of inventory items as prescribed in Section 15 of the GAM for NGAs;							c) The Accounting and Supply Offices will strictly comply with the procedures. They will be guided and trained during the workshop on Property and Supply Management training to be conducted by a COA resource person within the year.

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	d) Non-submission of Report on Physical Count of Inventory (FPCI) and Report on Physical Count of Semi-expendable Properties (RPCSP);	Fast-track the preparation and submit the RPCI for 2023 and henceforth, prepare and submit the RPCI/RPCSP not later than July 31 and January 31 of each year.		Accounting and/or Supply Office	2024	2025	Implemented	NA	The Supply Office is expediting the RPCI and RPCSP and commits to submit to COA on or before August 14, 2024.  The Inventory Team concluded their physical count on July 15, 2024.
	e) Non-moving balances of Inventory accounts; and	Validate the existence and consequent issuances, if any of the inventories.		Accounting and/or Supply Office	2024	2025	Implemented	NA	The Supply Office is still in the process of validating data whether these non-moving inventory balances were already issued to end user units and or beyond its useful economic life, thus cue for immediate dropping/adjustment by Accounting Unit in the books.
	f) Non-maintenance of the forms, registries, and reports;	Prepare and maintain the required forms, reports, and registries in compliance with pertinent provisions of COA Circular No. 2022-004 dated May 31, 2022.		Accounting and/or Supply Office	2024	2025	Implemented	NA	The Supply office is in the process of reclassifying and transferring data to the corresponding forms, reports and registries after the conduct of Physical Count of Inventories and Semi-Expendable Properties done in all campuses from June 15 – July 15, 2024.
	<b>Property, Plant and Equipment</b>  g) Discrepancies in the balances between the FS and the PPELC and between the FS and the RPCPPE amounting to P5,786,703.75 and P16,161,753.07, respectively.	Require the Accounting Department to reconcile the discrepancies noted between the PPE account balances per FS and PPELC.  Further, we recommended and the Management agreed to require the Accounting Department		Accounting and/or Supply Office	2024	2025	Implemented	NA	The Accounting Office will reconcile their records as to noted discrepancies between FS and PPELC.  Both Accounting and Supply Offices will reconcile the discrepancies noted between the PPE



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		and the Supply Office to reconcile the discrepancies noted between the PPE account balances per FS and RPCPPE.							account balances per FS and RPCPPE in coordination with the Inventory Team.
	h) Non-maintenance of Property Cards (PC);	Require the Supply Office to prepare and maintain the PCs and submit copies of the same to this office; otherwise, suspend the payment of salaries of the personnel concerned until the latter has complied as provided in Section 122(2) of Presidential Decree No. 1445.		Supply Office	2024	2025	Implemented	NA	The Supply Office has already submitted the copies of PCs to the COA Audit Team last April 24, 2024.
	i) Noncompliance with COA Circular No. 2020-006 dated January 31, 2020, on the one-time cleansing of PPE accounts.	Comply with the guidelines for the one-time cleansing of PPE account balances as provided under COA Circular No. 2020-006 dated January 31, 2020, to fully eliminate discrepancies between the accounting and property records.		Accounting, Supply Office and Inventory Committee	2024	2025	Implemented	NA	Ongoing reconciliation between Supply and Accounting Offices in coordination with the Physical Inventory Team considering the increase of capitalization threshold for PPE pursuant to COA Circular 2022-004 and other issuances related to request of relief from property accountability and write-off.
	Inter-Agency Payables  j) Unaccounted prior years' balances – P2,058,644.72	Analyze and reconcile the PY balances and effect the necessary adjustment and/or remittance whichever is appropriate; and prepare and maintain the SL to closely monitor and ensure that taxes and premiums withheld are fully remitted within the prescribed period pursuant to BIR, GSIS, Pag-IBIG and PhilHealth regulations.		Accounting and HRMSD	2024	2025	Implemented	NA	The Accounting Unit will analyze and reconcile the PY balances and effect the necessary adjustment or remittance whichever is appropriate; and will maintain SL for said accounts in close coordination with the HRM office.

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OTHER AUDIT AREAS								
AAR 2023 pages 66-69	<b>Underutilized Special Trust Fund (STF)</b> a) Unutilized Personnel Service (PS) Budget – P2,558,127.35;  b) Unutilized MOOE Budget – P99,576,548.93; and  c) Unutilized Capital Outlay (CO) Budget – P33,800,814.12	a) Prepare a more realistic budget by considering the needs and capability of the PhilSCA to disburse the same; and  b) Instruct the Budget Office to maintain a separate RBUD by MFO or PPAs for MOOE.		Budget Office	2024 2025	Not Implemented	NA	a) The Management, as a way forward, shall prepare a more realistic budget by considering once and for all its absorptive capacity and capability to disburse the same. b) The Budget Officer will be maintaining a separate RBUD by MFO or PPAs for MOOE for easy tracking of budget utilization and control.
AAR 2023, pages 69-73	<b>Compliance with Sections 37 and 38 of Republic Act (RA) No. 9184 and its Revised Implementing Rules and Regulations (RIRR)</b>  a) delay in the approval of the ten (10) contracts by the Head of the Procuring Entity (HoPE) ranging from 11 to 97 days;  b) delay in the awarding of six (6) contracts ranging from 13 to 72 days;  c) excess in the determination of the bid validity period of two (2) contracts ranging from 25 to 36 days;  d) insufficient performance securities posted for two (2) contracts as to amount and validity period, two (2) contracts as to amount and three (3) contracts as to validity period; and  e) delay of fifteen (15) days in the issuance of the Notice to Proceed (NtP) for one (1) contract.	Strictly comply with the procurement timeliness prescribed in Sections 37 and 38 of RA No. 9184 and its RIRR.  Further, we recommended and the Management agreed the Procuring Entity discuss the herein issues and concerns or the delay in the procurement process with the governing board and propose measures to expedite its action on the phases of procurement that need board approval.		College President / Board Secretary / BAC	2024 2025	Implemented	NA	The HCPE in coordination with the BAC, is already complying with the procurement timelines prescribed in Section 37 and 38 of RA 9184 and its IRR.  To resolve the matter, in one of the meetings by BAC with the College Board Secretary, there are two measures proposed to the governing board; and these are: 1) to increase the threshold and/or signing authority of the College President or the approval of contracts and related consequential actions; and 2) the approval on the award of contract beyond the threshold and other phases of procurement that needs board approval be done through Referendum Resolution subject to confirmation by the BOT in their next board meeting.



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AAR 2023, pages 73-76	<b>Compliance with COA-DBM Joint Circular No. 2, s.2020</b> a) COS workers performed functions that are part of the job description of the agency's existing regular employees;	Strictly adhere to Section 7.3 of COA-DBM Joint Circular No. 2, s. 2020 and ensure that no overlapping of functions exists between its regular employees and COS workers;		HRMSD / Management	2024	2025	Implemented	NA	The Management, thru the HRMO, reviewed the functions/duties of the COS personnel specifically that of COS nurses. Upon evaluation, the Management discontinued the services of one COS (VAB) nurse in order to comply with the audit observation.
	b) Paid wages to COS workers were not equivalent to the wage/salary of comparable positions in government;	Strictly adhere to Section 11.5 of the COA-DBM Joint Circular No. 2 s. 2020 and ensure that COS workers shall be paid wages equivalent to the daily wage/salary of comparable positions in government.							The Management, thru the HRMO, contemplates on preparing a proposal to increase the wages /salaries and premium payment of COS personnel so that they will be paid equivalent to the daily wage/salary of comparable positions in government in strict adherence to Sec. 11.5 of COA-DBM JC No. 1 series 2020 and as per audit recommendation.
AAR 2023, pages 76-79	<b>Compliance with the Granting Utilization and Liquidation of Cash Advances</b> a) Unliquidated CAs as at yearend – P1,284,575.00;	a) Require the immediate liquidation of the abovementioned CAs.		Accounting	2024	2025	Implemented	NA	Outstanding C/As as at year end are all Liquidated for as of to date.
	b) Grant of additional CAs to AOs with existing unliquidated CAs – P10,287,215.84 c) Delay in the liquidation of CAs ranging from 1 to 258 days.	b) Refrain from granting additional cash advances to the same AO unless the previous CA/s had been settled or proper accounting had been made thereof. c) Henceforth, strictly comply with the rules and regulations on the grant, utilization and liquidation of CAs.							Management, thru the Accounting Office agreed to refrain from granting additional cash advances to the same AO unless the previous C/As had been settled or accounted for.  The Management will comply with the rules and regulations on cash advances and will continue issuing demand letters to AOs

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AAR 2023 pages 79-82	<p><b>Delay in the Submission of Financial and Budgetary Reports</b></p> <p>The PhilSCA incurred delayed ranging from 2 to 44 days in the submission of disbursement vouchers, financial and budgetary reports, including its supporting schedules and other required documentary contrary to pertinent provisions of the Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume I, which hindered the timely audit of the accounts, receipts and disbursements.</p>	<p>a) Require the officials concerned to immediately submit the bank reconciliation report of LEP Account No. 3562-1003-25 for the CY 2023;</p> <p>b) Implement Section 122 of PD No. 1445 on the withholding of salary of the officials and employees concerned, if warranted by the circumstances; and</p> <p>c) Henceforth, submit the required reports within the set deadlines.</p>		Accounting/ Budget Office	2024	2025	Not Implemented	<p>Filling-up of vacant positions under ROSS – still ongoing to complete the staffing structure.</p> <p>Lack of manpower and electronic systems.</p>	<p>The Accounting Unit will submit the BRS of LBP Account No. 3562-1003-25 for CY 2023 as this is one of their regular functions.</p> <p>If warranted by the circumstances and with careful evaluation, the Management may be going to implement Section 122 PD No. 1445 with due process.</p> <p>The Head of the Accounting Unit, on one hand is requesting additional manpower to replace those who resigned and filling-up of vacant positions allocated to that office for even work distribution.</p> <p>Except for the BRS (LCCA Account), the concerned Offices has complied with the submission of required financial and budgetary reports. Henceforth, they will submit within the set deadlines.</p>
AAR 2023 pages 83-86	<p><b>Compliance with the General Provisions of RA No. 11936 or the GAA for FY 2023 Relating to Transparency and Public Disclosure.</b></p> <p>a) Non-maintenance of Transparency Seal;</p> <p>b) Non-posting of information and reports on the PhilSCA website.</p>	<p>Update the information and post the missing requirements on the PhilSCA's official website.</p>		Office of the President and MIS	2024	2025	Implemented	NA	<p>The Management thru MIS will complete the posting of missing requirements and to update the information on the official website of PhilSCA.</p>



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AAR 2023 pages 87-88	<b>Compliance with RA No. 3456, Administrative Order (AO) No. 278, s. 1992, AO No. 70, s. 2003</b>  The PhilSCA currently does not have an Internal Audit Service (IAS) which could have assisted the Management to achieve an efficient and effective fiscal administration and performance of agency affairs and functions, contrary to RA No. 3456, AO No. 278, s. 1992, AO No. 70 s. 2003, and other related issuances.	Intensify the filling up of plantilla positions for Internal Auditors through the publication of the vacant positions.		HRMSD / Management	2024	2025	Implemented	NA	The Management thru the HRMO is still in the process of filling up vacant Plantilla positions for Internal Auditors to man the IAS.
AAR 2023 pages 88-93	<b>Gender and Development (GAD)</b>  a) Inability to secure a PCW-endorsec GP3;  b) Non-submission of the pertinent documents accompanying the GAD AR;  c) Non-implementation of the 7 out of 14 proposed GAD programs totaling P3,030,000.00;  d) Non-utilization of GAD budget amounting to P23,990,098.44 or 56.35%.	Require the GAD Focal Person to ensure strict compliance with the reporting guidelines as prescribed in PCW-NEDA-DBM JC No. 2012-01		GAD Focal Person	2024	2025	Not Implemented	NA	The Gad Focal Person will strictly comply with the reporting guidelines as prescribed in PCW-NEDA-DBM JC No. 2012-01 as per her commitment given during the Exit Conference.
AAR 2023 pages 93-94	<b>Senior Citizen and Persons with Disability (PWDs)</b>  The PhilSCA Management failed to formulate plans, programs, and projects and integrate the same in their regular activities in addressing the concerns of the SC and PWD, contrary to Section 36 of the General Provisions of the GAA FY 2023.	Timely prepare and submit the plans, programs and projects, and the resulting accomplishment reports, relative to the concerns of the SC and PWD.		Committees on Senior Citizen and PWDs	2024	2025	Not Implemented	NA	The designated Committees will be going to submit approved plans, programs and projects, and resulting accomplishment reports relative to the concerns of the Senior Citizen (SC) and Persons with Disability (PWDs) for CY 2024.

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AAR 2023 pages 95-96	<p><b>Remittances to the Bureau of Internal Revenue (BIR), Government Service Insurance System (GSIS), Pag-IBIG Fund and PhilHealth.</b></p> <p>The PhilSCA had substantially complied with the laws and regulations on the deduction of premium contributions from its personnel and remittance of the same, including the government share, to the BIR, GSIS, Pag-IBIG, and PhilHealth.</p>	<p>a) Facilitate the immediate reconciliation of prior and current years' transactions and effect the necessary adjustment or remittance, whichever is appropriate; and</p> <p>b) Remit immediately the premiums deducted from the PhilSCA personnel in the current year and provide the audit team the proof of remittance for validation purposes.</p>		Accounting Office and HRMSD	2024	2025	Implemented	NA	<p>Accounting and HRM Units will be going to reconcile their respective records of prior and current years' transactions and effect the necessary adjustment or remittance, whichever is appropriate.</p> <p>Once identified, the Accounting and HRM Offices will remit immediately the premiums and provide the proof of remittance to the Audit Team.</p>
AAR CY 2023 pages 96-100	<p><b>Compliance with RA No. 656 of the Property Insurance Law</b></p> <p>a) Non-submission of PIF;</p> <p>b) Incorrect determination of the amounts of insurable assets; and</p> <p>c) Noninsurance of other insurable assets — P76,526,686.77.</p>	<p>Prepare the PIF, listing all of the PhilSCA's Insurable assets and showing its appraised valuations and other relevant information, as prescribed under COA Circular No. 2018-002 dated May 31, 2028.</p>		Supply Office	2024	2025	Implemented	NA	<p>Per interview with Supply Officer, the PIF was already submitted by their Office.</p>
AAR 2023 page 100	<p><b>Status of Settlement of Audit Suspensions, Disallowances and Charges</b></p> <p>Suspensions and disallowance totaling P5,067,410.70 and P30,200,531.26, respectively, remained unsettled as of December 31, 2023, contrary to COA Circular No. 2009-006 dated September 15, 2009, which prescribed the rules regulations in the settlement of accounts.</p>	<p>Require the responsible/liable persons to immediately settle the audit suspensions and disallowances in accordance with the revised RRSA.</p>		Management	2024	2025	Not Implemented	NA	<p>As of Quarter 1 of FY 2024, audit suspensions totaling P5,067,410.70 has been eliminated where P4,435,940.70 were already settled by persons responsible; while the substantial amount of audit disallowances on record is pending appeal in accordance with the revised RRSA of COA.</p>



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PRIOR YEARS									
FINANCIAL AUDIT - Various Accounting Deficiencies									
AAR 2022, Par.1.14-1.22, pages 53-55	<b>Property, Plant and Equipment</b>  a.) Unrecorded cost of transferred/donated buildings - P11,274,115.98	Instruct the Accounting Unit to: a) coordinate with the Property Unit to provide the necessary documents and recognize in the books the cost of donated buildings and equipment;		Accounting/ Property Unit	2023	2024	Implemented	NA	Accounting Unit has constantly coordinating with Property Unit in the provision of necessary documents to recognize the cost of donated assets.
	b.) Non-derecognition of transferred PPEs to the PAF - P1,563,673.43	Derecognize the remaining properties located at the old site of IAB Campus in accordance with relevant documents such as Property Transfer Report (PTR); and		Accounting/ FAB Campus Dir. and Property Unit	2023	2024	Implemented	NA	The Accountant has written the Campus Director for assistance regarding the matter on derecognition and PTR.
	c.) Erroneous computation of depreciation - P1,115,329.13	Correct the computation of depreciation and effect the necessary adjustments on the affected accounts.		Accounting	2023	2024	Implemented	NA	Supporting documents need by accounting to support JEV.
AAR 2022, Par.1.23-1.26, pages 55-56	<b>Liabilities</b> a.) Erroneous recording of subsequent year remittance of taxes- P160,190.28	Instruct the Accounting Unit to reconcile the monthly Summary of Taxes Withheld (STW) prepared by the remitting personnel with amounts in the General Ledger (GL) of Due to BIR account prior to remittance to ensure accurate reporting and amount of remittances;		Accountant	2023	2024	Implemented	NA	The Accountant before remittance is reconciling the Taxes Withheld (STW) with the General Ledger (GL) of Due to BIR Account.
	b.) Erroneous recording of payment of penalties due to late remittances of taxes - P281,434.53	Strictly enforce remittance of taxes withheld within the prescribed period as provided by the law; and		Accountant	2023	2024	Implemented	NA	The Accountant strictly observe the prescribed period in the remittance of taxes withheld.
		Prepare the adjusting entries to revert the erroneous entries in the Due to BIR account.		Accountant	2023	2024	Implemented	NA	The Accountant has adjusted the entries.

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AAR 2022, Par.2.3-2.10, pages 58-59	<b>Cash</b> Unauthorized retention of Payroll Fund - P137,678.53	Determine the nature of the unknown deposits per bank under Payroll Fund and STF accounts and record in the books, if warranted by the circumstances; those allowed to be temporarily retained for specific purpose/activity should be closely monitored and any unutilized/unsupported balances should be deposited to the National Treasury;		Accountant	2023	2024	Implemented	NA	Nature of unknown deposits were identified and those allowed to be retained temporarily are closely monitored.
AAR 2022, Par.2.11-2.21, pages 59-61	<b>Inventory</b> b. Prior year's undocumented adjustments - P522,371.99	Substantiate the recorded adjustments of inventory accounts and submit the report to the Office of the Auditor; otherwise, reverse the prior year's recorded adjustments;		Accounting Unit	2023	2024	Implemented	NA	Accounting Unit to submit to the Office of the Auditor the required supporting documents within the year, otherwise, they will reverse the prior year's recorded adjustment without basis.
AAR 2022, Par.2.22-2.30, pages 61-64	<b>Property, Plant and Equipment</b> a. Misclassification of accounts within the PPE accounts group - P309,210.58	Require the Accountant to make the necessary adjusting journal entries to reclassify the affected accounts within the PPE accounts;		Accounting Unit	2023	2024	Implemented	NA	The Accountant has prepared the necessary adjusting journal entries
	c. Non-provision of depreciation on Office Equipment - P3,242,027.50	Instruct the Property Unit to determine the value and ownership of the donated three parcels of land and submit to the Accounting Unit pertinent supporting documents, such as the Deed of Donation for the three donated parcels of land for proper booking;		Property Unit	2023	2024	Implemented	NA	The Property Unit in coordination with campus officials, has yet to submit to Accounting Unit the Deed of Donation for the donated parcels of land for proper booking.
AAR 2022, Par.2.33-2.36, pages 64-65	Variance between the FS/TB/GL and Per Accounted JEVs recorded balances	Through the Accounting Unit, agreed to reconcile the account balances with noted discrepancies and prepare adjusting entries, as necessary.		Accounting Unit	2023	2024	Implemented	NA	The Accounting Unit has prepared the necessary adjusting entries thru the JEV before effecting the same to the General Ledger (GL) and special journals.



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OTHER AUDIT AREAS									
AAR 2022, Par.8, pages 81-84	Deficient controls in the management of fixed assets were observed at PhilSCA, which resulted in the failure of the College to timely reconcile the reported balance of PFE and exposed the properties and stakeholders to the risk of hazards and possible losses without early detection and recovery, contrary to the pertinent provisions of GAM for NGAs, Volume I, and various COA and DBM issuances.	b) instruct the Accounting Unit to provide complete information of reported properties in the PPELC as required by GAM for NGAs Volumes I and II;		Accounting Unit	2023	2024	Implemented	NA	The Accounting Unit has been directed to complete the details and needed information in the PPELC.
		c) direct the Accounting Unit to attach copies of original source document such as IARs and DRs in the journal entry vouchers submitted and as supporting document to the PPELC prepared by their Office;		Accounting Unit	2023	2024	Implemented	NA	The Accounting Unit was advised to attach supporting documents as basis of JEVs.
		d) instruct the AOs to submit complete sets of documents required under COA Memorandum No. 92-751, dated February 24, 1992, and henceforth, immediately notify the COA Audit Team of any losses on the properties of the Colleges due to theft/robbery and submit relief of accountability; and		AOs	2023	2024	Implemented	NA	The AOs will submit complete sets of documents and will notify the Audit Team and will also submit the necessary request for relief of accountability on a timely manner.
		e) fully account all the items for disposal and fast-track the process of appraisal and disposal of the unserviceable properties.		Disposal Committee	2023	2024	Implemented	NA	The concerned committee has already disposed all the items due for disposal which were placed in the vacant fields in front of the Guestel.

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AAR 2022, Par.9, pages 84-86	The delay in the repairs of buildings and structures and the construction of the new building projects on the PhilSCA-MBEAB Campus resulted in further deterioration, deprived its students, employees, and other stakeholders of convenient and safe facilities, posed possible risks of hazardous elements, and affected the adequate security of its assets, equipment, records, and documents.	a) evaluate the conduciveness, safety, and stability of the buildings and structures at PhilSCA-MBEAB Campus;		Management / EAC	2023	2024	Implemented	NA	The Management is evaluating the conduciveness safety and stability of the buildings and structures at PhilSCA-MBEAB Campus following the recent trip of college officials last June 1, 2023. (ANNEX "C")
		b) promptly conduct the necessary substantial repairs and maintenance and fast-track the procurement process for the construction of a new building at the new site; and		Management / EAC	2023	2024	Implemented	NA	A Memorandum of Agreement with DPWH VII was approved by the PhilSCA BOT to fast-track the procurement process for the construction of a new building at the new site with corresponding budget.
		c) henceforth, immediately notify the COA Audit Team of any damages and losses on the properties of the Colleges caused by fortuitous events such as typhoons and elements of time and submit a request for relief from accountability in accordance with Section 73 of PD No. 1445, COA Memorandum No. 92-751 dated February 24, 1992, and Section 41, Chapter 10, of the GAM for NCAs Volume I.		Management / AOs	2023	2024	Implemented	NA	Management will immediately notify the COA Audit Team of any damages and losses of properties caused by fortuitous events.
AAR 2021, Par.1.c, pages 47-53	Misstatement on Property, Plant and Equipment - Unrecorded cost of completed building and gymnasium - ₱86,020,000.00; Non-derecognition of transferred PPEs to the PAF - ₱6,165,355.19; Unrecorded Impairment Loss on unserviceable properties - ₱1,273,648.94; c.4 Incorrect method of depreciation - ₱2,443,248.91; Erroneous adjustment of Other Land Improvements and depreciation amounting to ₱299,737.74 (net).	Record the impairment loss on unserviceable PPEs;		Accounting	2022	2023	Implemented	NA	The Chief Accountant has already recorded the impairment loss for evaluation of the Audit Team
		Accomplish completely the IIRUP dated September 16, 2020 and submit supporting documents on the disposal of the unserviceable properties for reconciliation in the records of the Accounting.		Property / Supply Office	2022	2023	Implemented	NA	The concerned Property/Supply office is still coordinating with college officials involved in the transfer to accomplish properly and completely the required IIRUP and supporting documents.



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					From	To			
AAR 2021, Par.2.a, pages 55-58	Unreconciled balances in the FSSs and source Journals totaling P89,846,827.82	Henceforth, conduct a careful and thorough review of the accounts before closing the books to ensure the completeness and accuracy of the balances of the accounts presented in the FSSs.		Accounting	2022	2023	Implemented	NA	The Management commented that thorough checking before preparation of Post-Closing TB shall be done at year-end by Accounting Unit. They are advised to consult with the Audit Team whenever needed.
AAR 2021, Par.6, pages 74-84	The PhilSCA did not adhere to some of the provisions of RA No. 9184 or the Government Procurement Reform Act and COA rules and regulations in the procurement of goods, services and infrastructure related projects as the following deficiencies were noted: a) lapses during the procurement activities; b) payment for progress and final billing were not supported with proper and complete documentation; c) disposal of properties was included as scope of work of the contract; d) discrepancy of 120 days in the target date of completion between the Contract and its Special Condition for Rehabilitation of Electrical Lines and Equipment; e) deficiencies in the request for extension of contract time; and f) delayed submission of perfected contracts and supporting documents. All these cast doubts on the propriety and regularity of the procurement processes, defeating the purpose of the law on transparency, competitiveness and accountability.	Require the assigned inspectors to always prepare and submit a punch list, detailing the remaining works, work deficiencies for necessary corrections, and the specific duration/time to fully complete the project as required under Annex E of the Revised IRR of RA No. 9184; and		IDPO/ Accounting/ TWG/ OP	2022	2023	Implemented	NA	The responsible inspectors follow the punch list as recommended by the Audit Team
		Formulate guidelines on the disposal of the removed and/or replaced materials in accordance with NBC No. 425 or the Manual on Disposal of Government Property;		Management / Supply/ Property	2022	2023	Implemented	NA	The Management furnished the COA Office approved policies on the disposal of materials for approval of the Board of Trustees (BOT).

Reference	Audit Observations	Audit Recommendation	Agency Action Plan		Target Implementation		Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/Dept Responsible	From	To			
AAR 202 , Par.14, pages 109-114	The College did not strictly adhere to the provisions of RA No. 10531 and its IRR and CHED-Unified Student Financial Assistance System for Tertiary Education (UniFAST)-DEM Joint Memorandum Circular (JMC) No. 04 S. 2020 as lapses in the implementation of TFS program were observed such as: a) delayed issuance of ORs for every amount received from CHED Regional Office (CHEDRO); b) delayed release of funds causing deferment of benefits to the student-grantees c) inadequate submission of supporting documents for the liquidation of funds, affecting the timely evaluation of the propriety of fund utilization; c) non-utilization of the Administrative Support Cost (ASC), adding unnecessary expenses to the College; and e) non-maintenance of separate book for Trust Receipts.	Immediately distribute the unrelease TES funds of P41,200.00 to the qualified TES student-grantees;		TES Coordinator / Cashier / Accounting	2022	2023	Implemented	NA	Immediate distribution has been done to the payees upon receipt of proper notice from CHED and LBP's bank certification of fund transfer
		Maintain a separate bank account with the LBP and a separate book of accounts to properly and timely manage the receipt and distribution of the TES financial assistance funds transferred by CHED.		Accounting / Management	2022	2023	Not Implemented	NA	The Management is yet to open a separate bank account for TES funds subject to Board concurrence/approval.
AAR 2019, Par.11	Expenses amounting to P71,739.00 incurred in the conduct of "Salamat- Mabuhay Program" were deemed unnecessary and irregular, as contemplated in COA Circular 2012-003 dated October 29, 2012, and was not in consonance with the Civil Service Commission (CSC) Memorandum Circular No. 7, series of 1998, which cast doubts on the propriety and validity of the said disbursements.	Held the disbursing officer and the approving officials accountable for the unauthorized, irregular, and extravagant disbursements of government funds by having them and the payees refund the corresponding amounts paid and received, respectively.		HRMD and Management	2022	2023	Implemented	NA	The Management commented that ever since, Dr. Boyles did not claim any salary or RATA differential during his entire designation as Vice-President for several years. Thus, saving PhilSCA a lot of funds. In return, the College gave him a proper reasonable tribute in his last day of service. He occupied an SG 14 plantilla item but he works as VP designate which is an SG 25 position.



Reference	Audit Observations	Audit Recommendation	Agency Action Plan			Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken	
			Action Plan	Person/Dept Responsible	Target Implementation From To				
AAR 2017, pages 53 – 58	Other Receivables amounting to ₱926,307.75 which remained dormant for more than nine to 17 years are of doubtful collectability and rendered the account balance unreliable, contrary to Philippine Public Sector Accounting Standards (PPSAS) No. 1 on the fair presentation of the FSs. Moreover, only a minimal amount of ₱4,000.00 out of ₱883,000.00 Loans Receivables–Others was collected and the remaining amount of ₱879,000.00 remained outstanding for more than nine years.	a. Exhaust all efforts to recover the cash shortage from former employee who incurred cash shortage;		College President	2022	2023	Implemented	The concerned personnel has no financial capacity to settle the amount in full, hence resorted to partial payment	The Management is still in the process of consulting the OSG for the appropriate action against the Cashier to recover the cash shortage she incurred.
		b. Send final demand letters to settle Unliquidated cash advances made to concerned officials and submit a copy thereof to the Audit Team; and		Accounting Office and College President	2022	2023	Implemented	NA	Copy of receipt of demand letters sent by Management has yet to be furnished to the Audit Team by Accounting Unit.
		c. Send demand letters to the last known address of the grantees of (SAFE-4-SR) to enforce collection thereof.		Accounting Office	2022	2023	Implemented	NA	The Management thru the Accounting Office is still in the process of completing all the needed requirements.
AAR 2012, Par. 24-31, pages 25-27 AAR 2011 AAR 2007	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 P107,504.05, misstatement of Prior Year Adjustments Account by P51,477.27 and understatement of the Other Receivables Account by P158,981.32 which represents the total accountability and which has not yet been settled to date, thus may result in 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.		Accounting Office and College President	2022	2023	Implemented	NA	The Management is still in the process of requesting the write-off for the relief of accountability of the late Ms. Daligdig from COA, and final demand letter had been sent to the last known address of Ms. Palado.

Prepared by:  
for: *[Signature]* 11/29/2020

**IMELDA F. NAVIGAR, CPA/MPA**  
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Reviewed by:

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