

PHILIPPINE NORMAL UNIVERSITY MANILA
Taft Avenue, Manila

STATUS of IMPLEMENTATION
of PRIOR YEARS' Audit Recommendations
As of December 31 , 2022

Out of two hundred twenty (220) Audit Recommendations, one hundred twenty-five(125) were Fully Implemented and ninety-five (95) were not Implemented. Details are as follows:

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
<p>1. The total misstatement of ₱146,029,798.03 found in audit due to accounting errors, omissions and improper accounting treatment of transactions that are considered as departures from the International Public Sector Accounting Standards (IPSAS), have been fully adjusted, thus the University's consolidated financial statements (FSs) as at December 31, 2021 is presented fairly in all material respects which became our basis in rendering an unmodified audit opinion.</p> <p>We commended the Management for the prompt adjustments of the misstatements and ensuring that the financial statements were free from any material misstatements and were prepared in accordance with IPSAS.</p>	CAAR 2021 p 49	Adjustments made were already submitted to the COA Audit Team	Fully Implemented	
<p>2. Accounting deficiencies in recording and reporting the Cash and Cash Equivalents, Inventories, Property, Plant and Equipment (PPE) and Inter-Agency Payables with an aggregate balance of ₱665,903,709.24, undermined the qualitative characteristics of information in the FSs.</p> <p>We recommended and Management agreed to require the PNU Manila Accountant to maintain a separate sub-account and SLs for all the sources of the CIB-LCCA on STF account for proper monitoring.</p>	CAAR 2021 pp 49-55	The Accounting Unit is looking for alternative ways to monitor the balances of CIB-LCCA (STF)	Not Implemented	Creating specific sub-accounts in the NGAS is not possible. The Accounting Unit is looking for alternative ways to monitor the balances of CIB-LCCA (STF)
<i>PNU South Luzon-Inventory Accounts</i>			Not Implemented	
a. through the AU and SPU, reconcile the respective balances on all inventory accounts;			Not Implemented	
b. through the AU, regularly maintain SLC to strengthen controls whether supplies procured by the University are being properly accounted for and to ensure check and balance with the recorded amount in SPU at any given time.			Not Implemented	
<i>PNU North Luzon -Inventory Accounts</i>		Accounting Office shall and regularly update Supply Ledger Cards (SLCs) of	Fully Implemented	
c. require the AU to maintain SLCs of inventory accounts;		The Management will adhere to the recommendation	Fully Implemented	
<i>PNU-Manila and South Luzon -PPE</i>		Accounting Unit/ Supply and Property Unit	Not Implemented	On-going Reconciliation
a. continue and ensure completion of the reconciliation of the AU and SPU records to present fairly the FSs of the agencies; and			Not Implemented	On-going Reconciliation
b. comply with the one-time cleansing of PPE account balances provided for under COA Circular No. 2020-006 dated January 31, 2020.				
<p>2.21. Review of the Inter-agency Payables of PNU-South Luzon's revealed the following negative year-end balances:</p> <p>Due to GSIS... P59,857.15</p> <p>Due to Pag-IBIG.. 5,990.43</p>	CAAR 2021 pp 55	The Management will		

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
Due to PhilHealth.. 5,245.72		adhere to the recommendation	Not Implemented	
Total P71,093.30				
We recommended and the Management of PNU-South Luzon agreed to analyze further the causes of these negative balances and effect the appropriate adjustments, as necessary.				
<p>3. The Cash-Collecting Officers account of the PNU System of ₱621,863.32 includes that of PNU-Manila in the amount of ₱298,749.14 which remained outstanding for 10 years and could not be identified whether this resulted from undeposited collections or an erroneous recording due to the absence of reconciliation, thus showing the Management's lack of adherence to the provisions of PD No. 1445 and the Revised Cash Examination Manual.</p> <p>We recommended and Management agreed to strictly demand for the immediate settlement of the account.</p>	CAAR 2021 pp 55-57		Not Implemented	The Accountable Officer already paid Php 150,000 through the Cashier's Office. The remaining amount will be deducted from AO's Terminal Leave Benefits
<p>4. The PNU did not adhere to the Modified Direct Payment Scheme (MDPS) and instead continued to use a separate Payroll account, the balance of which amounting to ₱1,897,901.40 was not reverted to the National Treasury. Moreover, unutilized funds of ₱72,290.00 pertaining to the Development Bank of the Philippines-Resources for Inclusive and Sustainable Education (DBP-RISE) were noted.</p> <p>We recommended and Management agreed to:</p> <p>I. require the PNU Manila Accountant to:</p> <p>a. maintain a separate sub-account and SLs for all the sources of the CIB-LCCA on STF account for proper monitoring;</p>	CAAR 2021 pp 57-58	On the disbursements of ₱72,290.00, the PNU shall discuss the issue with DBP Management, as the latter is the one in-charge in the selection of the scholars.		
b. revert the ₱1,897,901.40 outstanding balance of Payroll account to the National Treasury; and			Not Implemented	Creating specific sub-accounts in the e-NGAS is not possible. However, the Accounting Unit is looking for alternative ways to monitor each balances under CIB-LCCA (STF)
c. close the Payroll account and implement the MDPS in payroll related disbursements			Not Implemented	The outstanding balance includes Proportional Vacation Pay (PVP) of Faculty Members which will be released upon submission of clearance
			Not Implemented	Payroll account will be closed after the release of Proportional Vacation Pay of Faculty Members
II. select a substitute scholar and disburse the remaining balance of ₱72,290.00 relative to DBP-RISE account.			Not Implemented	Scholar will be selected by DBP RISE
<p>5. The University did not revert to the General Fund, the PNU-North Luzon's prior years' unutilized and unobligated funds amounting to ₱1,585,362.02 and PNU Manila's dormant account of ₱13,614,454.97 pertaining to Student Assistance, Scholarship and Development Fund (SASDF), resulting in the accumulation of idle funds that could have been used for other government programs.</p> <p>We recommended and Management agreed to:</p> <p>PNU North Luzon -</p>	CAAR 2021 pp 59-61	The Management already created a Task Force to develop a policy program for the implementation and utilization of the SASDF. The Office of the Student Affairs and Student Services (OSASS) has been		Accountant has ongoing working paper for the return of Prior Year fund, in addition the Accountant

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a. instruct the Accountant to continue analyzing the unrevested balance and accordingly revert the same, as warranted;		directed by the University President to craft a policy on such matter.	Not Implemented	is carefully assessing the liquidity of the General Fund before paying the balance.
PNU Manila -				
b. provide policy/program for the implementation and utilization of the SASDF; and			Fully implemented	Attached are copies of Consolidated Contracts, MOA, MOU and other similar agreements for alumni donations specifically for scholarship programs.
c. instruct the Accountant to revert the ₱13,614,454.97 SASDF to the National Treasury if no policy/program will be provided for its implementation and utilization.			Not Implemented	The Accounting Unit is waiting for the policy/program for the utilization of SASDF
<p>6. The propriety of maintaining the accounts of Department of Science and Technology - National Consortium in Graduate Science and Mathematics Education (DOST-NCGSME) and Alumni Donations amounting to ₱3,770,130.87 and ₱132,954.38, respectively, cannot be determined due to the absence of contracts or Memorandum of Agreement (MOA) between the PNU and the source agency/donors.</p> <p>We recommended and Management agreed to instruct the PNU concerned Offices to provide the contracts for the DOST NCGSME account and the contracts with the donors of the Alumni Donations account, and in future similar cases, ensure that a contract or MOA is executed between the PNU and the donors.</p>	CAAR 2021 pp 61-62	The Management will adhere to the recommendation	Fully implemented	Attached are copies of Consolidated Contracts, MOA, MOU and other similar agreements for alumni donations specifically for scholarship programs.
<p>7. The PNU Manila did not strictly adhere to pertinent laws, rules and regulations on the grant and liquidation of its cash advances (CAs) as evidenced by: a) failure of 15 accountable officers (AOs) to settle/liquidate their accountabilities within the reglementary period, three of whom did not act on the demand letter issued by this Office; b) CAs totaling ₱515,000.00 were granted despite lacking documentary requirements prescribed in COA Circular No. 2012-001 dated June 14, 2012; and c) grant of CAs to AOs who are not bonded.</p>	CAAR 2021 pp 62-67	The PNU Management is aware of the requirements of the COA. Nevertheless, time is of the essence in the implementation of projects affecting the efficiency of the agency. Hence, request for cash advance is processed while the application of bond is still in process.		
We recommended and Management of PNU-Manila agreed to:				
a. strictly require the AOs with unliquidated CAs totaling ₱1,963,372.98 to immediately settle their balances;			Fully Implemented	
b. administer penalty/sanctions accordingly to suspend those AOs who failed to fully comply with the provisions as stated in the issued DL by the AT in consonance with CSC MC No. 23, s. 2019;			Not Implemented	List of Accountable Officers with Outstanding Cash Advance (FY 2021) as of June 9, 2022 was already provided by the Accounting Unit to PNU Management
c. comply with the submission of the prescribed documentary requirements stated in COA Circular No. 2012-001 dated November 28, 2012 to support the grant of CA; and		A Final Notice was emailed by the Management to the	Fully Implemented	Documentary Requirements under COA Circular 2012-001 are attached to the

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d. see to it that the grant of CAs shall only be provided to AOs that are fully bonded.		concerned AO indicating the deadline of liquidation pursuant to the recommendations. The corresponding penalty/sanction will follow based on existing legal	Not Implemented	Due to implementation concerns, Applications for Fidelity Bond with payment of bond premium were already processed. Follow-up emails are being sent to the Bureau of Treasury for release of Confirmation Letters.
Auditor's Rejoinder: Upon verification, final notice has been sent				
8. Some PPE of PNU-Manila were not properly tagged, contrary to Section 44, Chapter 10 of the GAM, Volume 1, thus, is not in keeping with sound property management, exposing the assets to risk of theft and misuse and the designated Property Officer was not bonded, contrary to Section 101 of PD No. 1445. We recommended and Management of PNU-Manila agreed to: a. improve the property identification tagging system by providing property tags on all existing properties and equipment of the University; and b. submit the application for bond of the Property Officer with the BTr.	CAAR 2021 pp 67-68		Not Implemented	Will strictly observe/ implement the identification in tagging of all existing and newly delivered
			Fully Implemented	The bond premium for the Fidelity Bond Application of the Property Officer was already
9. The Trust Liabilities account of the PNU-Manila totaling ₱27,475,069.72 include balances of ₱22,481,432.80 pertaining to: a) unremitted proceeds from sale of bid documents from procurement projects, contrary to DOF-DBM-COA Permanent Committee Resolution No. 2005-2 dated June 2005; b) scholarship funds and projects without contract, MOA or financial reports; and c) unreverted balances from prior year's appropriations, contrary to Section 28, Chapter 4, Book VI of EO No. 292.	CAAR 2021 pp 68-71			
1.1. We recommended and PNU-Manila Management agreed to:			Not implemented	Amount will be reverted to GAA once the bid documents has been classified properly as to funding source/
a. revert to the BTr the unutilized funds from the sale of bid documents from the projects sourced from the GAA;				
b. submit contracts, financial reports, and current status of the 20			Not implemented	
c. provide information on the nature of the four internal programs			Not implemented	
d. issue Office Order and instruct the OSASS to provide the AT			Not implemented	
e. provide legal basis for the use of funds sourced from unutilized prior years' general appropriations received from PNU Campuses totaling ₱16,494,958.12, to fund its various Infrastructure Projects;			Fully Implemented	Submitted to the COA Audit Team
f. immediately revert to the BTr the remaining ₱774,906.36 unutilized prior years' general appropriations of PNU Campuses.			Fully Implemented	Remitted already to the Bureau of Treasury as per JEV-2022-06-
Auditor's Rejoinder: The unexpended portions of				

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<p>10. The PNU-Manila had entered into a contract with the DPWH for two infrastructure projects totaling ₱385,191,209.82, one of which is for termination; while the other project remained incomplete and had incurred delays on its implementation. Moreover, there are discrepancies in the project description stated in the contract vis-à-vis the actual scope of works; the reported percentage of completion at 88.81 percent is bloated; the required tarpaulin signboard/billboard in the project location was not complied with and the bidding documents were unsubmitted to the AT. All of these are contrary to Republic Act (RA) No. 9184 or the Government Procurement Reform Act, pertinent provisions of various COA Circulars, and the MOA, defeating the purpose of the law on transparency, accountability and public monitoring.</p> <p>We recommended and the Management of PNU-Manila agreed to:</p> <p>a. explain the incurrence of undue delay in the implementation of PNUCTC Project and discrepancies noted between the project description stated in the contract and the actual scope of works;</p>	<p>CAAR 2021 pp 71-79</p>	<p>The Management cited the following, as</p> <p>a. With due respect, PNU exercised due diligence in making constant follow ups and requests for updates to</p>	<p>Fully Implemented</p>	<p>DPWH already provided an executive summary listing the work suspension order with explanation on the undue delay.</p>
<p>b. explain the basis for the discontinuance of the construction project for Teacher Education Heritage Campus Laboratories;</p>		<p>b. Regarding the Teacher Education</p>	<p>Fully Implemented</p>	<p>DPWH provided the contract termination review and other</p>
<p>c. require the FMSS Unit to exercise diligent monitoring, coordination among officials/personnel involved in the project and supervision on its implementation to immediately address issues and lapses thereof on the part of the Implementing Agency (DPWH), to</p>		<p>c. OUP released University Memorandum No. 027, s. 2022 dated February</p>	<p>Fully Implemented</p>	<p>The monitoring team meets every 2nd and 4th Tuesday of the online meeting and conducts onsite inspection periodically.</p>
<p>d. direct the Project Monitoring Team to conduct thorough inspection and validation of the actual accomplishment of the</p>		<p>d. Once DPWH-NCR submits all pertinent</p>	<p>Fully Implemented</p>	<p>the university requests for monthly status report narrating</p>
<p>e. immediately submit the required documents duly certified to facilitate the legal and auditorial review of the contracts and the attendant technical review of the project to avoid issuance of Notice of Suspension;</p>		<p>PNU awaits all pertinent documents requested from DPWH-NCR in the letter dated February 3, 2022. Once</p>	<p>Fully Implemented</p>	<p>PNU received the pertinent documents requested to DPWH and was forwarded to the Commission on Audit.</p>
<p>The PNU-Main Management, thru the DPWH:</p> <p>f. impose necessary and appropriate sanction on the contractor for the delay, if warranted; and</p>		<p>On February 2, 2022, PNU wrote DPWH-NCR Director Nomer Abel Canlas with recommendation for the agency to impose</p>	<p>Not Implemented</p>	<p>The university is waiting for the report of DPWH on the necessary and appropriate action taken towards the contractor if any.</p>
<p>g. require the contractor to prepare and post the signage/billboard of the infrastructure project as provided in COA Circular No. 2013-004 dated January 30, 2013.</p>		<p>PNU immediately communicated with DPWH-NCR regarding the posting of the signage/billboard. The contractor posted the required signage/billboard of the infrastructure project immediately after</p>	<p>Fully Implemented</p>	<p>This was already responded by contractor</p>
<p>Auditor's Rejoinder:</p>				

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The safety of the people is of paramount concern in building infrastructures. Discovery of major loopholes during its implementation stage is a blessing. However, intricate planning for projects this big should have been conducted. It is enjoined that investigation should be conducted on who are to be held accountable, and why a major issue such as incompatibility of the structure to be erected with the soil composition of related area was not discovered early on for the Teacher Education Heritage Campus Laboratories project. The AT would like to be informed about the outcome of this investigation				We are waiting for the response of DPWH on this matter. The university will make a follow-up on the status.
11. The inspection conducted by PNU-Manila on the completed repair projects of the campus disclosed the following: a) scaffoldings were not part of the General Requirements aspect of Program of Works (POWs); b) discrepancies were noted between the actual work performed and approved POWs; and c) other deficiencies noted in carrying out some aspects of the repair projects. a. explain why the scaffolding was not included as an item in the General Requirements as per Agency-approved POWs; and the basis of scaffolding cost in the total amount of ₱427,500.00;	CAAR 2021 pp 79-83	General Requirements normally pertain to the documentation of the specific protocols for administrative programs associated with a given project. Since scaffolding use directly applies to the actual construction, the same was not included	Fully Implemented	The university will adhere to advise of the AT in our future projects.
b. provide explanations on the deficiencies between the actual work performed and POWs; and deficiencies noted in some aspects of repair projects; and		On the deficiencies noted between the actual work performed	Fully Implemented	Concerns regarding discrepancies was already addressed and implemented.
c. require the FMSS to monitor regularly and evaluate the accomplishments of all projects it undertakes by exercising diligence in the contract administration ensuring, among others, that rectification works (if there is any) would be immediately undertaken		1.1. The FMSS will create a monitoring team who will ensure that all aspects of the	Fully Implemented	The monitoring team from PNU convene periodically to perform the task
12. The non/delayed /incomplete submission of copies of contracts and their supporting documents relative to the procurement projects of PNU-Manila, PNU-North Luzon and PNU-Mindanao in the amounts of ₱79,509,685.98; ₱389,266.96; and ₱2,452,172.00, respectively, are contrary to COA Circular No. 2009-001 dated February 12, 2009 and Section 4, Paragraph 6 of PD No. 1445, which hindered the auditorial and technical review of the procurement transactions and prompt detection or correction of possible deficiencies thereof.	CAAR 2021 pp 83-87			
We recommended and Management agreed to:			Fully Implemented	
a. require the BAC Secretariat of PNU Manila to submit the				
b. instruct the BAC of PNU North Luzon to submit the Auditor's copy of the eligibility requirements of the contractor/supplier and NTP for the Procurement of KMO IT Supplies and Construction of		The BAC of PNU North Luzon shall submit the	Fully Implemented	The BAC already submitted the required documents to the Audit Team
c. require the BAC and its Secretariat of PNU Mindanao to strictly comply with the submission of copies of perfected contracts		strictly comply with the submission of copies of	Fully Implemented	
Auditor's Rejoinder - PNU North Luzon The Management submitted the eligibility documents on February 3, 2022. However, verification of the submitted documents revealed the following lapses which raised doubts on the validity of the conducted competitive bidding by the BAC:				
a. In the procurement for the construction of Campus Drainage System - the Statement of all Ongoing Government and Private Contracts was not signed by the contractor which should have been		The BAC of PNU North Luzon shall observe strictly next time the	Fully Implemented	BAC of PNU North Luzon already observe the rules and regulation
b. The SLCC and NTP of the contractor remained unsubmitted		The BAC shall submit the SLCC and NTP	Fully Implemented	The BAC of PNU North Luzon already submitted the documents

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<p>13. The PNU System did not strictly observe the Revised IRR of the RA No. 9184 in the implementation of procurement projects, in view of the following noted deficiencies:</p> <p><i>PNU Manila</i></p> <ul style="list-style-type: none"> · incurrance of delays in entering into Contract Agreement with the Contractor as well as in the issuance of Notice of Award (NOA)/ Notice to Proceed (NTP); · delayed completion of three projects; · deficiencies in the posted performance security; <p><i>PNU North Luzon</i></p> <ul style="list-style-type: none"> · failure to post the invitation for or request for submission of price quotations/proposals, NOA, and contract/Purchase Order (PO) in the PhilGEPS website and in the website of the Procuring Entity for various procurements amounting to ₱381,200.00; <p><i>PNU Mindanao</i></p> <ul style="list-style-type: none"> · contract entered into by and between PNU and the winning bidder despite non-compliance with the required posting of Performance Security; and · receipt of NOA and NTP by the winning bidder was not properly indicated. 	CAAR 2021 pp 87-96			
<p>We recommended and the Management agreed to:</p>				
<i>PNU Manila -</i>				
<p>a. adhere to the timelines in the awarding of contracts and in the issuance of NOA and NTP as prescribed in Section 37 of the Revised IRR of RA No. 9184;</p>		<p><i>PNU Manila -</i> The FMSS adheres to the audit recommendations, the</p>	Fully Implemented	
<p>b. impose liquidated damages from contractors who were not able to complete the projects within the expected completion;</p>		<p>Status of the contractor's</p>	Fully Implemented	The University will continue to impose liquidated damages in
<p>c. require the contractor to submit the substitute Performance Bond or extension of the Original Bond for the related repair projects;</p>			Fully Implemented	This is noted and will be considered in future projects
<i>PNU North Luzon -</i>				
<p>d. require the BAC to observe strictly the posting of the invitation for or request for submission of price quotations/proposals, NOA, and contract/PO in the PhilGEPS website and in the website of the</p> <p><i>PNU Mindanao -</i></p>		<p><i>PNU North Luzon -</i> 1.3. The Management has already made an effort to apprise the</p>	Fully Implemented	
<p>e. strictly require the winning bidder to submit the required documents pursuant to Section 37.2 of the IRR of RA No. 9184, within the 10 CDs period after receipt by the winning bidder of the NOA, before the approval and signing of the contract; and</p>		<p>require bidders to comply with the provisions of Section 37.2 IRR RA No 9184 on the posting of</p>	Fully Implemented	
<p>f. require the winning bidder to indicate the date of receipt in the NOA and in the NTP and to oblige the BAC Secretariat of the required postings in the PhilGEPS.</p>		<p>indicate date of receipt of NOA and the BAC Sec to post in Philgeps the award</p>	Fully Implemented	
<p>14. Paid Disbursement Vouchers in PNU-North Luzon and Mindanao Campuses pertaining to honoraria, fuel consumption, Collective Negotiation Agreement (CNA) and Expanded-Program on Awards and Incentives for Service (E-PRAISE) totaling ₱4,877,549.24 lack the required supporting documents, contrary to Section 4 (6) of PD No. 1445, compromising the validity and propriety of the said disbursements.</p> <p>We recommended and the Management of PNU-North Luzon agreed to:</p> <p>a. instruct the Accountant that henceforth, to ensure that the payment of fuel consumption is supported with properly accomplished and duly approved Drivers' Trip Ticket/s, otherwise,</p>	CAAR 2021 pp 96-101	The Accountant shall ensure that the payment of fuel consumption is supported with properly	Fully Implemented	The Accountant already observes the recommendation in processing the payment thereof

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b. direct the designated Property Officer that henceforth, to see to it that the use of government motor vehicles is controlled through		Property Officer shall see to it that the use of	Fully Implemented	The Property Officer already observes the recommendation.
PNU Mindanao c. We recommended and the Management agreed to ensure that DVs are supported with the required documents before payment		Submit lacking documents	Fully Implemented	
d. We also recommended that the Management of PNU Mindanao explain why the E-PRAISE Incentives was partly sourced		Submit Documents	Fully Implemented	
<p>15. The PNU Manila has no established policies/programs on the implementation of Free Higher Education (FHE) relative to a) Return Service System; b) Opt-out Mechanism; and c) Student Voluntary Contribution Mechanism, hence not in compliance with the IRR of RA No. 10931 or the Universal Access to Quality Tertiary Education Act of 2017.</p> <p>We recommended and the Management of PNU-Manila agreed to submit the following:</p> <p>a. BOR and CHED-approved Return Service System; and</p>	CAAR 2021 pp 101-104	<p>The President has convened a Task Force on CHED UniFAST Compliance and Requirements. Among others, the Task Force aims to</p> <p>The Management also informed that while the Task Force is leading the development of guidelines, they also developed and implemented the use of the: a) Opt-out tuition form; and b) voluntary payment form, which</p>	Fully Implemented	Attached is a copy of the approved PNU BOR Resolution NOo. U-3537,s.2022
b. Action plan on the implementation of the Return Service System, Opt-Out Mechanism, and Voluntary Payment Mechanism		The Task Force is currently in communication with CHED UniFAST and is actively working on the development of the	Fully Implemented	Students have been informed regarding the opt-out mechanism and voluntary payment mechanism. As a matter of fact, some have already submitted the forms for
<p>16. The PNU-Manila is not compliant with pertinent provisions set forth in the Revised Philippine Government Internal Audit Manual 2020 because its Internal Audit Unit (IAU) performs functions which are not within their prescribed duties and responsibilities; and the designated head of the IAU does not report directly to the Governing Board or Audit Committee, thereby affecting the effective discharge of its mandated functions.</p> <p>We recommended and Management of PNU-Manila agreed to:</p> <p>a. revisit, re-align and re-define the functions and responsibilities of the IAU, in conformity with PGIAM and other pertinent rules and regulations;</p> <p>b. upon establishment of the functions and responsibilities of the IAU, assign sufficient number of personnel therein with relative skills and experience to ensure the Agency's compliance with related laws and policies, the proper monitoring of internal controls as well as the</p> <p>c. amend the organizational structure of the PNU wherein the IAU is under the direct supervision of the Governing Board or AuditCom, in compliance with the Revised PGIAM.</p>	CAAR 2021 pp 104-107	The Management commented that they have already undertaken the evaluation of the University's Strategic Development Plan (SDP) and Organizational Structure (OS) to evaluate the extent to which the University has been achieving its functions and mandates. Likewise, the IAU has been considered in the study for review, realignment, and redefining of functions in the OS and the Management has already considered	<p>Not Implemented</p> <p>Not Implemented</p> <p>Not Implemented</p>	<p>waiting for the approval of the revised PNU-OS</p> <p>three (3) additional plantilla items for IAU in the ROSS will be requested to DBM for creation before the year ends.</p> <p>Revision of the OS is ongoing, the TWG completed the draft OS for consultation to stakeholders and for submission to BOR in the last quarter of the year.</p>

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<p>17. The University allocated only ₱9,235,650.00 or 1.09 percent of the Agency's total budget appropriations of ₱843,984,000.00 for its Gender and Development activities which is way below the required allocation of at least five percent of the total budget, and had only spent ₱3,647,217.01 or 39.49 percent of the budgeted amount resulting in the non-attainment of the GAD objectives, contrary to Section 32 of the General Provisions (GP) of the GAA for FY 2021. Moreover, the GAD Plan and Budget and GAD Accomplishment Report were belatedly submitted to the Audit Team (AT) and to the Philippine Commission on Women (PCW) and the CHED, hence was not endorsed to the DBM, contrary to Joint Circular (JC) No. 2012-01 of the PCW, National Economic and Development Authority (NEDA), and DBM and other related PCW Memorandum Circular issuances.</p> <p>We recommended and the Management agreed to require the concerned officials to:</p> <p>a. comply strictly with the GAD annual budget allocation of at least five percent of the appropriations, to attain the objectives of the program and to warrant the review of PCW;</p>	CAAR 2021 pp 107-112	The PNU Management will comply with the five percent allocation of the total appropriation specifically on the MOOE and proper attribution to the Personnel Services and Capital Outlay, if available. A University Planning will be held in July 2022, which will include implementation of the GAD activities and recalibration to address the requirements of GAD.	Not Implemented	Did not receive feedback from UCGD
b. ensure strict implementation of all planned GAD activities so that allotted funds are fully utilized and the gender issues raised are properly and sufficiently addressed;			Not Implemented	Did not receive feedback from UCGD
c. submit to the AT advance copies of the GAD AR on the 5th working day of February each year in accordance with COA Circular No. 2014-001 dated March 18, 2014; and			Not Implemented	This is noted and will adhere to the scheduled submission
d. submit the GAD AR to CHED on or before February 24 of each year for its review to ensure submission of the CHED to PCW.			Not Implemented	This is noted and will adhere to the scheduled submission
18. In PNU Manila programs and activities were conducted for the benefit of the SCs, in compliance with Section 33 of the GP of the GAA for FY 2021.	CAAR 2021 pp 112-113		Fully Implemented	
19. The insurance provided by the PNU Manila only covered properties located in its campus amounting to ₱175,318,674.59 instead of the entire insurable PPE of the PNU-System of ₱275,628,147.94. In addition, the PNU Manila, being the Head Office, has not submitted the Consolidated Property Inventory Form. All these are contrary to RA No. 656 and COA Circular No. 2018-002 dated May 31, 2018, thus exposing the University to the risk of not being appropriately indemnified in the event of damage to or loss of property due to fire, earthquake, storm, flood, theft and other force majeure.	CAAR 2021 pp 113-116	The management of PNU Main/Manila, through the Supply and Property Unit (SPU), has already disseminated the information to all Supply Officers of the PNU Campuses regarding the submission of the PIF for consolidation of PNU Manila. Likewise, the SPU has already coordinated with the AU the recommended centralized payment for insurance of insurable properties by the entire PNU System to be undertaken by PNU		
We recommended and the Management of PNU Manila agreed to:				
a. require the PNU regional campuses to submit their respective PIF for consolidation of PNU Main;			Not Implemented	The SPU will inform the PNU Regional Campuses to submit their respective PIF Form for consolidation of PNU Manila.
b. implement centralized payment for insurance of insurable properties by the entire PNU System to be undertaken by PNU			Not Implemented	Implementation of centralized payment for insurance of
c. ensure that all insurable properties are insured and included in the consolidated PIF as it will be used as the basis for the			Not Implemented	The SPU will inform the PNU Regional Campuses to observe
d. henceforth, submit the consolidated PIF to the PNU Manila AT on or before the required deadline of April 30 every year.			Not Implemented	The SPU will strictly monitor the submission of PNU Regional Campuses of their respective

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
<p>20. The Due to BIR account balance of the PNU System totaling ₱6,944,402.36 includes the account of PNU South Luzon amounting to ₱2,147,213.04 which had been unremitted in prior years due to absence of documents.</p> <p>We reiterated our recommendations that the Management of PNU South Luzon:</p> <p>a. require the Accounting Staff to exert more effort to retrieve from files the required alpha listings of taxpayers to facilitate the remittance of the prior years' taxes withheld by the PNU-South Luzon to the BIR;</p> <p>b. coordinate with the PNU Manila to confirm the cut-off period or effectivity of their separation from the Centralized Payroll System and compare the record of remittances made; and</p> <p>c. remit immediately to the BIR the balance of unremitted tax withheld of ₱2,147,213.04 as soon as the required documents are retrieved.</p>	CAAR 2021 pp 116-118	The Management commented that the recommendations were duly noted and added that a directive was given to the Accounting staff to exert efforts to retrieve files necessary for the remittance of prior year's taxes withheld to the BIR. However, this was not completed due to lack of personnel to concentrate in the retrieval of records covering CY 2014 and	Not Implemented	
			Not Implemented	
			Not Implemented	
<p>21. Audit suspensions of ₱32,920,306.00, disallowances of ₱25,135,974.77, and charges of ₱2,526,106.97, remained unsettled as at December 31, 2021, contrary to COA Circular No. 2009-006 on the settlement of accounts.</p> <p>We recommended that Management of PNU Manila cause the immediate settlement of the outstanding balances pursuant to COE No. 2018-070 dated September 3, 2018 and COA Circular No. 2009-006 dated September 15, 2009.</p>	CAAR 2021 pp 118-121		Not Implemented	Demand letters will be sent to the accountable officers once the outstanding list of audit suspensions, disallowances and charges have been finalized. Moreover, residential address of AOs will be requested from the HRMDS.
<p>22. The Due from Officers and Employees account was not set up to recognize the receivable from the Accountable Officer (AO) who failed to file a request for relief from accountability for the loss of issued books amounting to ₱209,512.30 .</p> <p>PNU- North Luzon</p> <p>We recommended, and the PNU-North Luzon Management agreed, thru the Accountant, to record the adjusting entries to recognize the loss of books and set up the liability of the AO in the books of accounts in the amount of ₱209,512.30. Likewise, the AO is advised to submit the request for relief from accountability and the documentary requirements thereon for our evaluation pursuant to Section 11, Chapter 8 of the GAM for NGAs, Volume I and Section 73 of PD No. 1445.</p>	CAAR 2020 Par. 1.a pp. 46 - 47	AO to advise to submit the request for relief from accountability and the documentary requirements	Fully Implemented	The adjustment was reflected in the Trial Balance (TB) as of March 31, 2021. JEV No. 2021-03-000072
<p>23. Semi-expendable medical equipment amounting to ₱642,212.00 were recorded twice, resulting in the overstatement of the Inventories account, contrary to Section 15, Chapter 2 of the GAM for NGAs, Volume I on the fair presentation of the FSs as of December 31, 2020.</p> <p>PNU- North Luzon</p> <p>We recommended, and the PNU-North Luzon Management agreed, thru the Accountant, to record the adjusting entries to correct the double recording of semi-expendable medical equipment in the Inventories account amounting to ₱642,212.00.</p>	CAAR 2020 Par. 1.b pp. 48 - 49	Accountant to record the following adjusting entries.	Fully Implemented	The adjustment was reflected in the Trial Balance (TB) as of March 31, 2021. JEV No. 2021-03-000070
<p>24. Inventories were directly recorded as expense by PNU-North Luzon upon purchase and no adjustments were recorded despite the available information presented in the Report on the Physical Count of Inventories (RPCI) at yearend, thus resulting in the misstatement of assets and expenses amounting to ₱520,172.40.</p>	CAAR 2020 Par. 1.c, pp. 49 -	Accountant to record the entries to adjust the	Fully Implemented	The adjustment was reflected in the Trial Balance (TB) as of

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU- North Luzon We recommended, and PNU-North Luzon agreed, thru the Accountant, to adjust in the books the procured inventories which were erroneously charged to Repairs and Maintenance – Buildings and Other Structures account in the amount of ₱520,172.40.		the entries to adjust the balance of inventories	Fully Implemented	March 31, 2021. JEV No. 2021-03-000125
25. Accumulated Depreciation of the related PPE accounts of the PNU-North Luzon was misstated by ₱3,200,077.24 due to the non-recognition of residual value in the computation of depreciation, contrary to Section 27, Chapter 10 of the GAM for NGAs, Volume I. PNU-North Luzon a. record the adjusting entries to take up Depreciation Expense and Accumulated Depreciation at ₱433,036.77 and ₱3,200,077.24, respectively, to include the residual value in the computation of depreciation of PPE pursuant to Section 27, Chapter 10 of the GAM for NGAs, Volume I; and b. henceforth, consider the residual value in computing the depreciation expense of all depreciable PPE.	CAAR 2020 Par. 1.d, pp. 52 - 54	Accountant to record the adjusting entries to record depreciation expense and Accumulated Depreciation	Fully Implemented	Adjusted under JEV Nos.: • JEV-2021-03-000126; and • JEV-2021-03-000073
			Fully Implemented	Residual value is already being recognized in the computation of depreciation.
26. The Books account of PNU-North Luzon amounting to ₱2,233,980.95 consisted of items worth ₱2,126,283.29 with individual values less than the capitalization threshold of ₱15,000.00 but recorded as PPE while items worth ₱107,697.66 were non-existent, thus resulting in the misstatement of the FSs. PNU-North Luzon We recommended, and the PNU-North Luzon agreed, thru the Accountant, to record the adjusting entries to reclassify the Books from PPE account to Semi-Expendable Books account of ₱2,126,283.29 and derecognize the non-existent books of ₱107,697.66, without prejudice to the imposition of liability against the AO for the loss thereof.	CAAR 2020 Par. 1.e pp. 54 - 55	Accountant to record the following adjusting entries.	Fully Implemented	The adjustment was reflected in the Trial Balance (TB) as of March 31, 2021. JEV No. 2021-03-000124
27. The Advances to Special Disbursing Officers account of PNU-Manila is understated by ₱200,000.00 due to an erroneous credit entry made intended to close the Petty Cash Fund (PCF). PNU - Manila We recommended that PNU-Manila prepare a JEV adjusting the ₱200,000.00 refund of cash to close the PCF of the AO, which was erroneously credited to the Advances to Special Disbursing Officers account, with signed JEV furnished to the Audit Team.	CAAR 2020 Par. 1.g, pp. 57	Management adheres to the recommendation	Fully Implemented	Adjusted under JEV 2021-02-000128
28. Accounts Payable of ₱2,055,945.87 and ₱1,392,893.12 of PNU-Manila and PNU-Mindanao, respectively, and ₱228,050.54 under the Due to Officers and Employees account of PNU-Mindanao were outstanding for two years and above and were not reverted to the Accumulated Surplus/(Deficit) account, consequently overstating the Payables account, contrary to Section 98 of PD No. 1445 and EO No. 87, thus the accuracy, valuation and obligations, and fair presentation of the FSs cannot be relied upon. PNU - Manila a. revert the long outstanding payables of ₱2,055,561.48 to the Accumulated Surplus/(Deficit) account to reflect the correct balance of the Accounts Payable; b. provide the Audit Team with the signed JEV and supporting documents to support reversion of the Accounts Payable; and	CAAR 2020 Par. 1.h, pp. 58 - 59	Management adheres to the recommendation	Fully Implemented	Adjusted under JEV 2021-03-000353
		Management adheres to the recommendation	Fully Implemented	Adhered to the recommendation of COA.

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - Mindanao c. thru the Accountant, verify the recorded amounts and revert to the General Fund the outstanding payables for two years or more of creditors, retired, resigned and transferred employees pursuant to EO No. 87, series of 2019.		Reconcile Accounts and revert outstanding payables to GF	Not Implemented	already sent letters to faculty to submit requirements needed for the release of their claims For implementation after Dec.15,k 2022.
29. Other Payables recorded from CYs 2015-2017 in the STF and Trust Fund (TF) in the total amount of ₱4,921,618.72 were not supported with valid documents or perfected contracts, thus corresponding funds remain idle and hampers the determination of actual financial condition of the Agency, contrary to Section 2 of EO No. 87 dated August 13, 2019 and Sections 37 and 55, Chapters 1 PNU - North Luzon We recommended, and PNU-North Luzon Management agreed, thru its Accountant, to revert the undocumented Other Payables under the STF and TF to the Accumulated Surplus/(Deficit) and be made available for operating purposes subject to the approval of the BOR.	CAAR 2020 Par. 1. i, pp. 60 - 61	Accountant to revert the undocumented Other Payable under the STF and TF to the Accumulated Surplus	Fully Implemented	Adjusted under JEV Nos.: JEV-2021-03-000069; and JEV-2021-03-000012
30. Issuances of semi-expendable properties amounting to ₱4,686,729.45 were not recorded as Expenses during CY 2020, contrary to Section 7, Chapter 8, of the GAM for NGAs, Volume I, thus understated the Expenses account. PNU - North Luzon We recommended, and the PNU-North Luzon agreed, thru the Accountant, to record the adjusting entries to recognize the issuance of semi-expendable properties of ₱4,686,729.45.	CAAR 2020 Par. 1. j, pp. 63	Accountant to record the following adjusting entries.	Fully Implemented	The adjustment was reflected in the Trial Balance (TB) as of March 31, 2021. JEV No. 2021-03-000127
31. The Cash-Collecting Officers account with a yearend balance of ₱529,538.64 includes the accountability of a former Collecting Officer (CO) of PNU-Manila which remained unsettled since CY 2011 despite being transferred/reassigned in another Division of the University, which showed Management's lack of adherence to the provisions of PD No. 1445, and the Revised Cash Examination Manual. The non-reconciliation of the outstanding balance of the Cash-Collecting Officers account for nine years raised doubts on the reliability, accuracy, and fair presentation of the financial statements (FSs). We recommended that the PNU Manila provide written justification for the non-remittance/non-reconciliation of collections that resulted in a nine-year long outstanding accountability of the AO in the books of PNU-Manila.	CAAR 2020 Par. 2.a, pp. 65 - 68	Mapping of staff was implemented in the past and an attempt to reconcile the said account was made, by the cash registry was not readily available. After exhausting all efforts, the cash registry was no longer located. Accounting Unit will contact the concerned personnel as to the possibility of locating the said report	Fully Implemented	The COA accepted the justification. Moreover, the outstanding cash balances have been settled by the Accountable Officers.
32. Investments recorded in PNU-Manila Campus totaling ₱1,137,360.00 includes Financial Assets Designated at Fair Value through Surplus or Deficit amounting to ₱920,010.00 and Other Investments amounting to ₱217,350.00 were not properly documented casting doubt on its existence, rights, and valuation. PNU - Manila We recommended that Management of PNU-Manila provide this Office with the Certified True Copies of documents evidencing ownership, authenticity, nature of the investments and other relevant data to support the investments recorded in its books for further evaluation and audit actions.	CAAR 2020 Par. 2.b, pp. 69 - 68	Management has already received the reply from MERALCO regarding the investment of preferred stocks but it needs clarification because one of the investments is no longer existing. A letter was also forwarded to Meralco for the clarification on the deposits.	Not Implemented	Preferred Stocks Certificates are still not provided. However, PNU already requested the documents from MERALCO. Furthermore, not all that was recorded as Investments were verified by Meralco

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
<p>33. The Receivables account totaling ₱458,131,806.27 of PNU-Manila campus is unreliable, consisting of overdue receivables of ₱450,891,576.34, and has the following deficiencies: a) non-provision of Allowance for Impairment for Accounts Receivable aged two years and above without details of ₱5,204,681.53; b) unsupported receivables aged one to less than 10 years of ₱1,045,301.26; c) Loans Receivables – Others, Due from NGAs and Other Receivables accounts balances which remained in the books</p> <p>PNU - Manila</p> <p>a. formulate/establish guidelines in the provision of allowance for doubtful accounts that are based on factors such as aging of accounts and collectability pursuant to Section 10, Chapter 7 of the GAM for NGAs, Volume I;</p>	CAAR 2020 Par. 2. c, pp. 70 - 77	The guidelines for the allowance for doubtful account was presented to the Administrative Council on June 20, 2021 and it will be presented to the Board of Regents on June 30, 2021 for approval.	Fully Implemented	The Management adhered to the Audit recommendation and has already provided an allowance for doubtful account.
b. enforce collections of Accounts Receivables, thru sending of Demand Letters to the debtors, especially those duly supported with valid documents;		Notices have been sent to the concerned employee informing that their outstanding	Not Implemented	The recommendation has been implemented partially. Demand Letters were already sent to debtors.
c. monitor the utilization and liquidation of fund transfers and compliance by the concerned NGAs with the reporting requirements and send Demand Letters to defaulting recipients requiring the immediate settlement of all unliquidated fund transfers and the return of any excess;		The Accounting Unit adheres to the recommendation of the Commission on Audit	Not Implemented	The Mgmt. Have partly monitored the utilization and liquidation of funds transfers to NGAs pertaining to the implementation of infrastructure projects under the DPWH. However, no DL was sent to other Implementing Agencies with outstanding fund transfer
d. demand settlement of overdue accounts and after exhausting all means, request an authority for write-off of the dormant accounts from COA following the guidelines prescribed under COA Circular No. 2016-005 dated December 19, 2016 in order to clear the books of long outstanding inactive balances;		This matter will be addressed by the Accounting Unit after the analysis /review of the account.	Not Implemented	Write-off will be requested from the Commission on Audit.
e. look for the details of the unreconciled balances of ₱6,795,204.71 and prepare the necessary adjustment;		A review is already underway to address the requirements of COA.	Not Implemented	Review of the account is being made by the Accounting Unit.
f. intensify efforts to locate and communicate with the former personnel with outstanding balances and take appropriate action(s) to collect the said receivables;		The Accounting Unit will review and take the necessary actions regarding this matter.	Not Implemented	Review is being made by the Accounting Unit regarding outstanding receivables. Once finalized, demand letters will be sent to the concerned personnel.
g. reclassify from AR and Other Receivables accounts with balances of ₱11,520.00 and ₱1,016,373.02, respectively, to Due from Officers and Employees account to properly record the claims from active employees;		Adjusted under JEV 2021-006-000998, JEV 2021-006-001016, JEV 2021-006-001019.	Fully Implemented	Adjusted under JEV Nos: *JEV-2021-03-000600; *JEV-2021-06-000792; and *JEV-2021-06-000979
h. take actions to settle the ₱1,027,893.02 collectible from active PNU employees; and		An email was forwarded to the concerned employees on June 10, 2021	Fully Implemented	Demand Letters were sent to active PNU Employees.

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
i. require officials and employees to secure clearance from money and property accountability from heads of concerned Offices before resignation/separation or retirement to ensure that all outstanding cash advances are settled. Moreover, hold liable all signatories of said clearance in the event accountable officials/employees are allowed to resign or retire without settling their dues and unliquidated cash advances.		Accounting Unit will adhere to the recommendation of COA.	Fully Implemented	Clearances are issued only to those who have settled their accountabilities
<p>34. The absence of details on the CY 2016 balance of ₱557,350.66 in the Advances to Contractors account, from the migration of accounts on the adoption and implementation of the e-NGAS, raised doubts on the validity and accuracy of its year-end balance of ₱951,994.19. The failure of Management to recoup the Advances to Contractors contradicts certain provisions in Annex E of the 2016 Revised Implementing Rules and Regulations of RA No. 9184.</p> <p>PNU - Manila</p> <p>a. review and analyze the Advances to Contractors account's outstanding balance to determine its validity and propriety and to reflect in the books the correct and accurate balance as at yearend;</p>	CAAR 2020 Par.2.e, pp. 78 - 80	The balance amounting to Five Hundred Fifty-Seven Thousand Three Hundred Fifty Pesos and 66/100 (P557,350.66) is reconciling item since 2005. This was forwarded to the eNGAS during the migration of data from manual system. Efforts had been made to reconcile the account but in vain because the necessity to go back for the transactions in the 80s and 70s.	Not Implemented	Accounting Unit will wait on the decision of COA as to the derecognition of the account . COA's comment: Amounts in this account included transactions from previous years which are still to be reconciled
b. reconcile and submit details relative to the outstanding unrecovered advances, reflecting the: nature of the project; contractor; date of payment of the 15 percent mobilization fee; and the check number covering the related payments, among others;		The feasibility to reconcile the said account is futile as the records for the stated decades are no longer available.	Not Implemented	Ongoing reconciliation
c. determine and hold liable the officers/employees responsible for the non-recoupment; and		The liable personnel for those decades are now retired and hopefully still alive as of this date.	Not Implemented	Ongoing reconciliation
d. for confirmed unrecouped Advances to Contractors, initiate its immediate refund or deduct the unrecouped amount for any claims due to the contractors.		This is treated prospectively and would like to request on the possibility of writing off the said reconciling item.	Not Implemented	Ongoing reconciliation
<p>35. The accuracy, existence and valuation of the reported PPE accounts in the total amount of ₱638,475,342.81 cannot be ascertained due to the discrepancy of ₱42,997,149.12 between the books and the RPCPPE of PNU-Manila and PNU-South Luzon and the non-submission of the RPCPPE of PNU-Visayas and PNU-Mindanao to substantiate the PPE book balances totaling ₱125,550,751.85.</p> <p>PNU - Manila</p> <p>a. thru the Accounting Unit, the Property Unit and Inventory Committee, conduct analysis of PPE accounts vis-à-vis the RPCPPE and other property records to identify and clear the reconciling items;</p>	CAAR 2020 Par. 2.f, pp. 80 - 84	Management adheres to the recommendation	Fully Implemented	The Management was able to submit the RPCPPE for CY 2021

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
b. properly plan/organize the conduct of physical inventory-taking to ascertain the existence, completeness and condition of all PPEs owned by PNU-Mindanao and comply with the guidelines and procedures prescribed in COA Circular No. 2020-006 dated January 31, 2020;		Conduct Inventory and Submit related reports	Not Implemented	On going inventory of PPE of the inventory Committee
PNU - Visayas c. thru its Accountant and the Supply and/or Property Officer, exert efforts for the immediate reconciliation of their respective records in order to present fairly the financial position of the Agency and comply as soon as possible with the one-time cleansing of PPE account balances provided for under COA Circular No. 2020-006 dated January 31, 2020;		Management adheres to the recommendation	Not Implemented	Auditor's validation: The Management, still, was not able to reconcile the balances of their PPE accounts.
d. thru its Supply and/or Property Officer, prepare and maintain Property Card (PC) for all the PPE accounts and consistently update the same; and		Management adheres to the recommendation	Fully Implemented	Maintenance of PCs has been done already
e. thru the Inventory Committee, timely accomplish the RPCPPE as at year end and submit the original copy of the report to the Auditor concerned, thru the Accounting Unit, not later than January 31 of the following year.		Management adheres to the recommendation	Not Implemented	Auditor's validation: The Management was able to submit the RPCPPE but it was made beyond the prescribed deadline.
36. The Payable accounts of PNU-Manila and PNU-Mindanao contain unreconciled and negative balances totaling ₱1,695,123.45 and ₱1,095,489.12, respectively, contrary to COA Circular No. 2020-001 dated January 8, 2020, thus the accuracy, valuation and obligations, and the fair presentation of the FSs cannot be relied upon.	CAAR 2020 Par. 2.g, pp. 85 - 87			
PNU - Manila a. refrain from using the Accounts Payable account for remittances/payment of taxes and observe the use of appropriate accounts as prescribed in the Revised Chart of Accounts; and			Fully Implemented	
PNU - Mindanao b. thru the Accountant, reconcile the individual records of payables to officers and employees and correct the existing negative balances to fairly present the account in the FSs.			Not Implemented	The reconciliation is still ongoing
37. The validity of the Due to NGAs account with year-end balance of ₱58,730,022.48 cannot be ascertained due to inclusion of funds (a) for inactive research projects which should have been returned by PNU to the Source Agencies/grantors amounting to ₱16,417,578.42, of which ₱4,228,144.32 has no details on the fund source/transferring entities; (b) with unknown source/without supporting documents amounting to ₱2,371,277.31; and (c) with abnormal/negative balances of ₱1,138,249.24.	CAAR 2020 Par. 2. i, pp. 91 - 95			
PNU - Manila a. revert to the National Treasury the unrefunded, dormant, and unnecessary trust fund of ₱16,417,578.42 and provide OR(s) of the reversion and JEV to the identified Source Agencies for information and appropriate action, copy furnished the Audit Team;		Management adheres to the recommendation	Not Implemented	Auditor's validation: Unrefunded, dormant and unnecessary balances of TF has not been reverted yet, as accounts are still undergoing reconciliation.
b. furnish the Audit Team with the MOA undertaken by the University with Teresita Aquino-Oreta amounting to ₱2,450,474.44 for further review; and		Management adheres to the recommendation	Fully Implemented	
c. reconcile the balances of all accounts under Due to NGAs giving priority to those with negative balances.		Management adheres to the recommendation	Not Implemented	Some accounts are still for reconciliation

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
<p>38. The Mid-Year Bonus (MYB) amounting to ₱16,209,342.00 of PNU-Manila is recorded under the Other Bonuses and Allowances account instead of the appropriate Mid-Year Bonus-Civilian account. Moreover, the Universal Account Code Structure (UACS) Object Code used is not in consonance with COA Circular No. 2020-001 dated January 8, 2020, thus affected the classification, accuracy and the fair presentation of the FSs as of December 31, 2020.</p> <p>PNU - Manila a. prepare the necessary adjustments to properly classify the Mid-Year Bonus amounting to ₱16,209,342.00; and</p>	CAAR 2020 Par. 2.j. pp. 95 - 96	Management adheres to the recommendation	Fully Implemented	Adjustments were reflected in the restated FS for CY 2021.
<p>b. revise the FAR No. 1-A or the Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditure for the Quarter Ending December 31, 2020, to conform to the revised Universal Account Code Structure (UACS) Object Code for the MYB account.</p>		Management adheres to the recommendation	Fully Implemented	The revised FAR was forwarded to COA on March 24, 2021.
<p>39. The non-submission or delayed submission by PNU Campuses of the required financial reports (DVs, General Journals, LRs, Monthly Trial Balance and Quarterly Financial Statements), including their supporting documents/schedules and the signed JEVs to the Audit Team within the prescribed period is contrary to Section 122 of PD No. 1445; Section 60, Chapter 19 of the GAM for NGAs, Volume I; and Sections 7.1 and 7.2 of COA Circular No. 2009-006 dated September 15, 2009, and had precluded the Audit Team from timely performance of its Constitutionally-mandated auditorial and reportorial functions.</p>	CAAR 2020 Par.3 pp. 97 - 100			
<p>PNU - Manila a. submit immediately all the DVs settled thru check payments and telegraphic transfers/payments, LRs and GJs with their supporting documents and the signed JEVs for CY 2020;</p>		Management adheres to the recommendation	Fully Implemented	
<p>b. submit the certified/signed Consolidated and Per Fund Cluster (Regular Agency Fund, Internally Generated Income and Trust Fund) Monthly Trial Balances and Quarterly Financial Statements and their supporting schedules for CY 2020; and</p>		Management adheres to the recommendation	Fully Implemented	
<p>c. implement Section 122 of PD No. 1445 on the withholding of salary of the officials and employees responsible for the non-submission of the financial records and their supporting documents/schedules if it is justifiable.</p>		Management adheres to the recommendation	Fully Implemented	
<p>PNU - South Luzon d. thru the Accountant, immediately submit the CY 2020 yearend financial statements and the related supporting schedules to the Office of the Auditor. Henceforth, adhere strictly to Section 60, Chapter 19 of the GAM for NGAs, Volume I on the timely submission of yearend financial statements.</p>		The Management adheres to the recommendation	Fully Implemented	
<p>40. The PNU-Manila's submitted Reports on Collections and Deposits (RCDs), DVs and GJs were inaptly filed, labelled and indexed, thus impeding the Audit Team to verify and carry out properly its mandated function to safeguard and preserve the agency's records for a minimum of 10 years in consonance with Section 43, Chapter 1 of PD No. 1445.</p>	CAAR 2020 Par. 4, pp. 101 - 104			

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - Manila		Management adheres to the recommendation	Fully Implemented	
a. assign an Accounting staff to reorganize the filing of DVs, RCDs and ORs, GJs files submitted to COA by (i) replacing the metal fasteners and folders with ring binders and (ii) indicating the appropriate labels of each file, and, henceforth ensure the proper submission of documents;		Management adheres to the recommendation	Fully Implemented	
b. thru the Supply and Property Unit (SPU), provide the Accounting Unit with ring binders and other necessary supplies to enable the proper filing of documents before its submission to the Audit Team;		Management adheres to the recommendation	Fully Implemented	
c. provide RCI or Report of Advice to Debit Account Issued (RADAI) on the 1st binder of the month and attach the summary of content per binder indicating the following details: <ul style="list-style-type: none"> ▯ Check / LDDAP-ADA Date ▯ Check / LDDAP-ADA Serial Number ▯ Disbursement Vouchers Reference Number ▯ Obligation and Request Status (ORS) / Budget Utilization and Request Status Reference Number ▯ Payee ▯ Amount Paid ▯ Nature of Payment ▯ JEV Reference Number 		Management adheres to the recommendation	Fully Implemented	
d. submit the signed JEVs corresponding to the Report of Collections and Deposits, as attachment thereto; and		Management adheres to the recommendation	Fully Implemented	
e. submit signed JEVs with supporting documents for adjustments and other non-cash transactions.		Management adheres to the recommendation	Fully Implemented	
41. Out of ₱172,750,003.05 Cash NT-MDS transferred by PNU-Manila to the CIB- LCCA of PNU-Mindanao and PNU-North Luzon campuses for their operating requirements, ₱32,323,562.02 remained unutilized and unreverted to the Bureau of the Treasury (BTr). Furthermore, the ₱5,269,143.27 which was deposited by PNU-Mindanao to the STF account of PNU Manila in CY 2019 is still unremitted to the BTr, contrary to existing laws, rules and regulations resulting in the accumulation of idle funds that could have been utilized for other government programs.	CAAR 2020 Par.5, pp. 104 - 107			
PNU - Manila			Not implemented	The guidelines for opening of MDS account is being reviewed by the Management.
a. initiate action to ensure the opening of MDS Account by the campuses for the direct downloading of funds for their operational requirements thru Notice of Transfer of Cash Allocation instead of thru funding checks deposited in the LCCA account;				
b. revert to the BTr the ₱5,269,143.27 funds transferred by PNU-Mindanao to its STF account, with certified true copy of the documents evidencing deposit made furnished that Campus and the Audit Team;			Fully implemented	Remaining amount of Php 774,906.36 has been remitted to the Bureau of Treasury
PNU - Mindanao		Coordinate with PNU Manila	Fully Implemented (Opening of MDS Account Not Applicable)	
c. coordinate with PNU-Manila on the opening of MDS Account and request from PNU-Manila a certified copy of the deposit made to the BTr relative to the reversion/remittance of ₱5,269,143.27 funds transferred thru their STF account;				

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
d. thru its Accountant, remit to the BTr, not to PNU Manila, the unexpended fund balance, in compliance with Section 10, General Provisions of GAA for FY 2020 (RA No. 11465); and			Not Implemented	Auditor's validation: The unutilized funds are still with PNU-Manila and not yet returned to BTr.
42. The total cash advances of PNU-Manila amounting to ₱1,795,270.47 recorded under Advances for Payroll, Advances to Special Disbursing Officer, and Advances to Officers and Employees accounts are composed of cash advances already overdue for liquidation amounting to ₱1,641,112.22 and had accumulated due to non-compliance with COA Circular Nos. 97-002 and 2012-001 dated February 10, 1997 and June 14, 2012, respectively.	CAAR 2020 Par. 6, pp. 108-113			
We recommended PNU-Manila Management to stop the granting of multiple CA or of additional CA to an AO with previous unliquidated ones, to faithfully take care of the government funds and safeguard government property from wastage as provided for in Section			Fully Implemented	No CA has been granted to any AOs with outstanding balances.
43. In PNU-North Luzon, refunds of cash advances and scholarship allowance granted from GF and TF amounting to ₱57,271.12 were inaccurately deposited in the STF and recorded as School Fees instead of depositing to/recording in the corresponding fund where these were granted and reverting to the BTr the refunds for GF of ₱13,340.00. Also, payment of disallowed claim of ₱17,706.91 was deposited to the TF instead of reverting to the BTr, while STF collections totaling ₱431,368.50 were erroneously deposited to TF.	CAAR 2020 Par. 7, pp. 113-116			
PNU - North Luzon a. thru the Accountant and the Cashier, to make the necessary transfer and accounting entries for refunds and collections from STF to GF and TR in the amounts of ₱13,340.00 and ₱43,931.12, respectively, and from TR to STF amounting to ₱431,368.50, and remit to the BTr the refund of ₱13,340.00 under GF and payment of ₱17,706.91 to settle the disallowance;		Accountant to instruct the Cashier to make the necessary transfer of the amount from Special Trust Fund to General Fund and Trust Fund and record the necessary adjusting entries to effect the transfer in the books of accounts	Fully Implemented	
b. see to it that future refunds of CAs and allowances should not be recorded as revenue, instead, these transactions should be analyzed thoroughly to ensure that the same are properly recorded and accounted for in the correct fund; and			Fully Implemented	
c. ensure that collections are deposited in accordance with CMO No. 20 series of 2011 for the proper accounting in the books of accounts and thru the Accountant, issue billing/order of payment to the payor as prerequisite in the acceptance of payment by the Cashier as required in Sec. 40, Chapter 5 of the GAM for NGAS Volume 1.			Fully Implemented	
44. The Accountant and Supply Officer of PNU-North Luzon do not maintain Supplies Ledger Card and Stock Cards, respectively, while PNU-Mindanao submitted an incomplete RPCI, contrary to Sections 9 and 17.i, Chapter 8 of the GAM for NGAs, Volume I.	CAAR 2020 Par. 8, pp. 116-117	Accountant and Supply Officer should maintain a Stock Card and Supplies Ledger Card respectively, for a more accurate inventory records	Fully Implemented	SLCs and SCs are already being maintained by the PNU-North Luzon Campus.
PNU - North Luzon a. thru the Accountant and Supply Officer, maintain SLC and SC, respectively, for more accurate inventory records pursuant to Sections 7 and 9, Chapter 8 of the GAM for NGAs, Volume I; and				

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - Mindanao b. thru the Inventory Committee, prioritize the conduct of physical count of all inventories, the result thereof to be documented by a well-prepared RPCI.		Conduct Inventory and Prepare and Submit relater reports	Not Implemented	The physical count of all inventory accounts is not yet fully completed.
45. Receipts of PNU-Mindanao from other agencies totaling ₱10,976,439.06 under the Due to NGAs account in the Trust Receipts Fund (TRF) Cluster was transferred to and reported under the Internally Generated Fund (IGF) Cluster as advised by PNU-Manila, contrary to the UACS Manual and Appendix P, GAM for NGAs, Volume I.	CAAR 2020 Par. 9, pp. 118 - 119			
PNU - Mindanao a. discuss with the Chief Accountant of PNU-Manila on the proper classification of Funds and Fund Cluster where they belong specifically those received from other agencies as trust receipts; and		Auditor's Validation: PNU-Manila is still to inquire from COA-Government Accountancy Sector (GAS) on the proper	Fully Implemented	Already sent a letter to COA for inquiry
b. account and report under Fund Cluster-Trust Receipts the TRs funds received from other agencies as Due to NGAs account totaling ₱10,976,439.06 pursuant to Chapter 1.2.8 of the UACS Manual and Section 5, Chapter 19 and Appendix P, GAM for NGAs, Vol. I.		Auditor's Validation: PNU Campuses maintain only two funds - the Regular Agency Fund and the IGF.	Not Implemented	Waiting for the response of COA
46. Various disbursements incurred by PNU in the aggregate amount of ₱5,932,880.66 were paid despite inadequate supporting documents and/or without legal basis, hence casting doubts on the validity, propriety and reasonableness of claims. I. Disbursement without proper documentations:	CAAR 2020 Par. 10, pp. 119 - 136			
PNU - Visayas a. direct the personnel concerned to submit the required documents to support their claims for regular or special monetization, otherwise, said claims will be suspended in audit; and		Management adheres to the recommendation	Fully Implemented	
PNU - Mindanao b. require the concerned staff to coordinate with PNU-Manila and submit the complete documents supporting the claimed CNA Incentive pursuant to DBM Budget Circular No. 2020-5 dated November 4, 2020.		submit required documents	Fully Implemented	Required documents already submitted
PNU - Manila II. Disbursements without proper documentation b.1 Overpayment of PERA a. Instruct the concerned employees to refund the excess payment received from their PERA in the aggregate amount of P105,780.42 to		Management adheres to the recommendation	Fully Implemented	
b. provide this Office with a certified copy of the OR to serve as a proof in the remittance of the excess payment of ₱15,780.42 to the National Treasury.		Management adheres to the recommendation	Fully Implemented	
PNU-North Luzon b.2. Excessive/irregular and other deficiencies in the payment of honoraria i. Double payment of honoraria amounting to ₱68,500.00 i i. Honoraria amounting to ₱322,000.00 were paid for procurements undertaken thru Shopping and Negotiated Procurement - Small Value Procurement (SVP)		BAC and TWG to refund to the Special		

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - North Luzon We recommended that Management direct the Chairs and Members of the BAC and TWG to refund to the STF the disallowed amount of ₱68,500.00 pertaining to the double payment of honoraria as well as the unauthorized payment of honoraria of ₱322,000.00 on the procurement conducted thru Negotiated Procurement (Small Value Procurement) and Shopping which are considered excessive and irregular expenditures, respectively, pursuant to COA Circular No. 2012-003 dated October 29, 2012 and DBM BC No. 2004-5A dated October 7, 2005.		refund to the Special Trust Fund the disallowed amount representing double payment of honoraria	Fully Implemented	Refund of the disallowed honorarium is ongoing
PNU-Visayas ii. Overpayment of honoraria in PNU-Visayas for teaching overload of faculty members in the undergraduate program We recommended that Management strictly adhere to Section 7.13.1 of Chapter 7 of the Manual on Position Classification and Compensation of DBM in the computation of honoraria for teaching overload paid to faculty members of the University. Further,		Management adheres to the recommendation	Fully Implemented	The rate used by the Management adheres to the guidelines issued by DBM
PNU- North Luzon b.3 Erroneous computation of claims for monetization of leave credits of personnel in PNU-North Luzon. We recommended and Management agreed to advise the Accountant to prepare the DVs for the underpayment of monetization of leave credits amounting to ₱48,764.91 subject to the availability of funds pursuant to Section 3.1 of DBM BC No. 2016-2 dated March 29, 2016. Likewise, adjusting entry should be set up in the University's books recognizing the incurrence of additional monetization expenditure by debiting the Other Personnel Benefits account and crediting the Leave Benefits Payable account for ₱48,764.91.		Accountant to prepare the Disbursement Vouchers for the underpayment of monetization of leave credits	Fully Implemented	Adjusted under JEV No.-2021-03-000171
PNU- Visayas b.4 Usage of MOOE budget for Capital Outlay				
a. certain project is appropriately funded before implementing the same and that funds allotted for specific programs/projects shall be used solely for that purpose in accordance with PD No. 1177 to avoid any civil, administrative or criminal liabilities;		Management adheres to the recommendation	Fully Implemented	
b. Maintenance and Other Operating Expenses (MOOE) allotments for repair and maintenance should not be used for betterments, and additions described under Sections 25 and 26, Chapter 10 of the GAM for NGAs, Volume I, or Procurement of PPE, which are capital expenditures by nature and thus must be funded by Capital Outlay allocations;		Management adheres to the recommendation	Fully Implemented	
c. programs/projects/activities they intend to implement for the succeeding years be planned judiciously and meticulously so that appropriate allotments/budgets may be provided thereto; and		Management adheres to the recommendation	Fully Implemented	
d. adjusting entries should be prepared by the acting Accountant to capitalize the aforementioned projects.		Management adheres to the recommendation	Fully Implemented	Adjustment was made to correct the account under JEV No. 2021-04-000155.

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
<p>47. Audit of PNU-Manila STF budget disclosed the following: a) unutilized budget of ₱37,277,929.32 or equivalent to 53.39 percent of its ₱69,825,622.01 CY 2020 approved STF budget; b) minimal budget allotted for the repairs/rehabilitation of the school buildings, thus was not responsive to the needs of the students for improved facilities; c) non-utilization of the allocated research fund and extension projects in combined amount of ₱2,499,000.00, indicating a setback in the delivery of research and extension services; and d) minimal utilization of only ₱4,397,978.02 or 27.29 percent of budget allocation for Fiduciary Fund of ₱16,113,077.58, thereby, defeating the intended purposes for the collection thereof.</p>	CAAR 2020 Par. 11, pp. 136 - 141		Not Implemented	Recalibration of PAPs was made for the prioritization of projects to achieve the mission/vision of the University
<p>PNU - MANILA</p> <p>a. observe set timelines in the implementation and completion of plans/programs and activities to ensure effective delivery of services, as required under Section 24 of the CMO No. 20, series of 2011</p>				
<p>b. prioritize the needs and safety of the students by allocating resources to the rehabilitation of school buildings and other facilities to enhance effective delivery of services; and</p>			Not Implemented	Recalibration of PAPs was made for the prioritization of projects to achieve the mission/vision of the University
<p>c. maximize utilization of the STF to ensure accomplishment of the University's major functions not only on instruction but also on research and extension services.</p>			Not Implemented	Recalibration of PAPs was made for the prioritization of projects to achieve the mission/vision of the University
<p>48. The delayed implementation of PNU-Mindanao of the CHED-funded SALIKHA and Institutional Development and Innovation Grants (IDIG) research projects in CY 2018 resulted in the low fund utilization rate of 19.52 percent and 17.15 percent, respectively, after the end of its extension on December 31, 2020, with a total unutilized balance of ₱9,404,559.41.</p>	CAAR 2020 Par. 12, pp. 141 - 143	Request for extension and expedite project implementation	Fully Implemented	Unutilized funds returned to CHED 08/08/2022 Check 1950879 DV 2022-08-0264 Amounting to 2,116,004.27 for Salikha; 10/06/2021 Check 1950842 DV 2021-10-0185 amounting to 7,027,213.64 for IDIG
<p>PNU - Mindanao</p> <p>We recommended that Management, thru the PLs of both research projects, request for an extension of the implementation of the programs, otherwise, refund to the Source Agencies the unexpended balances.</p>				
<p>49. Various procedural lapses as well as inadequacy of supporting documents were noted in the procurement of goods and services, and infrastructure related projects totaling ₱4,783,641.25 in three PNU Campuses, contrary to the provisions of RA No. 9184 or the Government Procurement Reform Act, COA and other related procurement rules and regulations, casting doubt on the propriety and reliability of the procurement processes and defeating the purpose of the law on transparency, competitiveness and accountability.</p>	CAAR 2020 Par. 13, pp. 143 - 154	Management adheres to the recommendation	Fully Implemented	Justification already submitted.
<p>PNU - Manila</p> <p>- on Procurement of laptop with specifications pertaining to a particular brand only</p> <p>a. Submit justification to the Audit Team that would support the procurement of laptops with reference to a particular brand (i.e., Apple Computers) as basis of rendering an opinion whether or not to issue an NS/ND for the refund the ₱228,000.00 representing the total amount of the three Apple MacBook Laptop Computers;</p>				

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - Manila - on Unrefunded Guaranty / Security Deposits b. Submit justification to the Audit Team on the non-release of deposits to the suppliers/contractors despite the completion of deliveries of goods and infrastructure projects with issued Certificate of Acceptance/Completion and the lapse of the warranty period; and		Management adheres to the recommendation	Fully implemented	Letter request from contractors for release of guaranty/security deposit is required per COA Circular 2012-001.
c. Coordinate with the concerned contractors for the release of retention money in consonance with Section 62.1 and of the RIRR of RA No. 9184;		Management adheres to the recommendation	Not Implemented	List will be submitted to the SPU/FMSS for proper coordination.
PNU - North Luzon d. Request approval for supplemental budget to the BORs pursuant to Section 7, Rule II of the 2016 Revised IRR of RA No. 9184, to ensure continuity of the project and immediate delivery of the benefits thereof. Henceforth, the Accountant should see to it that the budget is duly approved by the BORs before certifying as to availability of funds of any procurement to ensure implementation of projects within the approved timeline.		Accountant to see to it the budget is duly approved by the Board of Regents before certifying as to availability of funds of any procurement to ensure implementation of projects within the approved timeline.	Fully Implemented	A supplemental BOR Resolution was approved to support additional funding for the Construction of Two-Storey Classroom Building Phase II.
PNU - Visayas e. provide a written explanation of why the retention money was released prior to the expiration of the one-year defects liability period;		Management adheres to the recommendation	Fully Implemented	
f. submit immediately to the Audit Team, a copy of document to support any security in the form of cash, bank guarantee, irrevocable standby letter of credit from a commercial bank, GSIS or surety bond callable on demand;		Management adheres to the recommendation	Fully Implemented	
PNU - Visayas g. require the BAC to provide written explanation why the performance security posted was less than the required amount as provided under the 2016 Revised IRR of RA No. 9184 and as reiterated in the contract between PNU-Visayas and the contractor;		Management adheres to the recommendation	Fully Implemented	
h. provide a written explanation why the Management issued the certificate of final acceptance prior to the expiration of the one-year defects liability period which facilitated the early release of the performance security;		Management adheres to the recommendation	Fully Implemented	
PNU - Visayas i. thru the BAC and the Accountant, make representation with the concerned contractor to post the warranty security effective until March 26, 2022 since the warranty security period for this project has not yet expired;		Management adheres to the recommendation	Fully Implemented	
PNU - Visayas Non-requirement on the submission of notarized omnibus sworn statement from the suppliers and contractors				
j. thru the BAC/TWG, include a duly notarized Omnibus Sworn Statement as a requirement for bidders and/or suppliers for public bidding, and in cases of negotiated procurement- emergency cases with ABC of ₱500,000.00 and above and small-value procurements with ABC of ₱50,000.00 and above;		Management adheres to the recommendation	Fully Implemented	

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - Visayas On the non-submission of the required supporting documents for the Repair and Improvement of Evacuation Center (Drilon Covered Court)		Management adheres to the recommendation	Not Implemented	Submitted the lacking supporting documents except for Tax Clearance
k. thru the responsible officer, immediately submit the lacking documents completely and in proper order;				
PNU Visayas On the submission of the required supporting documents and other deficiencies noted for the Repair and Improvement of PNU- Visayas Sports Office Court				
l. Submit the aforementioned lacking documents, completely and in proper order, otherwise, the payment will be suspended in audit; and		Management adheres to the recommendation	Fully Implemented	Submitted already the required supporting documents
m. See to it that the pictures submitted for future infrastructure projects should capture the works made "before, during and after construction of items of work" especially the embedded items.		Management adheres to the recommendation	Fully Implemented	Submitted pictures "before, during, and after" construction of all infrastructure projects to COA
50. The Inventories Account of PNU-North Luzon as of December 31, 2019 excludes Semi-Expendable Properties amounting to ₱6,119,404.59 that were booked under various PPE accounts contrary to Section 10 of Chapter 8 of GAM for NGAs, Volume I. We recommended that PNU-North Luzon to classify, thru the Accountant and Supply Officer, the asset based on the nature of how it works with other assets and whether it fits within the capitalization threshold of ₱15,000.00 and above.	CAAR 2019 Par. 1.b, pp 48-50	The Management adheres to the recommendation.	Fully Implemented	
51. The PNU-Manila's total yearend balance of receivables amounting to ₱457,542,868.98 was of doubtful validity due to the non-submission of monthly LRs of the Implementing Agency contrary to Section 9, Chapter 5 and Section 10, Chapter 7 of GAM for NGAs We recommended PNU-Manila to demand the submission of monthly LRs from Department of Public Works and Highways (DPWH) - National Capital Region in compliance with Sections 4.6 and 4.7 of COA Circular No. 94-013 dated December 13, 1994 to properly reflect in the books the progress of the construction and status of the transferred fund.	CAAR 2019 Par. 4.a, pp. 74-76	Management adheres to the recommendation	Fully Implemented	The Management regularly follows-up and reminds the DPWH to comply with the submission of their monthly LRs.
52. Of the Accounts Receivable of PNU- North Luzon amounting to ₱5,756,941.00 as of December 31, 2019, ₱4,419,891.00 or 77% remained outstanding in the entity's books for more than three years while the Allowance for Doubtful Accounts amounting to ₱78,140.79 is non-moving since 2014 without Management action contrary to Section 10, Chapter 7 of the GAM for NGAs, Volume I. PNU - North Luzon a. compute the amount of impairment for the long outstanding receivables based on the entity's policy on impairment of receivables and consequently prepare the necessary adjusting entries that will be reflected in the financial statements; and	CAAR 2019 Par. 4, pp. 77-78	Management adheres to the recommendation	Fully Implemented	
b. conduct regular monitoring and analysis of Receivable accounts, thru the Accountant, to ensure that these are collected when become due and demandable. Receivables that remained outstanding for several years should be assessed and impairment, if any, should be computed and reflected in the financial statements pursuant to Section 10, Chapter 7 of the GAM for NGAs, Volume I.		Management adheres to the recommendation	Fully Implemented	

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
<p>53. Inadequate monitoring and lack of periodic analysis of Accounts Receivable of PNU-Mindanao balances totaling ₱3,103,777.90 resulted in the accumulation of inactive accounts contrary to Section 6.1 of COA Circular No. 2016-005, thus depriving the Campus of the much needed funds to implement its programs and projects.</p> <p>We recommended that PNU-Mindanao conduct monitoring and periodic analysis of AR balances to warrant collection of inactive accounts and require the Accountant to reconcile the AR balances.</p>	CAAR 2019 Par. 4.c, pp. 78-79	Management adheres to the recommendation	Not Implemented	The Accountant has only made partial reconciliation of the AR balances as at yearend
<p>54. Allowance for Impairment was not provided for the inactive Accounts Receivable of PNU-Mindanao due to failure to assess the collectability of receivable balances, contrary to Section 10, Chapter 7, of the GAM for NGAs, Volume I.</p> <p>PNU - Mindanao</p> <p>We recommended that the Management of PNU-Mindanao provide Allowance for Impairment of Accounts Receivable, thru the Accountant, pursuant to Section 10, Chapter 7, of the GAM for NGAs, Volume I.</p>	CAAR 2019 Par. 4.d, pp. 79-80	Management adheres to the recommendation	Not Implemented	Accountant is yet to provide Allowance for Impairment of AR.
<p>55. The PNU Visayas did not address the audit recommendations in the Management Letters for CYs 2012 and 2016 pertaining to the titling of 32,231 sq. m. lots, the present site of PNU Negros Occidental Campus, which until now were not transferred in the name of the University and dropped from the books by the donor local government, City of Cadiz. The same, together with the 2,992 sq. m. lots owned by the University, were not booked up to date, contrary to Section 63 of PD No. 1445.</p> <p>PNU - Visayas</p> <p>a. make urgent representation with the City of Cadiz to:</p> <ul style="list-style-type: none"> • pursue the titling of the donated and exchanged lots in the name of the University to avert any legal controversy in the future on the latter's right over the property, and • secure data to establish the value of the donated/exchanged properties. <p>b. create an appraisal committee for the valuation of the 2,992 sq. m. lots with titles in the name of PNU; and</p> <p>c. book-up, thru the Accountant, the 2,992 sq. m. lots and the donations based on the Appraisal Report, Deeds of Donations / Exchange, and other relevant data from the donor.</p>	CAAR 2019 Par. 6.23, pp. 91-93 +B311: B315A3 12B311 :B314B 311:B3 16B311 :B315B 311:B3 14	Management adheres to the recommendation	Not Implemented	Titling of the properties is still pending.
		Management adheres to the recommendation	Not Implemented	Appraisal committee is yet to be created.
		Management adheres to the recommendation	Not Implemented	The amount to be booked upon is dependent on the results of the appraisal.
<p>56. The balance reported under the Due to GSIS of PNU-Manila account as of December 31, 2019 amounting to ₱2,168,625.56 was doubtful due to the ₱118,350.57 difference per computation of the 9% employees' share; ₱369,154.37 reconciling items; ₱686,176.98 unremitted since calendar year 2015; ₱18,281.38 abnormal balances; and non-submission of pertinent reports to validate the transactions.</p> <p>We recommended that PNU-Manila Management submit to COA AT-PNU office via email at coa@pnu.edu.ph the Excel files of the detailed remittances to GSIS.</p>	CAAR 2019 Par. 7.4, pp. 94-95	Management adheres to the recommendation	Not Implemented	Reconciliation is still in process.
<p>57. Review of Inter-Agency Payable accounts of PNU-Mindanao with a total balance of ₱2,470,039.90 showed that ₱1,970,782.59 thereof was remitted in January 2020 while ₱499,257.37 requires reconciliation.</p>	CAAR 2019 Par. 7.15, pp. 96-97			

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - Mindanao We recommended that Management, thru the Accountant, prepare Disbursement Vouchers (DVs) for remittance in the month these are withheld and to hasten the reconciliation of the Inter-Agency Payable accounts to present the correct balance in the FS.	pp. 96-97	Management adheres to the recommendation	Fully Implemented	
58. Lack of evaluation and monitoring of the Trust Liabilities of PNU-Mindanao account totaling ₱18,750,847.56 resulted in the following: a) unremitted unexpended amount of ₱923,998.38 to the Bureau of the Treasury (BTr); b) untransferred savings from Fiduciary Funds (FF) to the unappropriated surplus of the STF and c) unreconciled prior period errors aggregating ₱2,893,346.99, thereby casting doubt on the accuracy of the recorded amounts as at December 31, 2019. PNU - Mindanao a. Take appropriate action to return any unexpended amount of inter-agency fund transfer to the BTr, duly informing the source agencies of such action, and transfer to the unappropriated surplus of the STF the savings from the FF; and	CAAR 2019 Par. 8, pp. 97-100	Management adheres to the recommendation	Not Implemented	The return of unexpended amounts is not yet done.
b. Analyze, reconcile, and verify the individual accounts recorded under the Trust Liability account and make the necessary adjusting entries to ensure reliability of financial information and to present fairly the balances in the financial statement.		Management adheres to the recommendation	Not Implemented	Reconciliation has not been done yet.
59. The reported revenues of PNU-Manila amounting to ₱65,086,951.32 as at yearend representing receipts from school fees and bank interest income was of doubtful validity due to: (i) non-submission by the University of the details of the actual sources of the revenues (by fund/cluster) and the reported Shares from Grants and Donations (in kind) of ₱5,303,015.39; and (ii) no proper accounting in the books of the revenues from sales and services earned from the University's Auxiliary Services (AUXS) of cafeteria/canteen operation, hostel accommodation and housekeeping, dormitory and laundry services which were all treated as payables instead of the appropriate revenue accounts, thus, resulted in the unreliability and misstatements in the presentation of its financial reports and did not conform with Sections 6(2) and 7(a), Chapter 5 and Section 21, Chapter 19 of the GAM for NGAs, Volume I. We recommended that the PNU-Manila Management submit the breakdown/details of the reported income by fund/cluster (Fund 101, Fund 184 and Fund 164) and the actual sources of reported donations and grants (in cash/kind), identities of the donors (name, address, etc.), dates of receipt, and other information on the recorded revenues.	CAAR 2019 Par. 9, pp. 100-104	Management adheres to the recommendation	Not Implemented	Submission of reports is still pending.
60. The PNU-Manila has 11 depository accounts with the LBP-YMCA Branch Manila and in maintaining these accounts, the University did not observe with the fiscal guidelines and reportorial requirement on local and foreign donations and dormant/ unauthorized bank accounts, under Sections 3, 5 and 6 of the General Provisions of the General Appropriations Act (GAA) for Fiscal Year (FY) 2019, EO Nos. 338 and 431 dated May 17, 1996 and May 30, 2005, respectively. PNU - Manila a. close the unauthorized and dormant current accounts and cause the immediate remittance to the National Treasury of the remaining balances of the bank accounts;	CAAR 2019 Par. 10, pp. 105-114	Management adheres to the recommendation	Not Implemented	All Bank Accounts of the University were opened with the approval of the Board of Regents. Thus, appropriate action regarding these bank accounts will be discussed by the PNU Management.

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
b. adhere to the GAA provisions by depositing with the National Treasury the receipts from cash donations/grants to be recorded as a Special Account in the General Fund and the trust receipts;		Management adheres to the recommendation	Not Implemented	Not applicable.
c. comply with the reporting requirements provided under Section 5 of the GAA for 2019, to wit: • submission of quarterly reports of all donations received, whether in cash or in kind, and expenditures and disbursements thereon, within thirty (30) days after the end of every quarter, through the following: i. Unified Reporting System (URS) or any other electronic means for reports not covered by the URS; and ii. Agency's website.		Management adheres to the recommendation	Not Implemented	
d. Send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, COA, and other offices where the submission of reports is required under existing laws rules and regulations, the date of notice to said agencies shall be considered the date of compliance with this requirement.		Management adheres to the recommendation	Not Implemented	
61. Non-maintenance of a separate bank account for Higher Education (HE) transactions, contrary to CHED-UniFAST Memorandum Circular No. 2018-002 dated August 8, 2018.	CAAR 2019 Par. 12 pp. 119	Management adheres to the recommendation	Not Implemented	PNU Special Trust Fund Account of the University is being used for the collection of Tuition and Miscellaneous Fees from FHE program.
PNU - Manila We recommended that Management maintain a separate bank account for the CHED-UniFAST Higher Education Program funding as provided under CHED-UniFAST Memorandum No. 2018-002 dated August 8, 2018.				
62. The original copies of the three (3) MOUs covering foreign grants from AusAID Fund and their component documents, Board Resolutions of Approval/Authorization from the University BOR, and clearance and/or approval from the Office of the President or his authorized representative and Accomplishment and Financial Reports on the Grant's Programs/Activities were not submitted to the Audit Team, thus compliance with the GAA provisions pertinent to donations from foreign government, and the status of donated funds and project implementation were not determined/audited.	CAAR 2019 Par. 13, pp. 119-121			
a. Evaluation Reports on the three (3) MoUs;		Management adheres to the recommendation	Not Implemented	Evaluation Reports are yet to be submitted.
b. Approval of the Office of the President thru the Secretary of the Department of Foreign Affairs (DFA) of the AusAID Grant;		Management adheres to the recommendation	Not Implemented	The document is still not submitted.
MoUs/MOAs and/or contracts involving the implementation of the Research Program with other agencies and/or organizations;		Management adheres to the recommendation	Not Implemented	The document is still not submitted.
c. Total AusAID Funds as released for the implementation of the RCTQ Research Programs since 2012 up to the present, i.e., the Fund Utilization per Program/ Project/Activity and the Name of Bank/Account.		Management adheres to the recommendation	Not Implemented	Report on AusAID Funds is yet to be submitted.

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
63. Funds received by PNU-Visayas from the Main Office covering their current operating requirements authorized under the General Appropriations Act amounting to ₱67,706,878.82 was not supported by Sub-allotment Advice (SAA) and Notice of Transfer Allocations (NTA) but are simply deposited/credited in a Local Currency Current Account (LCCA), instead of Cash-MDS, Regular, wherein the unexpended portion of their cash allocations are not being subjected to automatic reversion, contrary to Section 28, Chapter 4, Book VI of Executive Order (EO) No. 292 and other relevant DBM and COA issuances, resulting in the accumulation of Cash balances of ₱8,943,967.95 as of December 31, 2019 in its LCCA account	CAAR 2019 Par. 14, pp. 122-125			
PNU - Visayas a. account for the transferred cash allocations to the current account as of December 31, 2019 and revert to the National Treasury not to the PNU-Manila, in compliance with Section 28 Chapter 5, Book VI of Executive Order (EO) 292;		Management adheres to the recommendation	Not Implemented	Funds were not yet returned to the NT.
b. provide legal basis for the transfer of ₱2,940,520.83 funds to STF Account of PNU-Manila Campus on December 28, 2018.		Management adheres to the recommendation	Not Implemented	No legal basis was provided to the Audit Team.
64. The propriety and entitlement of PNU-Visayas Personnel to Honorarium under the Commission on Higher Education – Institutional Development and Innovation Grant (CHED-IDIG) amounting to ₱996,600.00 cannot be established and validated with certainty because the approved Work and Financial Plan for the special project is not in accordance with DBM Budget Circular No. 2007-2 dated October 1, 2007 and CHED Order (CO) no. 02 series of 2011 and almost all claims lack the required documentation	CAAR 2019 Par. 16.a pp. 130-135			
PNU Visayas: a. submit the lacking documents and copy of CHED Commission En Banc approved request for extension from July to December 2019, as required under Article IV(6) of CHED Memorandum Order No. 33 series 2016, otherwise, payment of Honoraria on said months will be disallowed;		Management adheres to the recommendation	Fully Implemented	
b. submit the necessary documents to avoid suspension in audit.		Management adheres to the recommendation	Fully Implemented	
65. The implementation of 25 teaching hours a week in PNU-Mindanao resulted in the excessive Honoraria for teaching overload totaling ₱1,784,452.38, gross of tax, since faculty members rendered extra teaching load within the eight hours a day or 40 hours a week regular official time of the Civil Service Commission (CSC), contrary to Section 5, Rule XVII, Omnibus Rules Implementing Book V of Executive Order No. 292.	CAAR 2019 Par. 16.b, pp. 132-135			
PNU - Mindanao a. fill-up the vacant faculty positions to equally distribute teaching loads in order to maximize the faculty's efficiency and effectiveness in teaching; and		Management adheres to the recommendation	Fully Implemented	
b. consult with the PNU President and obtain copy of the BOR's legal basis for approving the Resolutions adopting the 25 hours per week as the regular workload instead of the 40 hours per week as prescribed by the CSC and Section 5, Rule XVII, Omnibus Rules Implementing Book V of Executive Order No. 292.		Management adheres to the recommendation	Fully Implemented	

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
<p>66. The University's exercise of its corporate powers through the BOR is invariably documented by "Excerpts of Board Resolutions"/ "Excerpts from the Minutes of the Regular Meeting/Special Meeting of the Board of PNU" which are all signed by the Board Secretary, instead of Board Resolutions duly signed by the members of the BOR.</p> <p>PNU - Manila We recommended that the transactions merely covered by "Excerpts" be ratified by the members of the BOR in a proper meeting conducted; and a Board Resolution be drawn duly signed by the ratifying members of the BOR. Henceforth, every exercise of corporate power by the Board shall be covered with actual Board Resolution duly signed and properly kept and filed by the Office of the University and Board Secretary.</p>	CAAR 2019 Par. 21, pp. 155-157	Management adheres to the recommendation	Not Implemented	Signed Board Resolutions are still not submitted.
<p>67. Deficiencies noted in the cash advances of ₱5,759,333.18 include; a) cash advances which are overdue for liquidations; b) unliquidated at yearend; c) granting of multiple cash advances; and d) no supporting documents in the liquidations, contrary to existing COA regulations.</p> <p>PNU- Manila a. adhere to the provisions of COA Circular No. 2012-001 dated June 14, 2012 that no additional cash advances shall be granted unless the previous cash advance given is first liquidated;</p>	CAAR 2019 Par. 23, pp. 160-166	Management adheres to the recommendation	Fully Implemented	
<p>PNU-Visayas b. submit immediately the lacking documents of the responsible person to avoid suspension in audit; and</p>		Management adheres to the recommendation	Not Implemented	A liquidation report amounting to ₱73,028.50 was submitted. The remaining amount shall be suspended in audit.
<p>68. The lack of necessary controls in PNU-Manila on the issuance of the ORs by the Cashier's Office in the receipt of cash/check based on OP issued by the different Offices that were not properly numbered, controlled and monitored as to the accuracy of assessments and recording provided under Section 40 (1), Chapter 5 of the GAM for NGAs, Volume I resulted in unreliable and/or doubtful validity of the reported/recorded collections and revenue submitted by the Cashier/Accounting Division since CY 2016.</p>	CAAR 2019 Par.25, pp. 169-171			
<p>PNU - Manila a. transfer to the Accounting Office the issuance of the OP in compliance with the GAM for NGAs and see to it that the OP issued are properly reviewed/evaluated and checked as to accuracy, reliability and validity not only in the computation but the correctness of the assessments as well, for an efficient and effective control in the collection process of the University;</p>		Management adheres to the recommendation	Fully Implemented	This was prospectively treated by the Finance Division. Order of Payment is now maintained by the Accounting Unit
<p>b. require the submission of the OPs issued in the prior years' duly accounted/ supported with the required Summary Report; and</p>		Management adheres to the recommendation	Fully Implemented	prior year Order of payment was submitted by the Cashier's and disbursement Unit
<p>69. Biometric scanners were not used and the Daily Time Records (DTRs) not filled up by faculty members of PNU-Manila, which time recording systems are being strictly observed by non-teaching personnel, thus resulting in: (i) difficulty to ascertain</p>	CAAR 2019 Par. 26, pp. 172-175			
<p>PNU - Manila a. adhere to the provisions under CSC MC No. 19 in the monitoring of absences, attendance and undertime of PNU Teaching and Non-Teaching Staff;</p>		Management adheres to the recommendation	Not Implemented	Consultation with the stakeholders is on-going


Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
b. use the biometric scanner in monitoring the required eight (8) working hours a day for five working days a week or a total of forty (40) hours a week under the direct supervision of the immediate Supervisor/ Dean's Office instead of relying on the Security Officers records.		Management adheres to the recommendation	Not Implemented	Consultation with the stakeholders is on-going
70. Reliability and integrity of the procurement/bidding process and documents provided by Management as affected due to: a) observers were not invited during the duration of the bidding process; b) undue delay in the issuance of Notice of Award, Notice to Proceed and awarding of contract; c) inconsistencies in the provision of contract with the Notice to Proceed; d) Requests for Quotations (RFQ) do not include the minimum data required; e) Purchase Orders (PO) did not indicate the dates of receipt of the supplier, the delivery term nor the date of delivery; and f) other omissions and practices which are not in consonance with the provisions of Government Procurement Policy Board Resolution No.09-2009 and IRR of RA No. 9184.	CAAR 2019 Par. 29, pp 179-186			
PNU-Mindanao a. Prepare, thru the BAC and the BAC-TWG, a detailed post-qualification report indicating therein the activities done;		Management adheres to the recommendation	Fully Implemented	
b. Verify, validate and ascertain, thru the BAC and BAC-TWG, all legal, technical and financial documents submitted by the bidder with LCB in accordance with Section 34.3 of the IRR of RA No. 9184; and		Management adheres to the recommendation	Fully Implemented	
c. Make sure, thru the BAC Secretariat, that the winning bidder complies with the submission of the DOLE-approved CHSP, for the workers' and the management's protection.		Management adheres to the recommendation	Fully Implemented	
71. Cash in Bank account estimated at ₱28,723,745.29 was dormant and unremitted to the Bureau of the Treasury (BTr), contrary to Section 83 of the General Provisions of RA No. 10964, otherwise known as the GAA, FY 2018, and Department of Finance, Department of Budget and Management and Commission on Audit Permanent Committee Joint Circular No. 4-2012 dated September 11, 2012, thus depriving the national government of the proper disposition of these funds. PNU-Manila, North and South Luzon, and Mindanao. a. require the Officials concerned to remit to the BTR all Cash in Bank accounts required to be remitted pursuant to the aforementioned rules and regulations.	CAAR 2018 Par. 4, pp. 62-64	Management adheres to the recommendation	Not Implemented	The funds transferred by the PNU Campuses were still not remitted to the BTr.
72. Fund transfers totaling ₱631,869,208.47 to National Government Agencies (NGAs), State Universities and Colleges (SUCs) for the implementation of various programs and projects remained unliquidated as at December 31, 2018, contrary to COA Circular No. 94-013 dated December 13, 1994, thus resulting in the accumulation of long outstanding Due from NGAs account.	CAAR 2018 Par. 6, pp. 63-69	Management adheres to the recommendation	Not Implemented	Identification, assessment of collectability, acquiring liquidation reports and/or collecting the sum provided to implementing agencies especially those accounts ageing for more than 10 years are still in-process.
PNU - System a. exhaust all options to identify, assess collectability, acquire liquidation reports and/or collect the sum provided to implementing agencies especially those accounts ageing more than 10 years;				
b. undertake the necessary adjusting entries to correct the balances with CHED;		Management adheres to the recommendation	Not Implemented	Reconciliation is still ongoing
c. resolve reconciling items left afloat in the books; and		Management adheres to the recommendation	Not Implemented	Reconciliation is still ongoing

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
d. if deemed applicable, request write-off for accounts deemed uncollectible as prescribed by COA Circular No. 2016-005 dated December 19, 2016.		Management adheres to the recommendation	Not Implemented	Request for write-off has been provided to the AT.
73. Non-liquidation of Cash Advances (CAs) amounting to ₱4,262,696.53 due to non-compliance with pertinent provisions of COA Circular No. 97-002 dated February 10, 1997 resulted in the accumulation of long outstanding cash advances.	CAAR 2018 Par. 7, pp. 69-76			
PNU-North Luzon, and Mindanao				
a. strictly comply with existing rules and regulations on the granting, utilization and liquidation of cash advances;		Management adheres to the recommendation	Not Implemented	Management still has unliquidated cash advances (CAs).
b. properly recognize and record expenditures incurred for the year in their appropriate account;		Management adheres to the recommendation	Not Implemented	AOs are not liquidating CAs on hand as at year-end, thus expenses and refunds are not recorded in the books for the
c. take appropriate action and exhaust all remedies and/or demand for settlement of the outstanding cash advances overdue for liquidation;		Management adheres to the recommendation	Not Implemented	Liquidation still pending.
74. The rights to the Land account stated at ₱1,497,622.22 as at December 31, 2018 cannot be ascertained due to: (a) failure on the part of PNU Management to secure the Transfer Certificate of Title (TCT) of the 3.7 hectares donated property under its possession since Year 1901; and (b) lack of documentary evidence to show proof of actual ownership of the land adjacent to one of the technical universities that has been used for University operation for more than a decade; contrary to the provisions under Section 43, PD No. 1529, otherwise known as the Land Registration Act. PNU - Manila a. secure ownership of the property by performing the long delayed actions necessary to obtain the Transfer Certificate of Title registered in the name of the PNU.	CAAR 2018 Par. 9, pp. 82-84	Management adheres to the recommendation	Not Implemented	Securing ownership is still in-process.
75. Payment of honoraria to its officials and employees in the total amount of ₱59,600.00 which the University considered as member of the support staff during the conduct of review and final coaching for the Board Licensure Examination for Professional Teachers (BLEPT) is contrary to the provisions of Administrative Order No. 130 series of 2004 and COA Circular No. 2012-003 dated October 29, 2012. PNU - Visayas a. provide written explanation with legal basis as to why these personnel were granted honorarium despite not being included in the list of support staffs entitled to honoraria under Board Resolution No. U-637 s. 2001; and	CAAR 2018 Par. 12, pp. 91-93	Management adheres to the recommendation	Fully Implemented	
b. refrain from giving honoraria to personnel (e.g., performing functions as cashier, accountant, finance officer, accounting staff, supply officer, payroll officer and driver) who have no direct involvement in expediting and facilitating BLEPT activities or who performed duties which are inherent to the nature of their positions.		Management adheres to the recommendation	Fully Implemented	
76. The payment of honoraria for teaching overload of faculty members in the undergraduate program in CY 2018 was not in accordance with the rates prescribed in Section 7.13.1 (Honoraria for Teaching Overload), Chapter 7 of the Manual on Position Classification and Compensation of DBM resulting in overpayment of ₱622,690.09.	CAAR 2018 Par. 13, pp. 93-96			


Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - Visayas We recommended that PNU-Visayas Management strictly adhere to Section 7.13.1 of Chapter 7 of the Manual on Position Classification and Compensation of DBM in the computation of honoraria for teaching overload paid to faculty members of the University. Likewise, require the concerned faculty members to refund the excess honoraria received. Any excess payment made shall be disallowed in audit.		Management adheres to the recommendation	Fully Implemented	
77. PNU-Visayas incurred expenses totaling ₱714,467.01 and ₱123,440.65 through cash advances and reimbursements, respectively, for maintenance and other operating expenses, without adhering to the proper procurement procedures, contrary to Section 10 of Republic Act 9184, thus proper control in the disposition of government funds are not attained. PNU - Visayas We recommended that PNU-Visayas Management to strictly adhere to the provisions of Republic Act No. 9184, in the purchase of goods and to stop the practice of incurring expenses on reimbursement basis and through cash advances except those expressly allowed by law. Otherwise, corresponding liquidation of cash advances or reimbursement of expenses without adhering to the procurement law will be suspended or disallowed in audit, if warranted.	CAAR 2018 Par. 16, pp. 100-101	Management adheres to the recommendation	Fully Implemented	The practice of incurring expenses on reimbursement basis has been stopped already by the Management.
78. Disbursements totaling ₱9,992,580.89 were paid despite incomplete documentations that will support the validity of the transactions, in violation of Section 4, Presidential Decree No. 1445 and COA Circular No. 2012-001 dated June 14, 2102. PNU - Mindanao a. ensure that all claims against government funds are supported with complete documentation as required under Section 4 (6) of PD No. 1445; and likewise, the standard forms in the disbursement of funds are properly accomplished and filled up.	CAAR 2018 Par. 18. pp. 105-107	Management adheres to the recommendation	Fully Implemented	
b. require the Supply Officer to discuss with the Inspectorate Team the salient points of the property and supply management specifically in the inspection and acceptance of procured goods/services and to ensure that the IAR are properly accomplished.		Management adheres to the recommendation	Fully Implemented	
c. strictly adhere to the provisions of Section 50, Rule XVI of the Omnibus Rules on Leave and CSC Memorandum Circular No. 08, s. 2014.		Management adheres to the recommendation	Fully Implemented	
79. The PNU-North Luzon withholding tax amounting to ₱85,619.33 withheld from suppliers remained unremitted due to the absence of supporting documents to whom the taxes are to be credited and inappropriate recording thereof in the entity's books. Taxes withheld in the Special Trust Fund and Trust Fund for CY 2018 and prior years amounting to ₱422,313.79 and ₱399,217.74, respectively, were remitted thru Tax Remittance Advice and the corresponding remittance were erroneously recorded in the General Fund which resulted in a debit balance of Due to BIR in the General Fund as of December 31, 2018, contrary to Section 7 of Bureau of Internal Revenue - Revenue Regulations No. 1-2013 dated January 23, 2013.	CAAR 2018 Par. 24, pp. 121-124.	Management adheres to the recommendation	Fully Implemented	

Audit Observations and Recommendations	Ref.	Management Action	Status of Implementation	Reasons for Non-implementation
PNU - North Luzon a. advise the Accountant to determine the specific suppliers and respective taxes for the noted unreconciled difference that were withheld and make the necessary adjusting entry in the books. Likewise, remittance of taxes should be recorded to the funds where the tax is actually withheld.				
80. Several deficiencies were noted in the implementation of the Tulong Dunong Scholarship Program, namely: a) unutilized NCA amounting to ₱1,160,000.00 due to late release of funds; b) payment of financial benefits to grantees thru payroll instead of checks or ATM; c) use of MOOE appropriations for AY 2015-2016; d) application procedures for availment of grant not strictly observed; e) no Memorandum of Agreement (MOA) from CHEDRO; f) absence of documentary requirements in the selection of grantees; g) non- PNU - Mindanao a. directing the Scholarship Coordinator to closely coordinate and follow up with CHEDRO before the start of the enrolment period the timely release of the list of scholarship grantees to be confirmed; and facilitate the submission of billing statements within the stipulated period of 15 days after the enrolment;	CAAR 2017 Par. 2, pp. 56-64	Management adheres to the recommendation	Fully Implemented	
b. requiring the Scholarship Coordinator to communicate to CHEDRO, 15 days after the submission of the billing statements, if they have already downloaded the fund for scholarship grants to immediately process the release of such grants to the students;		Management adheres to the recommendation	Fully Implemented	
c. In the case where CHEDRO is uncertain as to when will the fund be released, instruct the Accountant to expedite the reconciliation of accounts on a monthly basis to immediately notify the Scholarship Coordinator of any large sum of money that could possibly pertain to scholarship grants downloaded on the Trust Fund Account of PNU – Mindanao; and		Management adheres to the recommendation	Fully Implemented	
d. furnishing CHEDRO copy of the MOA as stipulated in the provisions of CHED – DBM JMC No. 2017 – 02 dated May 24, 2017.		Management adheres to the recommendation	Fully Implemented	

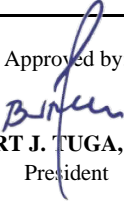
Prepared by:


JASTINE BREATHE A. PACURIB
Head, Accounting Unit

Reviewed by:


DOLCE G. JOGUILON
Head, Internal Audit Unit

Approved by:


BERT J. TUGA, PhD
President