



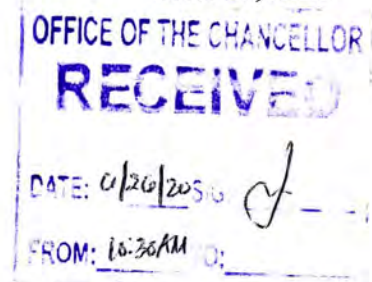
Republic of the Philippines
COMMISSION ON AUDIT
Bangsamoro Autonomous Region in Muslim Mindanao
OFFICE OF THE SUPERVISING AUDITOR
BARMM Team 4, Audit Group H – SUCs, WD & other SAA
MSU Main Campus, Marawi City



June 26, 2020

MARY JOYCE Z. GUINTO-SALI, Ph.D.

Chancellor
MSU - TCTO
Bongao, Tawi – Tawi



Dear Chancellor Sali:

We are pleased to transmit the Annual Audit Report on the audit of accounts and operations of the Mindanao State University – Tawi-Tawi College of Technology and Oceanography, Bongao, Tawi-Tawi for the year ended December 31, 2019, in compliance with Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The audit was conducted in accordance with the Philippine Public Sector Standards on Auditing (PPSSA) to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations. We believe that it provided reasonable basis for the results of the audit.

The attached Reports consists of the Independent Auditor's Report, the audited Financial Statements, the Observations and Recommendations, which were discussed with concerned officials and staff, and the Status of Implementation of Prior Years' Audit Recommendations.

We expressed a qualified opinion on the fairness of presentation of the financial statements of the University for the year ended December 31, 2019 in view of the exceptions noted in audit as stated in the Independent Auditor's Report in Part I of the report.

The significant findings that need immediate actions are as follows:

1. Delayed submission of disbursement vouchers, payrolls, trial balances as well as Report of Checks Issued (RCI) and Report of Collections and Deposits (RCD) to the Office of the Auditor, in violation of Section 107 of PD 1445 and Section 7.2.1 of COA Circular 2009-006.
2. There was a laxity by the management in the enforcement of collections of receivables and payment of liabilities which resulted to the accumulation of uncollected balance of receivables amounting to P13,619,111.17 and P8,427,780.35 respectively, which remained dormant for a long period, contrary to Section 4 Paragraph 6 and Section 111 of PD 1445, COA Circular no. 97-001 dated February 5, 1997 and COA Circular No. 2016-005 dated December 19, 2016.
3. The reported year-end balance of Inter-Agency Payables Accounts such as due to BIR, GSIS, Pag-IBIG, PhilHealth and Due to NGAs showed an unremitted/unreconciled prior years as of December 31, 2019 amounting to P21,788,093.96, contrary to Section 251 of the NIRC, Section 6 paragraph b of RA No. 8291 (GSIS Act), RA 7742, an Act amending PD 1752, known as the Pag-IBIG Fund Law, Section 20 paragraph b of Title III of the Revised Implementing Rules and Regulations of the National Health Insurance Act of 1995 (RA 7875 as amended by RA 9241) and COA Circular No. 94-013 dated December 13, 1994.
4. Non-reporting of government programs, project and activities in manner prescribed in Section 2.1, 2.2.3, 2.2.4 and 3.1 of COA circular No. 2013-004, dated January 30, 2013, thus resulting to the delays in the reporting and validation of the projects.
5. All 2018 and 2019 Contract documents for infrastructure projects with all of its supporting documents and purchase orders issued for supplies and materials were still not furnished the Auditor within five (5) working days from the date the contract was perfected and purchase orders were issued in violation of the provisions of Sections 3.1.1 and 3.2.1, respectively of COA Circular No. 2009-001, resulting to delay of the Auditor in conducting review and in informing management of defects/deficiencies, if any and delay in informing the Technical Audit Specialist (TAS) assigned in the auditing unit/cluster or to the Regional Technical Services Office(RTSO), as the case may be, for inspection so that 100% completed project could be turnover by the contractor and accepted by the management
6. Significant delay in the implementation of the various projects which deprived the end-users of the benefits due them on time in violation of Section 17.6 of the IRR of RA 9184 and Contract Agreement signed by between the HOPE and the Suppliers or Contractors.

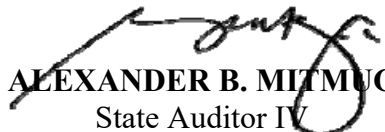
7. Non submission of the Budget and Financial Accountability Report (BFARs) for CY 2019 a by the management's concerned personnel as of to date to the Audit Team Leader in violation of COA-DBM Joint Circular No. 2013-1 dated March 15, 2013.

The other audit findings together with the recommended courses of action which were discussed by the Audit Team with concerned Management officials and staff during the exit conference on June 6, 2020 are discussed in detail in Part II of the report.

We request that the recommendations be promptly implemented and we would appreciate being informed of the actions taken thereon within sixty days (60) days from receipt hereof, using the prescribed format of the attached copy of the Agency Action Plan and Status of Implementation (AAPSI).

We express our appreciation for the support and cooperation extended to the Audit Team by the officials and employees of the University.

Very truly yours,


ATTY. ALEXANDER B. MITMUG, CPA
State Auditor IV
OIC- Supervising Auditor

- Cc:*
1. *The President, Republic of the Philippines*
 2. *The Vice-President, Republic of the Philippines*
 3. *The Senate President, Senate of the Philippines*
 4. *The Speaker, House of Representatives*
 5. *The Chairperson, Senate Finance Committee*
 6. *The Chairperson, Appropriations Committee*
 7. *The Secretary, Department of the Budget and Management*
 8. *Governance Commission for GOCC*
 9. *Presidential Management Staff, Office of the President*
 10. *National Library (soft copy)*
 11. *University of the Philippines (UP) Law Center (soft copy)*
 12. *COA Commission Central Library (soft copy)*

**AGENCY ACTION PLAN and
STATUS of IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 20XX**

[illegible]

Name and Position of Agency Officer

Date _____

Note: Status of Implementation may either be (a) Fully implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed



Republic of the Philippines
COMMISSION ON AUDIT
Autonomous Region in Muslim Mindanao
OFFICE OF THE AUDIT TEAM LEADER
Audit Team 04, AG-H
MSU-TCTO, Bongao, Tawi-Tawi



June 22, 2020

ATTY. ALEXANDER B. MITMUG, CPA

State Auditor IV

OIC-Supervising Auditor

Audit Group H – SUCs, WDs and SAAs

MSU Main Campus, Marawi City

S i r:

In compliance with Section 2, Article IX-D of the Philippines Constitution and pertinent sections of Presidential Decree No. 1445, we conducted a comprehensive financial and compliance audit on the accounts and operations of Mindanao State University – Tawi-Tawi College of Technology and Oceanography, Bongao, Tawi-Tawi for the year ended December 31, 2019.

The audit consisted of review of operating procedures, evaluation of the programs and projects, interview of concerned government officials and employees, verification, reconciliation, analysis of accounts and reports and such other procedures considered necessary.

The audit was conducted in accordance with Philippine Public Sector Standards on Auditing (PPSSA) and we believe that it provided reasonable basis for our audit opinion.

We rendered qualified opinion on the fairness of presentation of financial statements as of December 31, 2019, for reasons as stated in the Independent Auditor's Report.

Very truly yours,

ARSAGGAF L. UMABONG, CPA

State Auditor I

OIC-Audit Team Leader



**Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City**

ANNUAL AUDIT REPORT

ON THE

**MINDANAO STATE UNIVERSITY
Tawi-Tawi College of Technology and Oceanography
Bongao, Tawi-Tawi**

For the Year Ended December 31, 2019

EXECUTIVE SUMMARY

1) INTRODUCTION

a. Audited Agency

The Mindanao State University- Tawi-Tawi College of Technology and Oceanography (MSU-TCTO) was formally established under Republic Act No. 6060, as amended, on August 4, 1969 in southern Sulu and it was known as the MSU-Sulu College of Technology and Oceanography and started its operation as an integral unit of the Mindanao State University. With the creation of the Province of Tawi-Tawi, the name was changed to MSU-Tawi-Tawi College of Technology and Oceanography on March 16, 1982, under Batas Pambansa Blg. 197.

Its primary mandate is to extend to the Muslims and other cultural minority groups the opportunities of college education and develop such other programs as well promote Muslim welfare and hasten the economic development of the southernmost region of the Philippines.

MSU-TCTO is comprised of the following academic units: the Graduate School, College of Fisheries, Institute of Environmental and Oceanography Studies, Institute of Information and Communications Technology, College of Islamic and Arabic Studies, College of Education, College of Arts and Sciences, Eastern Extension (Ungus Matata), Western Extension (Sibutu), Northern Extension (Mapun), Senior High School, Preparatory High School, Science High School, Secondary Education Department (Community High Schools), Child Development Center-Laboratory Elementary School (CDC-LES) and Childhood Integrated Learning Development School (CHILDS).

The governance of the MSU-TCTO is vested upon the Board of Regents, which exercises policy-making functions to carry out the mission and programs of the College by Virtue of RA 8292, the Higher Education Modernization Act of 1997.

The College is administered by Chancellor Mary Joyce Z. Guinto-Sali, Ph.D. She is assisted by four Vice Chancellors namely: Prof. Benecito L. Maratas (Academic Affairs), Prof. Werble Magsaysay (Administration and Finance), Prof. Aida J. Hadji (Research and Extension) and Prof. Abdurizal A. Eldani (Planning and Development).

b. Audit Methodology

The audit was conducted in accordance with applicable legal and regulatory requirements, and the Philippine Public Sector Standards on Auditing. Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.

c. Scope of Audit

The audit covered the accounts and operations of the MSU-TCTO for the Calendar Year 2019. It was aimed at ascertaining the propriety of financial transactions, Management's compliance to prescribed rules and regulations and the fairness of presentation of the financial statements.

2.a) FINANCIAL HIGHLIGHTS

Comparative Financial Position and Financial Performance

Particulars	CY 2019	CY 2018 (Restated)	Increase/(Decrease)	% Increase (Decrease)
Assets	539,706,647.84	516,119,922.15	23,586,725.69	4.37%
Liabilities	30,444,768.29	29,773,076.46	671,691.83	2.21%
Equity	509,261,879.55	486,346,845.69	22,915,033.86	4.71%
Income	13,355,810.03	11,456,990.59	1,898,819.44	16.57%
Subsidies	645,836,342.12	614,466,733.03	31,369,609.09	5.11%
Expenses	636,273,065.97	599,019,380.39	37,253,685.58	6.22%

2.b) OPERATIONAL HIGHLIGHTS

Performance in Licensure Examinations

Name of Licensure Examination	2019			2018		
	March	September	October	March	September	October
LET – Elementary Education	15.05%	14.72%	-	15.38%	21.37%	-
LET – Secondary Education	6.88%	11.32%	-	28.85%	32.17%	-
Fisheries Technology	-	-	19.44%	-	-	18.18%

Graduate and Enrolment Profile

Academic Program Level	Graduates		Enrollment			
	AY 2019-2020	AY 2018-2019	1 st Sem 2017-2018	2 nd Sem 2017-2018	1 st Sem 2018-2019	AY 2019-2020
Masteral	12	32	212	147	133	169
Baccalaureate	374	502	1722	1401	1678	1693
Senior High School	302	233	575	559	752	727
Secondary	1224	1285	5944		5929	6250

Academic Program Level	Graduates		Enrollment			
	AY 2019-2020	AY 2018-2019	1 st Sem 2017-2018	2 nd Sem 2017-2018	1 st Sem 2018-2019	AY 2019-2020
Primary	109	105	557		607	585
Kindergarten	94	103	100		111	94

3) AUDIT OPINION ON THE FINANCIAL STATEMENTS

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements due to the material effects of the noted deficiencies on some of the accounts, as discussed in detail in Part II of the report.

4) SUMMARY OF SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS

1. Delayed submission of disbursement vouchers, payrolls, trial balances as well as Report of Checks Issued (RCI) and Report of Collections and Deposits (RCD) to the Office of the Auditor, in violation of Section 107 of PD 1445 and Section 7.2.1 of COA Circular 2009-006.

We reiterate our recommendations that the Accountable Officers:

- a) Determine and address all the reasons for the delay in the submission of the required reports and consider imposing sanctions on the persons responsible for the delayed submission of the financial reports and supporting documents to the COA Office. Further, review and evaluate the performance of the finance personnel; and recommend replacement for those found undesirable with qualified personnel with the right work attitude;
- b) Conduct planning, target setting and prepare commitment reports particularly on the timelines on the submission of transaction documents/reports and financial statements provided in Section 7.2.1 (a) of COA Circular 2009-006 and Section 107 of PD 1445; and
- c) Conduct periodic monitoring of submission of required reports to COA, DBM and other regulatory bodies and see to it that all the required reports are submitted on time.

2. There was a laxity by the management in the enforcement of collections of receivables and payment of liabilities which resulted to the accumulation of uncollected balance of receivables amounting to P13,619,111.17 and P8,427,780.35 respectively, which remained dormant for a long period, contrary to Section 4 Paragraph 6 and Section 111 of PD 1445, COA Circular no. 97-001 dated February 5, 1997 and COA Circular No. 2016-005 dated December 19, 2016.

We reiterate our recommendations that the management:

- a. Comply with the provisions of Section 111 of PD 1445 paragraphs 1 and 2 as regards to recording of accounts;
 - b. Undertake more aggressive measures that will facilitate the collection of these long outstanding past due receivables such as sending letter reminders, conduct of house to house collection campaign among delinquent borrowers, and if warranted, avail of civil remedies for the collection of these accounts.
 - c. Secure complete documents to support the claims against the agency as required under Section 4 Paragraph 6 of PD 1445 and intensify its efforts to pay all of the liabilities with complete documentations.
 - d. Verify, review and analyze the dormant asset and liability accounts totaling P13,619,111.17 and P8,427,780.35 respectively, as required under COA Circular No. 97-001 and effect the necessary adjustment/s to arrive at the correct account balance at year-end; and
 - e. Receivable Accounts totaling P13,619,111.17 which were dormant and which may be written-off, be guided by the procedures in the write-off of dormant accounts as set forth in the COA Circular No. 2016-005.
3. **The reported year-end balance of Inter-Agency Payables Accounts such as due to BIR, GSIS, Pag-IBIG, PhilHealth and Due to NGAs showed an unremitted/unreconciled prior years as of December 31, 2019 amounting to P21,788,093.96, contrary to Section 251 of the NIRC, Section 6 paragraph b of RA No. 8291 (GSIS Act), RA 7742, an Act amending PD 1752, known as the Pag-IBIG Fund Law, Section 20 paragraph b of Title III of the Revised Implementing Rules and Regulations of the National Health Insurance Act of 1995 (RA 7875 as amended by RA 9241) and COA Circular No. 94-013 dated December 13, 1994.**

We reiterate our previous years' recommendation that Management:

- a. Require/request the responsible officials/employees to remit immediately the withheld funds to BIR, GSIS, Pag-IBIG and PhilHealth.
- b. Require the Accounting Unit to analyse the accounts and prepare the necessary adjusting entries to remove the accounts in the books as it represents amounts withheld from the agency's allotment by the DBM-NCR and does not qualify to be recognized as liabilities as it does not require out flow of agency's future economic benefits.

- c. With regards to Due to NGAs account, strictly implement the projects as required in the Memorandum of Agreement signed by the SA and IA; liquidate the fund transfer given thru submission of RCI, ROD to SA signed by the AI Accountant, approved by Head and return any unliquidated balance, if any.
4. **Non-reporting of government programs, project and activities in manner prescribed in Section 2.1, 2.2.3, 2.2.4 and 3.1 of COA circular No. 2013-004, dated January 30, 2013, thus resulting to the delays in the reporting and validation of the projects.**

We recommend that management should:

1. At the start of the year, Submit to the Auditor's Office a complete list of all on-going projects, programs and activities and those that are to be implemented during the year and should be updated every quarter as required under Section 2.1 of COA Circular No. 2013-004 dated January 30, 2013 following the format prescribed as presented in Annex B of the same COA Circular;
2. Post signboard or tarpaulin containing the complete information needed for every project's site each period especially the percentage of completion each period as presented in Annex A and as required in Section 2.2.3 and 3.2 of COA Circular No. 2013-004 dated January 30, 2013.
5. **All 2018 and 2019 Contract documents for infrastructure projects with all of its supporting documents and purchase orders issued for supplies and materials were still not furnished the Auditor within five (5) working days from the date the contract was perfected and purchase orders were issued in violation of the provisions of Sections 3.1.1 and 3.2.1, respectively of COA Circular No. 2009-001, resulting to delay of the Auditor in conducting review and in informing management of defects/deficiencies, if any and delay in informing the Technical Audit Specialist (TAS) assigned in the auditing unit/cluster or to the Regional Technical Services Office(RTSO), as the case may be, for inspection so that 100% completed project could be turnover by the contractor and accepted by the management.**

We reiterate our recommend that management should:

1. Immediately submit all the remaining 2018 and 2019 original contracts together with all the bidding documents;
2. Regularly submit within five (5) working days from the execution of the contract the contract documents together with all of its supporting documents and purchase orders for supplies and materials for current and succeeding years;

3. After submitting the complete contract documents together with all of its supporting documents and after determining the project/s is/are 100% completed immediately prepare and submit a request for inspection letter address to COA BARMM Technical Personnel thru the Resident Auditor who will then endorse the said request for inspection to COA BARMM Regional Office so that 100% completed project could be turnover by the contractor and accepted by the management;
4. Advise the BAC and its supporting units to be familiar with the other guidelines on procurement like COA Circular 2009-001 dated February 12, 2009 and not only focused on what is required under the Revised IRR of RA 9184.
6. **Significant delay in the implementation of the various projects which deprived the end-users of the benefits due them on time in violation of Section 17.6 of the IRR of RA 9184 and Contract Agreement signed by between the HOPE and the Suppliers or Contractors.**

We recommend that management should:

1. If the delay cannot be validly justified and if found out that fault is on the management personnel, like if they have violated Section 17.6 of the Revised IRR of RA 9184, such concerned personnel should be subjected to appropriate action, but if it is contractors' fault, then liquidated damages should be imposed upon the latter based on the Annex E (Liquidated Damages) of RA 9184 "Contract Implementation Guidelines for the Procurement of Infrastructure Projects" and consider it as a ground for disqualifying the contractor/s in participating in the future bidding activities of the University.
2. Exert more efforts to finish the remaining uncompleted projects by requiring the contractors or suppliers to provide catch up plan and strictly implement such.
7. **Insurable properties of the Agency were not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS) despite the mandatory requirement as provided in COA Circular No. 92-390 dated November 11, 1992 and Section 11 of the RA 656 (Property Insurance Law).**

We reiterate our recommendation that management determine all properties which can be insured with the GIF of the GSIS and furnished to the Audit Team copy of the RPCPPE and PIF for review and verification and adhere to the provisions of COA Circular No. 92-390 dated November 17, 1992 and Section 11 of RA 656 otherwise known as the Property Insurance Law.

5) SUMMARY OF SUSPENSIONS, DISALLOWANCES AND CHARGES

The balances as of January 03, 2020 are as follows:

Notice of Suspension	P	0.00
Notice of Disallowances		0.00
Notice of Charges		0.00

6) STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

Of the twelve audit recommendations contained in Prior Years' Annual Audit Report five were fully implemented, another two were partially implemented and five remained unimplemented, six of which are reiterated in this Report.

TABLE OF CONTENTS

PART	PARTICULARS	PAGE
	AUDITED FINANCIAL STATEMENTS	
	Independent Auditor's Report	1-2
	Statement of Management Responsibility for Financial Statements	3
I	Statement of Financial Position	4
	Statement of Financial Performance	5
	Statement of Cash Flows	6
	Statement of Changes in Net Assets/Equity	7
	Statement of Comparison of Budget and Actual Amounts	8
	Notes to Financial Statements	9-40
II	Audit Observations and Recommendations	41-71
III	Status of Implementation of Prior Year's Unimplemented Audit Recommendations	72-81
	ANNEXES	
IV	A – Statement of Financial Position, By Fund	82-86
	B - Statement of Financial Performance, By Fund	87-91
	C – Statement of Cash Flows, By Fund	92
	D - Statement of Changes in Net Assets/Equity, By Fund	93
	E – Statement of Comparison of Budget and Actual Amounts	94-95

PART I

**AUDITED FINANCIAL
STATEMENTS**



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue
Quezon City

INDEPENDENT AUDITOR'S REPORT

MARY JOYCE Z. GUINTO-SALI, Ph.D.

Chancellor

Mindanao State University-Tawi-Tawi College

of Technology and Oceanography

Bongao, Tawi-Tawi

Qualified Opinion

We have audited the accompanying financial statements of the Mindanao State University-Tawi-Tawi College of Technology and Oceanography, Bongao, Tawi-Tawi which comprise the Statement of Position as at December 31, 2019, and the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity and Statement of Cash Flows and Statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of MSU-TCTO as at December 31, 2019, and its financial performance, its cash flows, and its comparison of budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Qualified Opinion

The management has an accumulated uncollected balance of receivables and payables amounting to P13,619,111.17 and P8,427,780.35 respectively as stated in the statement of financial position, which remained dormant for a long period.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities of the Audit of the Financial Statements* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Except for the matter described in the *Basis for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

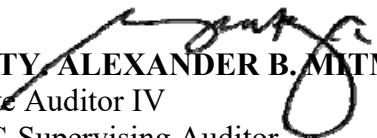
Those charged with governance are responsible for overseeing the MSU-TCTO's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:


ATTY. ALEXANDER B. MITMUG, CPA
State Auditor IV
OIC-Supervising Auditor



Republic of the Philippines
MINDANAO STATE UNIVERSITY
Tawi-Tawi College Of Technology And Oceanography
Sanga-Sanga, Bongao, Tawi-Tawi

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of MINDANAO STATE UNIVERSITY – TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2019 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Changes in Net Assets/Equity, Statement of Comparison of Budget and Actual Amounts and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and Generally-Accepted State Accounting Principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


RUKAYYA A. DARUL-SALIM, CPA
Chief Accountant

02/14/2020

Date Signed


MARY JOYCE Z. GUINTO-SALI, Ph.D.
Chancellor

02/14/2020

Date Signed

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY			
STATEMENT OF FINANCIAL POSITION			
As at December 31, 2019			
Condensed			
(All Funds)			
	Note	CY 2019	CY 2018
ASSETS			
Current Assets			
Cash and Cash Equivalent	6	59,484,325.00	61,886,491.73
Receivables	8	13,619,111.17	13,619,111.17
Inventories	9	14,850,881.60	34,598,968.05
Other Current Assets	10	37,672,460.10	42,721,483.33
Total Current Assets		125,626,777.87	152,826,054.28
Non-Current Assets			
Property, Plant and Equipment	11	413,743,769.97	362,957,767.87
Other Non-Current Assets		336,100.00	336,100.00
Total Non-Current Assets		414,079,869.97	363,293,867.87
TOTAL ASSETS		539,706,647.84	516,119,922.15
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Financial Liabilities	15	4,019,304.65	4,019,304.65
Inter-Agency Payables	16	21,788,093.96	21,345,296.11
Total Current Liabilities		25,807,398.61	25,364,600.76
Non-Current Liabilities			
Deferred Credits		737,521.85	737,521.85
Other Payables		3,899,847.83	3,670,953.85
Total Non-Current Liabilities		4,637,369.68	4,408,475.70
TOTAL LIABILITIES		30,444,768.29	29,773,076.46
NET ASSETS/EQUITY			
Government Equity			
Accumulated Surplus		509,261,879.55	486,346,845.69
TOTAL LIABILITIES AND EQUITY		539,706,647.84	516,119,922.15
<i>This statement should be read in conjunction with the accompanying notes.</i>			

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY				
STATEMENT OF FINANCIAL PERFORMANCE				
As at December 31, 2019				
Condensed				
(All Funds)				
REVENUE	Note	2019		2018
Service and Business Income	22	7,855,810.03		11,456,990.59
Shares, Grants and Donations	29	5,500,000.00		
TOTAL REVENUE		13,355,810.03		11,456,990.59
LESS: CURRENT OPERATING EXPENSES				
Personal Services	24	509,437,138.44		506,747,236.34
Maintenance and Other Operating Expenses	25	81,204,517.04		64,417,397.37
Financial Expenses	26	2,869.50		30,731.43
Non-Cash Expenses	27	45,628,540.99		27,824,015.25
TOTAL CURRENT OPERATING EXPENSES		636,273,065.97		599,019,380.39
Deficit from Current Operations		(622,917,255.94)		(587,562,389.80)
Net Financial Assistance/Subsidy	28	645,836,342.12		614,466,733.03
SURPLUS FOR THE PERIOD		22,919,086.18		26,904,343.23
This statement should be read in conjunction with the accompanying notes.				

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY					
STATEMENT OF CHANGES IN NET ASSETS/EQUITY					
For the Year ended December 31, 2019					
Condensed					
(All Funds)					
			2019	2018	
Balance at January 1			486,346,845.69	464,640,536.56	
Add/(Deduct):					
	Changes in Accounting Policy		0.00	0.00	
	Prior period errors		0.00	8,099,049.23	
	Other adjustments		0.00	0.00	
Restated Balance			486,346,845.69	472,739,585.79	
Changes in Net Assets/Equity for the Calendar Year					
	Surplus/(Deficit) for the period		22,919,086.18	26,904,343.23	
	Adjustment of net revenue recognized directly in net asset/equity		0.00	0.00	
	NCA Reversal		(4,052.32)	(13,297,083.33)	
	Others		0.00	0.00	
Balance at December 31			509,261,879.55	486,346,845.69	

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEONOGRAPHY						
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS						
For the Year ended December 31, 2019						
Detailed						
(All Funds)						
Particulars			Budgeted Amounts		Actual Amount on Comparable Basis	Difference Final Budget and Actual Amounts
			Original	Final		
		Notes				
RECEIPTS						
	Tax Revenue					
	Service and Business Income			6,000,000.00	7,855,810.03	1,855,810.03
	Assistance and Subsidy			7,740,000.00	17,501,570.00	9,761,570.00
	Share, Grants and Donation			300,000.00	5,500,000.00	5,200,000.00
	Gains			-	0.00	-
	Others			534,461,000.00	632,314,101.25	97,853,101.25
	Total Receipts			548,501,000.00	663,171,481.28	114,670,481.28
PAYMENTS						
	Personal Services			509,663,000.00	509,437,138.44	(225,861.56)
	Maintenance and Other					
	Operating Expenses			66,016,000.00	79,029,823.04	13,013,823.04
	Capital Outlay			55,461,003.49	73,120,435.58	17,659,432.09
	Financial Expenses			-	2,869.50	2,869.50
	Others			-	3,979,329.13	3,979,329.13
	Total Payments			631,140,003.49	665,569,595.69	34,429,592.20
NET RECEIPTS/PAYMENTS				(82,639,003.49)	(2,398,114.41)	80,240,889.08

**MINDANAO STATE UNIVERSITY
TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY
Sanga-Sanga, Bongao, Tawi-Tawi**

**NOTES TO FINANCIAL STATEMENTS
For the year ended December 31, 2019**

1. General Information/Agency Profile

The financial statements of **Mindanao State University – Tawi-Tawi College of Technology and Oceanography (MSU-TCTO)** were authorized for issue on **February 14, 2020** as shown in the Statement of Management Responsibility for Financial Statements signed by **Mary Joyce Z. Guinto-Sali, PhD, the University Chancellor**.

The MSU-TCTO was established in Southern Sulu under the Republic Act No. 6060 on August 4, 1969 as the Sulu College of Technology and Oceanography and as an integral unit of Mindanao State University. On March 16, 1982 under the Batas Pambansa blg 197, the name of Sulu College of Technology and Oceanography was changed into Tawi-Tawi College of Technology and Oceanography with the creation of the Province of Tawi-Tawi.

As mandated by the operation of Republic Act No 6060, the college shall extend to the Muslims and the other cultural minority groups the opportunities of college education and develop such other programs as will promote Muslim welfare and hasten the economic development of the southernmost region of the Philippines. In keeping with this mandate, the college shall develop academic programs for effective exploitation and conservation of the fisheries resources in the Sulu seas and nearby waters, undertake researches in fish processing and culture, and in oceanography for increased understanding of the country's territorial waters, and economic development of the people. As a leading institution of learning committed to community – centered sustainable development, the college shall develop distinctive competencies, organizational capacities and individual capabilities in order to become a center of excellence in Fisheries, Marine Sciences and Engineering, and Oceanography. It shall also help develop Tawi-Tawi into becoming a haven of peace and prosperity.

The financial statement being presented is a true and complete statement of all accounts as shown in the General Ledger, prepared in accordance with generally accepted accounting principles and standards.

2. Statement of Compliance and Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with and comply with the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit per COA Resolution No. 2017-003 dated January 24, 2017.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

3. Summary of Significant Accounting Policies

3.1 Basis of accounting

The financial statements are prepared on an accrual basis in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

3.2 Consolidation

a. Consolidated Entities/Controlled Entities

Consolidated entities

The [consolidated] financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity and all controlled entities.

Controlled entities

The controlled entities are all those entities (including special purpose entities) over which the controlling entity has the power to govern the financial and operating policies. The controlled entities are fully consolidated from the date on which control is transferred to the controlling entity. They are de-consolidated from the date that control ceases.

Inter-group transactions, balances and unrealized gains and losses on transactions between members of the group are eliminated in full.

The accounting policies of the controlled entities are consistent with the policies adopted by the controlling entity.

The controlled entities are General Administration Services, Higher Education and Research and Extension Services.

All the entities are fully consolidated.

3.3 Financial instruments

a. Financial assets

Initial recognition and measurement

Financial assets within the scope of PPSAS 29-Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets,

as appropriate. The MSU-TCTO determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the MSU-TCTO commits to purchase or sell the asset.

The MSU-TCTO's financial assets include: cash and short-term deposits; trade and other receivables; loans and other receivables; quoted and unquoted financial instruments; and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Mindanao State University – Tawi-Tawi College of Technology and Oceanography (MSU-TCTO) has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Derecognition

The MSU-TCTO derecognizes a financial asset or, where applicable, a part of a financial asset or part of MSU-TCTO of similar financial assets when:

- The rights to receive cash flows from the asset have expired or is waived
- The MSU-TCTO has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the MSU-TCTO has transferred substantially all the risks and rewards of the asset; or (b) the MSU-TCTO has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The MSU-TCTO assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the MSU-TCTO first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the MSU-TCTO determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted

at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the MSU-TCTO. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The MSU-TCTO's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PPSAS 29.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

e. Derivative financial instruments

Initial recognition and subsequent measurement

The MSU-TCTO uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. The MSU-TCTO does not apply hedge accounting.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.5 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the MSU-TCTO.

3.6 Investment Property

3.7 Property, Plant and Equipment

Recognition

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- tangible items;
- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost or fair value of the item can be measured reliably.

Measurement at Recognition

An item recognized as property, plant, and equipment is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction its cost is its fair value as at recognition date.

Cost includes the following:

- Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and
- initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Measurement After Recognition

After recognition, all property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

When significant parts of property, plant and equipment are required to be replaced at intervals, the MSU-TCTO recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

Depreciation

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

Initial Recognition of Depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month.

However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

Depreciation Method

The straight line method of depreciation is adopted unless another method is more appropriate for agency operation.

Estimated Useful Life

The MSU-TCTO uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA.

The MSU-TCTO uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable service amount.

Derecognition

The MSU-TCTO derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.8 Leases

Mindanao State University – Tawi-Tawi College of Technology and Oceanography as a lessee

Finance Lease

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the MSU-TCTO.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The MSU-TCTO also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the MSU-TCTO will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the MSU-TCTO.

Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

Mindanao State University – Tawi-Tawi College of Technology and Oceanography as a lessor

Finance Lease

The MSU-TCTO recognizes lease payments receivable under a finance lease as assets in the statements of financial position. The assets are presented as receivable at an amount equal to the net investment in the lease.

The finance revenue are recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

Operating Lease

Leases in which the MSU-TCTO does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policy for PPE are applied to similar assets leased by the entity.

3.9 Intangible Assets

Recognition and Measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with the capitalization treatment permitted in PPSAS 5, Borrowing Costs

Subsequent Expenditure on an Acquired In-process Research and Development Project

Subsequent expenditure on an in-process research or development project acquired separately and recognized as an intangible asset is:

- Recognized as an expense when incurred if it is research expenditure;
- Recognized as an expense when incurred if it is development expenditure that does not satisfy the criteria for recognition as an intangible asset; and
- Added to the carrying amount of the acquired in-process research or development project if it is development expenditure that satisfies the recognition criteria for intangible assets.

Intangible Assets Acquired through Non-Exchange Transactions

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date these were acquired.

Internally Generated Intangible Assets

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Recognition of an Expense

Expenditure on an intangible item were recognized as an expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

Subsequent Measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life is amortized over its useful life:

The straight line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with indefinite useful lives was not be amortized.

Intangible assets with an indefinite useful life or an intangible asset not yet available for use were assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, were reviewed at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset were considered to modify the amortization period or method, as appropriate, and were treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset were measured as the difference between the net disposal proceeds and the carrying amount of the asset and were recognized in the surplus or deficit when the asset is derecognized.

Research and development costs

The MSU-TCTO expenses research costs as incurred. Development costs on an individual project were recognized as intangible assets when the Mindanao State University – Tawi-Tawi College of Technology and Oceanography can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition, intangible assets were carried at cost less any accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use.

It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

3.10 Provisions

Provisions were recognized when the MSU-TCTO has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the MSU-TCTO expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions were reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions were reversed.

Contingent liabilities

The MSU-TCTO does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The MSU-TCTO does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the MSU-TCTO in the notes to the financial statements.

Contingent assets were assessed continually to ensure that developments were appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.11 Changes in accounting policies and estimates

The MSU-TCTO recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy were applied prospectively if retrospective application is impractical.

The MSU-TCTO recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

The MSU-TCTO correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.12 Foreign currency transactions

Transactions in foreign currencies were initially recognized by applying the spot exchange rate between the function currency and the foreign currency at the transaction.

At each reporting date:

- Foreign currency monetary items were translated using the closing rate;
- Nonmonetary items that were measured in terms of historical cost in a foreign currency were translated using the exchange rate at the date of the transaction; and
- Nonmonetary items that were measured at fair value in a foreign currency were translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, were recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.13 Revenue from non-exchange transactions

Recognition and Measurement of Assets from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset were recognized as an asset if the following criteria were met:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

Recognition Revenue from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As Mindanao State University – Tawi-Tawi College of Technology and Oceanography (MSU-TCTO) satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

Measurement of Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

Measurement of Liabilities on Initial Recognition from Non-Exchange Transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

Taxes

Taxes and the related fines and penalties were recognized when collected or when these were measurable and legally collectible. The related refunds, including those that were measurable and legally collectible, were deducted from the recognized tax revenue.

Fees and fines not related to taxes

The MSU-TCTO recognizes revenues from fees and fines, except those related to taxes, when earned and the asset recognition criteria were met.

Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues were recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Gifts and Donations

The MSU-TCTO recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind were recognized as assets when the goods were received, or there is a binding arrangement to receive the goods. If goods in-kind were received without conditions attached, revenue is recognized immediately. If conditions were attached, a liability is recognized, which is reduced and revenue recognized as the conditions were satisfied.

On initial recognition, gifts and donations including goods in-kind were measured at their fair value as at the date of acquisition, which were ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair value were ascertained by reference to quoted prices in an active and liquid market.

Transfers

The MSU-TCTO recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

Services in-Kind

Services in-kind were not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities and the related assets were measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the MSU-TCTO and can be measured reliably.

3.14 Revenue from Exchange transactions

Measurement of Revenue

Revenue was measured at the fair value of the consideration received or receivable.

Rendering of Services

The MSU-TCTO recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred were recoverable.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the MSU-TCTO.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions were recognized when the [Name of Entity]'s right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Royalties

Royalties were recognized as they were earned in accordance with the substance of the relevant agreement.

3.15 Budget information

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) was prepared since the budget and the financial statements were not prepared on comparable basis. The SCBAA was presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

3.16 Impairment of Non-Financial Assets

Impairment of cash-generating assets

At each reporting date, the MSU-TCTO assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the MSU-TCTO estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that were largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows were discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions were taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Mindanao State University – Tawi-Tawi College

of Technology and Oceanography estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

Impairment of non-cash-generating assets

The MSU-TCTO assesses at each reporting date whether there is an indication that a non-cash generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the MSU-TCTO estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. The MSU-TCTO classifies assets as cash-generating assets when those assets were held with the primary objective generating a commercial return. Therefore, non-cash generating assets would be those assets from which the MSU-TCTO does not intend (as its primary objective) to realize a commercial return.

3.17 Related parties

The MSU-TCTO regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the MSU-TCTO, or vice versa.

Members of key management were regarded as related parties and comprise the members of the Planning and Management Committee of the MSU-TCTO and its controlled entities.

3.18 Service concession arrangements

The MSU-TCTO analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the MSU-TCTO recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the

end of the arrangement. Any assets so recognized were measured at their fair value. To the extent that an asset has been recognized, the MSU-TCTO also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

3.19 Borrowing costs

The benchmark treatment is used by the MSU-TCTO in the recognition of borrowing costs pertaining to loans borrowed by the National Government (NG) which were recorded in the Bureau of the Treasury.

Under the benchmark treatment, borrowings costs were recognized as expense in the period in which they were incurred, regardless of how the borrowings were applied.

3.20 Employee benefits

The employees of MSU-TCTO are member of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The MSU-TCTO recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

The MSU-TCTO recognizes expenses for accumulating compensated absences when these were paid (commuted or paid as terminal leave benefits).

Unused entitlements that has accumulated at the reporting date were not recognized as expense. Non-accumulating compensated absences, like special leave privileges, were not recognized.

3.21 Measurement uncertainty

The preparation of [consolidated] financial statements in conformity with PPSAS, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the [consolidated] financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include [enter significant estimates here, e.g. the useful life of capital assets, estimated employee benefits, rates for amortization, impairment of assets, liability for contaminated sites, etc.].

Estimates were based on the best information available at the time of preparation of the [consolidated] financial statements and were reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these [consolidated] financial statements. Actual results could differ from these estimates.

4. Changes in Accounting Policies

Mindanao State University – Tawi-Tawi College of Technology and Oceanography (MSU-TCTO) has not adopted any new accounting policies for 2019

5. Prior Period Adjustments

The Mindanao State University – Tawi-Tawi College of Technology and Oceanography (MSU-TCTO) has unrecorded cash balance in the previous years. This is corrected this 2019 for proper recognition and measurement of Cash in Bank – LCCA – LBP under the Internally Generated Income Fund (Fund 05).

6. Cash and Cash Equivalents

Account Title	2019	2018
Cash on Hand	25,000.00	25,000.00
Cash in Bank-Local Currency	59,464,325.00	61,861,491.73
Total Cash and Cash Equivalents	59,489,325.00	61,886,491.73

7. Investments

8. Receivables

8.1 Loans and Receivables

Account Title	2019	2018
Accounts Receivable	636,874.80	636,874.80
Due from National Government Agencies	2,176,500.00	2,176,500.00
Other Receivables	10,805,736.37	10,805,736.37
Total Receivables	13,619,111.17	13,619,111.17

9. Inventories

Account Title	2019	2018
Office Supplies Inventory	2,182,894.43	9,135,517.63
Other Supplies and Materials Inventory	302,150.00	483,572.94
Accountable Forms, Plates and Stickers Inventory	0.00	150,000.00
Textbook and Instructional Materials Inventory	4,259,765.42	3,541,733.00
Semi-expendable - Office Equipment	2,471,965.45	24,245.18
Semi-expendable - Furniture and Fixtures	45,718.00	7,499,500.00
Semi-expendable - Books	5,588,388.30	13,764,399.30
Total Inventory	14,850,881.60	34,598,968.05

10. Other Current Assets

Account Title	2019	2018
Advances for Operating Expenses	5,210,458.99	5,910,457.99

Advances for Payroll	10,704,079.42	5,422,121.10
Advances to Special Disbursing Officers	7,276,100.78	8,352,197.18
Advances to Officers and Employees	1,159,468.49	7,861,067.57
Advances to Contractors	13,322,352.42	15,175,639.49
Total Other Current Assets	37,672,460.10	42,721,483.33

11. Property, Plant and Equipment as of December 31, 2019

Account Title	Acquisition Cost	Accumulated Depreciation	Accumulated Impairment Loss	Net Book Value
Land	16,994,835.50	0.00	0.00	16,994,835.50
Power Supply System	1,439,328.78	(129,539.59)	0.00	1,324,789.19
Buildings and Other Structures				
School Buildings	234,510,147.10	(83,739,373.99)	0.00	150,770,773.11
Other Structures	5,752,077.11	(941,039.71)	0.00	4,811,037.40
Total Buildings and Other Structures	240,262,224.21	(84,680,413.70)	0.00	155,581,810.51
Machinery and Equipment				
Machinery	7,181,494.30	(2,876,556.04)	0.00	4,304,938.26
Office Equipment	25,712,361.90	(9,579,399.36)	0.00	16,132,962.54
Information and Communication Technology Equipment	41,578,425.62	(11,486,168.31)	0.00	30,092,257.31
Marine and Fishery Equipment	5,675,439.93	(3,348,762.31)	0.00	2,326,677.62
Communication Equipment	356,421.05	(319,646.47)	0.00	36,774.58
Fire fighting Equipment and Accessories	856,458.50	(702,000.00)	0.00	154,458.50
Military, Police and Security Equipment	57,100.00	(53,864.33)	0.00	3,235.67
Medical Equipment	333,465.00	(96,704.85)	0.00	236,760.15
Sports Equipment	1,762,919.50	(1,187,338.84)	0.00	575,580.66

Technical and Scientific Equipment	34,348,453.71	(13,273,156.01)	0.00	21,075,297.70
Other Machinery and Equipment	4,112,711.64	(2,974,835.81)	0.00	1,137,875.83
Total Machinery and Equipment	121,975,251.15	(45,898,432.33)	0.00	76,076,818.82
Transportation Equipment				
Motor Vehicles	16,780,049.26	(8,221,676.12)	0.00	8,558,373.14
Watercrafts	5,714,741.90	(5,425,689.11)	0.00	289,052.79
Other Transportation Equipment	672,419.00	(664,131.94)	0.00	8,287.06
Total Transportation Equipment	23,167,210.16	(14,311,497.17)	0.00	8,855,712.99
Furniture, Fixtures and Books				
Furniture and Fixtures	17,090,915.50	(8,940,872.34)	0.00	8,150,043.16
Books	9,528,766.44	(3,569,509.43)	0.00	5,959,257.01
Total Furniture, Fixtures and Books	25,240,958.66	(12,510,381.77)	0.00	14,109,300.17
Leased Asset				
Leased Assets - Machinery and Equipment	4,128,961.32	(1,507,070.88)	0.00	2,621,890.44
Total Leased Asset	4,128,961.32	(1,507,070.88)	0.00	2,621,890.44
Other Property, Plant and Equipment				
Other Property, Plant and Equipment	5,356,128.50	(5,135,522.77)	0.00	220,605.73
Total Other Property, Plant and Equipment	5,356,128.50	(5,135,522.77)	0.00	220,605.73
Construction in Progress - Buildings and	137,958,006.62	0.00	0.00	137,958,006.62

Other Structures				
Total Total Property, Plant and Equipment	577,916,628.18	(164,172,858.21)	0.00	413,743,769.97

12. Biological Assets

13. Intangible Assets

14. Other Assets

14.2 Contingent Assets

The MSU-TCTO has the following contingent assets where the estimated or known assets are, or exceed [amounts]. Collection of these assets is dependent on the [describe nature of future event that will confirm existence of asset]. Contingent assets are not recorded in the [consolidated] financial statements.

15. Financial Liabilities

15.1 Payables

Account Title	2019	2018
Accounts Payable	4,019,304.65	4,019,304.65
Due to Officers and Employees	0.00	53,011,913.64
Total Payables	4,019,304.65	57,031,218.29

15.2 Finance Lease Payable

15.3 Bills/Bonds/Loans Payable

16. Inter-Agency Payables

Account Title	2019	2018
Due to BIR	87,588.46	73,442.66
Due to GSIS	550,541.45	139,913.29
Due to Pag-IBIG	152,904.72	29,710.01
Due to PhilHealth	696,499.83	920,919.66
Due to NGAs	20,176,815.89	20,181,310.49
Total Inter-Agency Payables	21,664,350.35	21,345,296.11

17. Trust Liabilities

18. Deferred Credits/Unearned Income

Account Title	2019	2018
Other Deferred Credits	737,521.85	737,521.85
Total Deferred Credits	737,521.85	737,521.85

19. Provisions

20. Other Payables

Account Title	2019	2018
Other Payables	3,899,847.83	3,670,953.85
Total Other Payables	3,899,847.83	3,670,953.85

21. Tax Revenue

MSU TCTO is not mandated to collect taxes on behalf of the government.

22. Service and Business Income

Particulars	2019	2018
Service Income		
Permit Fees	21,166.00	28,570.00
Registration Fees	383,100.00	2,130.00
Clearance and Certification Fees	38,990.00	87,010.00
Business Income		
School/Tuition Fees	1,443,562.00	5,006,032.30
Other School Fees	4,878,478.59	4,387,644.29
Examination Fees	0.00	593,308.00
Income Collected from Students		
Rent/Lease Income	1,080,513.44	1,322,296.00
Other Business Income	10,000.00	30,000.00
Shares, Grants and Donations		
Income from Grants and Donations in Cash	5,500,000.00	0.00
Total Service and Business Income	13,355,810.03	11,456,990.59

23. Shares, Grants and Donations

24. Personnel Services

24.1 Salaries and Wages

Particulars	2019	2018
Salaries and Wages-Regular	246,328,855.23	242,579,827.46
Salaries and Wages-Casual/Contractual	68,993,107.48	39,391,541.05
Total Salaries and Wages	315,629,962.71	281,971,368.51

24.2 Other Compensation

Particulars	2019	2018
Personal Economic Relief Allowance (PERA)	17,854,000.00	19,263,126.11
Representation Allowance (RA)	2,923,696.94	3,285,919.10
Transportation Allowance (TA)	3,199,196.94	3,444,580.00
Clothing/Uniform Allowance	4,692,000.00	4,950,000.00

Subsistence Allowance	0.00	0.00
Laundry Allowance	105,100.45	110,212.07
Honoraria	6,785,487.46	6,134,913.32
Hazard Pay	0.00	0.00
Longevity Pay	0.00	0.00
Overtime and Night Pay	1,921,328.62	1,311,680.10
Year End Bonus	46,711,141.55	41,021,336.10
Cash Gift	4,320,500.00	3,923,500.00
Productivity Enhancement Incentive- Civilian	3,690,000.00	4,085,500.00
Other Bonuses and Allowances	10,023,000.00	
Total Other Compensation	102,225,451.96	87,530,766.80

24.3 Employees Future Benefits

The MSU-TCTO and its employees contribute to the [e.g., GSIS] in accordance with the [name of the applicable Act/s]. The [Name of the entity responsible, e.g. GSIS] administers the plan, including payment of pension benefits to employees to whom the act applies. [Name of the benefit plan] is a defined contribution plan [name of other plans].

The contribution to the defined contribution plan amounted to [amount of retirement premiums paid, etc.]

24.4 Personnel Benefit Contributions

Particulars	2019	2018
Retirement and Life Insurance Premium	41,032,933.2	29,906,749.52
Pag-Ibig Contributions	1,056,000	933,400.00
PhilHealth Contributions	3,630,000	2,909,905.69
Employment Compensation Insurance Premium	1,055,917.36	704,198.10
Terminal Leave Benefits	44,806,873.21	43,705,144.79
Other Personnel Benefits		
Total Personnel Benefit Contribution	91,581,723.77	78,159,398.10

25. Maintenance and Other Operating Expenses

25.1 Traveling Expenses

Particulars	2019	2018
Traveling Expenses-Local	11,938,543.3	12,136,422.83

Traveling Expenses-Foreign	3,731,303.96	581,776.18
Total Traveling Expenses	15,669,847.26	12,718,199.01

25.2 Training and Scholarship Expenses

Particulars	2019	2018
Training Expenses	344,400.00	1,065,398.99
Scholarship Grants/Expenses	19,405,499.66	13,459,194.20
Total Training and Scholarship Expenses	19,749,899.66	14,524,593.19

25.3 Supplies and Materials Expenses

Particulars	2019	2018
Office Supplies Expenses	5,755,753.13	2,253,842.05
Accountable Forms Expenses	27,600.00	0.00
Non-Accountable Forms Expenses	0.00	0.00
Animal/Zoological Supplies Expenses	0.00	0.00
Food Supplies Expenses	1,345,506.92	2,151,994.44
Welfare Goods Expenses	0.00	0.00
Drugs and Medicines Expenses	74,661.00	79,216.00
Medical, Dental and Laboratory Supplies Expenses		
Fuel, Oil and Lubricants Expenses	553,923.11	652,739.49
Agricultural and Marine Supplies Expenses		28,785.00
Textbooks and Instructional Materials Expenses	2,147,725.00	0.00
Military, Police and Traffic Supplies Expenses	0.00	0.00
Chemical and Filtering Supplies Expenses	0.00	0.00
Semi-expendible - Machinery and Equipment Expenses	845,971.25	0.00
Semi-expendible - ICT Equipment	240,179.00	0.00
Semi-expendible - Furniture and Fixtures	238,840.00	0.00
Other Supplies and Materials Expenses	2,462,768.05	3,697,590.02
Total Supplies and Materials Expenses	13,692,927.46	8,952,065.00

25.4 Utility Expenses

Particulars	2019	2018
Water Expenses	4,634,688.24	1,993,658.12
Electricity Expenses	6,670,617.2	3,677,023.43
Gas/Heating Expenses	1,060,668.11	2,225.00
Total Utility Expenses	10,359,033.55	5,672,906.55

25.5 Communication Expenses

Particulars	2019	2018
Postage and Courier Services	80,243.14	102,911.62
Telephone Expenses	434,518.66	218,226.09
Internet Subscription Expenses	222,164.60	382,204.42
Cable, Satellite, Telegraph and Radio Expenses	1,500.00	1,000.00
Total Communication Expenses	738,426.40	704,342.13

25.6 Awards/Rewards and Prizes

Particulars	2019	2018
Awards/Rewards Expenses	1,654,315.00	273,995.00
Indemnities	0.00	0.00
Total Awards/Rewards and Indemnities	1,654,315.00	273,995.00

25.7 Survey, Research, Exploration and Development Expenses

25.8 Demolition/Relocation and Desilting/Dredging Expenses

Particulars	2019	2018
Demolition and Relocation Expenses	1,113,650.00	0.00
Total Survey, Research, Exploration and Development Expenses	1,113,650.00	0.00

25.9 Generation, Transmission and Distribution Expenses

25.10 Confidential, Intelligence and Extraordinary Expenses

Particulars	2019	2018
Confidential Expenses		
Intelligence Expenses		
Extraordinary and Miscellaneous Expenses	1,698,981.89	661,458.38
Total Confidential, Intelligence and Extraordinary Expenses	1,698,981.89	661,458.38

25.11 Professional Services

Particulars	2019	2018
Legal Services		29,619.50
Auditing Services		
Consultancy Services		35,000.00
Other Professional Services	1,277,529.00	198,944.16
Total Professional Services	1,277,529.00	263,563.66

25.12 Repairs and Maintenance

Particulars	2019	2018
Repairs and Maintenance-Buildings and Other Structures	325,393.77	2,316,643.13
Repairs and Maintenance-Machinery and Equipment	1,650,401.31	56,700.00
Repairs and Maintenance-Transportation Equipment	0.00	0.00
Repairs and Maintenance- Motor Vehicles	768,480.00	161,376.52
Repairs and Maintenance- Watercrafts	0.00	0.00
Repairs and Maintenance-Furniture and Fixtures	0.00	12,000.00
Repairs and Maintenance-Other Property, Plant and Equipment	0.00	0.00
Total Repairs and Maintenance Expenses	2,744,275.08	2,547,319.65

25.13 Taxes, Insurance Premiums and Other Fees

Particulars	2019	2018
Taxes, Duties and Licenses	0.00	15,978.20
Fidelity Bond Premiums	101,507.25	135,000.00
Insurance Expenses	0.00	0.00
Total Taxes, Insurance Premiums and Other Fees	101,507.25	150,978.20

25.14 Labor and Wages

25.15 Other Maintenance and Operating Expenses

Particulars	2019	2018
Advertising Expenses	0.00	7,500.00
Printing and Publication Expenses	756,001.00	178,780.00
Representation Expenses	788,896.00	0.00
Transportation and Delivery Expenses	452,042.04	718,931.04
Rent/Lease Expenses	294,051.95	236,894.42
Membership Dues and Contributions to Organizations	310,700.00	67,800.00
Subscription Expenses	287,226.76	224,521.05
Donations	0.00	0.00
Litigation/Acquired Assets Expenses	0.00	0.00
Website Maintenance	0.00	7,630.00
Other Maintenance and Operating Expenses	7,119,966.74	2,956,006.08
Total Other Maintenance and Operating Expenses	10,008,884.49	4,398,062.59

26. Financial Expenses

Particulars	2019	2018
Interest Expenses	2,869.50	1,781.43
Bank Charges	0.00	28,950.00
Total Financial Expenses	2,869.50	30,731.43

27. Non-Cash Expenses

27.1. Depreciation

Particulars	2019	2018
Depreciation-Power Supply System	129,539.59	
Depreciation-Buildings and Other Structures	8,728,407.52	7,989,440.68
Depreciation-Office Equipment	4,495,570.24	4,731,118.54
Depreciation-Machinery	646,334.49	52,241.90
Depreciation- ICT Equipment	6,704,835.15	3,737,101.93
Depreciation- Marine and Fishery Equipment	922,096.18	372,301.17
Depreciation- Communication Equipment	64,155.79	0.00
Depreciation- Military, Police and Security Equipment	0.00	0.00
Depreciation- Medical Equipment	60,023.70	33,346.50
Depreciation- Sports Equipment	317,325.51	157,456.83
Depreciation- Technical and Scientific Equipment	6,080,334.07	3,158,603.24
Depreciation- Other Machinery and Equipment	729,421.95	403,222.16
Depreciation- Motor Vehicles	1,470,033.31	1,793,551.08
Depreciation- Watercrafts	0.00	571,474.19
Depreciation-Furniture, Fixtures and Books	3,151,739.06	3,229,126.67
Depreciation- Leased Machinery and Equipment	371,606.52	1,079,683.99
Depreciation-Leased Assets	0.00	0.00
Depreciation-Leased Assets Improvements	0.00	0.00
Depreciation-Heritage Assets	0.00	0.00
Depreciation-Service Concession Assets	0.00	0.00
Depreciation-Other Property, Plant and Equipment	6,210.00	480,704.24
Total Depreciation	33,877,633.08	27,824,015.25

27.2. Amortization

27.3. Impairment Loss

Account Title	2019	2018
Impairment loss-Inventories	11,750,907.91	0.00
Total Impairment loss-Inventories	11,750,907.91	0.00

27.4. Losses

28. Net Financial Assistance/Subsidy

Financial Assistance/Subsidy from NGAs, LGUs, GOCCs

Particulars	2019	2018
Subsidy from National Government	632,314,101.25	549,943,940.03
Subsidy from other NGAs	17,501,570.00	0.00
Assistance from Local Government Units	0.00	0.00
Assistance from Government-Owned or Controlled Corporations	0.00	0.00
Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs	649,815,671.25	549,943,940.03

Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/POs

Particulars	2019	2018
Financial Assistance to NGAs	0.00	0.00
Subsidy to NGAs (for BTr only)	1,134,500.00	0.00
Financial Assistance to Local Government Units	0.00	0.00
Budgetary Support to GOCCs	0.00	0.00
Financial Assistance to NGOs/POs	0.00	0.00
Subsidies-Others	2,844,829.13	62,299.00
Total Financial Assistance/Subsidy to NGAs, LGUs, GOCCs	3,979,329.13	62,299.00

Net Financial Assistance/Subsidy	645,836,342.12	549,981,641.03
---	-----------------------	-----------------------

29. Non-Operating Income, Gain or Losses

29.1. Non-Operating Income/Gain

29.2. Non-Operating Losses

30. Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit)

31. Related party transactions

31.1 Key Management's interest:

31.2 Terms and Conditions of transactions with related parties

31.3 Key Management Personnel

The key management personnel of the Mindanao State University – Tawi-Tawi College of Technology and Oceanography are the [Head of the Entity/Agency], the members of the governing body, and the members of the senior management group. The governing body consists of members appointed by . The senior management group consists of the [agency's chief executive officer, the chief financial officer and the head of departments].

31.4 Key Management Personnel Compensation

31.5 Remuneration and Compensation Provided to Close Family Members of Key Management Personnel

During the reporting period, total remuneration and compensation of [amount] was provided by the Agency to employees who are close family members of key management personnel.

32. Service concession arrangement

NOTE TO USERS:

Although efforts were exerted to provide this basic model, this cannot be expected to address every type of transactions or disclosure requirements and it is not comprehensive enough in all respects to meet the needs of every user. Further, this model is not intended to cover all aspects of standards with regard to disclosures. Applying the PPSASs requires professional judgment.

PART II

AUDIT OBSERVATIONS AND RECOMMENDATIONS

DETAILED AUDIT OBSERVATIONS AND RECOMMENDATIONS

Financial and Compliance

1. **Delayed submission of disbursement vouchers, payrolls, trial balances as well as Report of Checks Issued (RCI) and Report of Collections and Deposits (RCD) to the Office of the Auditor, in violation of Section 107 of PD 1445 and Section 7.2.1 of COA Circular 2009-006.**

Section 107. Time and mode of rendering account. In the absence of specific provision of law, all accountable officers shall render their accounts, submit their vouchers, and make deposits of money collected or held by them at such times and in such manner as shall be prescribed in the regulations of the Commission.

Section 7.2.1 of COA Circular 2009-006 states that:

The Chief Accountant, Bookkeeper or other authorized official performing accounting and/or bookkeeping functions of the audited agency shall ensure that:

- a) the reports and supporting documents submitted by the accountable officers are immediately recorded in the books of accounts and submitted to the Auditor within the first ten (10) days of the ensuing month;
- b) the financial records are made accessible at reasonable hours to the Auditor or his authorized representatives when needed.

Monitoring of the submission of financial reports for CY 2019 showed that the Accounting Offices and other concerned offices of the MSU-TCTO still failed to submit the monthly financial reports within the prescribed period despite the recurring observation of the delayed submission in the previous years. Based on the records in this office, the submission of the following reports is as follows:

Reports		Date Received
Report of Check Issued (RCI) together with Disbursement Vouchers and its supporting documents	MDS: Jan 2019 Feb 2019 Mar 2019 Apr 2019 May- Aug 2019 Sept 2019 Oct 2019 Nov 2019 Dec 2019 TF: Jan-Mar 2019	Mar 20, 2019 Apr 25, 2019 May 29, 2019 Sept 20, 2019 Oct 04, 2019 Oct 14, 2019 Nov 11, 2019 Dec 13, 2019 Jan 14, 2020 Apr 29, 2019
Report of Collections and Deposits (RCD)	Jan 2019 Feb 2019 Apr 2019 – Jul 2019 Aug – Nov 2019	Mar 05, 2019 Mar 21, 2019 Jul 12, 2019 Dec 26, 2019

	Dec 2019	Feb 12 2019
Report of Cash Disbursements (ROD)	Monthly ROD	Various dates
BRS	MDS: Jan-June 2019 July 2019 Aug 2019 Sept 2019 Oct-Nov 2019 Dec 2019 TF: Jan- Sept 2019 Oct-Nov 2019 Dec 2019	Sept 20, 2019 Sept 25, 2019 Oct 04, 2019 Nov 04, 2019 Dec 26, 2019 Feb 14, 2020 Nov 04, 2019 Dec 26, 2019 Feb 14, 2020
RAAF	Jan- Mar 2019 Nov 2019	Apr 15, 2019 Dec 26, 2019
JEV	Monthly JEV	Various dates

Verifications made and inventory of disbursement vouchers, payrolls, RCI and RD and financial statements revealed that the Accountable Officers render their respective accounts 2 to 3 months delayed due to uncontrollable events like brownouts, insufficient employees, accountable officer/s absences due to sickness and other important matters, clerical errors need to be repeated, office equipment failure, bulk transactions and delay in the processing of documents from one signatories and many others.

The inability of the above-mentioned agency personnel to comply with PD 1445 and other existing COA rules and regulations on the timely and prompt submission transactions documents along with the accountability reports such as the report of check issued and/or disbursements to the Audit Team/Auditor for timely examination and post-audit causes the delay in the preparations and submission of audit reports.

If there is an undue delay in the reporting of information, it may lose its relevance. To provide information on a timely basis, it may often be necessary to report before all aspects of a transaction are known, thus impairing reliability. Conversely, if reporting is delayed until all aspects are known, the information may be highly reliable but of little use to users who have had to make decisions in the interim. In achieving a balance between relevance and reliability, the overriding consideration is how best to satisfy the decision-making needs of users. (*Appendix A, PPSAS I*)

We reiterate our recommendations that the Accountable Officers:

- a) Determine and address all the reasons for the delay in the submission of the required reports and consider imposing sanctions on the persons responsible for the delayed submission of the financial reports and supporting documents to the COA Office. Further, review and evaluate the performance of the finance personnel; and recommend replacement for those found undesirable with qualified personnel with the right work attitude;**

- b) **Conduct planning, target setting and prepare commitment reports particularly on the timelines on the submission of transaction documents/reports and financial statements provided in Section 7.2.1 (a) of COA Circular 2009-006 and Section 107 of PD 1445; and**
 - c) **Conduct periodic monitoring of submission of required reports to COA, DBM and other regulatory bodies and see to it that all the required reports are submitted on time.**
2. **There was a laxity by the management in the enforcement of collections of receivables and payment of liabilities which resulted to the accumulation of uncollected balance of receivables and unpaid liabilities amounting to P13,619,111.17 and P8,427,780.35 respectively, which remained dormant for a long period, contrary to Section 4 Paragraph 6 and Section 111 of PD 1445, COA Circular no. 97-001 dated February 5, 1997 and COA Circular No. 2016-005 dated December 19, 2016.**

Our audit was anchored on the following rules and regulations:

Section 4 Paragraph 6 of the PD 1445 provides that Claims against government funds shall be supported with complete documentation.

Section 111 of the PD 1445 states that:

- (1) The accounts of an agency shall be kept in such detail as is necessary to meet the needs of the agency and at the same time be adequate to furnish the information needed by fiscal or control agencies of the government.
- (2) The highest standards of honesty, objectivity and consistency shall be observed in the keeping of accounts to safeguard against inaccurate or misleading information.

COA Circular No. 97-001 defines Dormant Accounts as an individual account or group of accounts which balances remained non-moving for more than five (5) years. Section III (B) of the Circular also provides the guidelines on these accounts, as follows:

- a. Dormant accounts in on active fund shall be reviewed, analyzed and reconciled together with the other related accounts in the trial balance.
- b. After the review and validation of accounts, the following procedures shall be followed:
 - 1. Effect the adjusting journal entries and prepare the preliminary trial balance;
 - 2. Determine proper disposition of reconciled and validated accounts;

3. If the analysis/review of the accounts/funds is not possible due to absence of records and documents, the agency head concerned should request for write-off and/or adjustment of account balances from COA, supported by:
 - a. List of available records and extent of validation made on the accounts; and
 - b. Certifications and reasons why the books of accounts/records, financial statements/schedules and supporting vouchers/documents cannot be located.

COA Circular No. 2016-005 dated December 19, 2016 further defines Dormant Receivable Accounts as accounts which balances remained inactive or non-moving in the books of accounts for 10 years or more and where settlement/collectability could no longer be ascertained.

On the procedures to write-off dormant accounts, Section 8 of the same COA Circular provides that:

- (1) The head of the government entity shall file the request for authority to write-off dormant receivable accounts, unliquidated cash advances, and fund transfers to COA Audit Team Leader and/or Supervising Auditor. No filing fee is required.
- (2) The request shall be supported by the following documents;
 - a. Schedule of dormant accounts by accountable officer/debtor/government entity and by account, certified by the accountant and approved by the head of the government entity;
 - b. Certified relevant documents validating the existence of the conditions, as applicable, such as:
 1. Proof of exhaustion of all remedies to collect the receivables and demand to liquidate the cash advances and fund transfers, such as but not limited to copies of served or returned demand letters;
 2. Certification by the responsible officials of the entity to the effect that there are no records/documents available to validate claim; and
 3. Other justifications, like in the case of request for write-off due to loss of documents, the circumstances of the loss shall be stated in the letter-request.

Uncollected balance of receivables and payables amounting to P13,619,111.17 and P8,427,780.35 respectively, broken down as follows:

Account Title	Amount	Age of Receivables	Probability of Collection
Accounts Receivable	636,874.80	More than 5 years	Nil/Zero
Due from National Government Agencies	2,176,500.00	More than 5 years	Nil/Zero

Other Receivables	10,805,736.37	More than 5 years	Nil/Zero
Total Receivables	13,619,111.17		

- Accounts Receivable consists of uncollected tuition and other fees from the students.
- Due from NGAs consists of the unliquidated inter-agency cash transfers.
- Other receivables represents amounts erroneously booked up as due from various employees resulting from audit suspension in 1985 for lack of some supporting requirements.

The above receivables are not arising from disallowances/charges, cash shortages and are not subject of a pending case in court or before investigative authorities.

Account Title	Amount	Age of Payables	Probability of Payment
Accounts Payable	4,019,304.65	More than 5 years	Uncertain
Other Deferred Credits	737,521.85	More than 5 years	Nil/Zero
Other Payables	3,670,953.85	More than 5 years	Uncertain
Total Payables	8,427,780.35		

Due to lack of supporting documents the accuracy and validity of year-end balances of receivables and liabilities cannot be ascertained and the accounts have been dormant for more than five years. Inclusion of non-moving/dormant accounts in the FS is not a fair presentation of the latter, as it does not anymore qualify for recognition as asset or liability accounts and may mislead the users of information.

We reiterate our recommendations that the management:

- a. Comply with the provisions of Section 111 of PD 1445 paragraphs 1 and 2 as regards to recording of accounts;**
- b. Undertake more aggressive measures that will facilitate the collection of these long outstanding past due receivables such as sending letter reminders, conduct of house to house collection campaign among delinquent borrowers, and if warranted, avail of civil remedies for the collection of these accounts.**
- c. Secure complete documents to support the claims against the agency as required under Section 4 Paragraph 6 of PD 1445 and intensify its efforts to pay all of the liabilities with complete documentations.**
- d. Verify, review and analyze the dormant asset and liability accounts totaling P13,619,111.17 and P8,427,780.35, respectively, as required under COA**

Circular No. 97-001 and effect the necessary adjustment/s to arrive at the correct account balance at year-end; and

- e. **Receivable Accounts totaling P13,619,111.17 which were dormant and which may be written-off, be guided by the procedures in the write-off of dormant accounts as set forth in the COA Circular No. 2016-005.**
- 3. The reported year-end balance of Inter-Agency Payables Accounts such as due to BIR, GSIS, Pag-IBIG, PhilHealth and Due to NGAs showed an unremitted/unreconciled prior years as of December 31, 2019 amounting to P21,788,093.96, contrary to Section 251 of the NIRC, Section 6 paragraph b of RA No. 8291 (GSIS Act), RA 7742, an Act amending PD 1752, known as the Pag-IBIG Fund Law, Section 20 paragraph b of Title III of the Revised Implementing Rules and Regulations of the National Health Insurance Act of 1995 (RA 7875 as amended by RA 9241) and COA Circular No. 94-013 dated December 13, 1994.**

We invited the attention of the Management to the following:

- a. Section 251 of the NIRC provides that any person required to withhold, account for and remit any tax imposed by this Code or who wilfully fails to withhold such tax, or account for and remit such tax, or aids or abets in any manner to evade any such tax or the payment thereof, shall, in addition to other penalties provided under this Chapter, be liable upon conviction to a penalty equal to the total amount of the tax not withheld, or not accounted for and remitted.
- b. Section 6 paragraph b of RA No. 8291 (GSIS Act) states that each employer shall remit directly to the GSIS the employee's and employer's contributions within the first ten (10) days of the calendar month following the month to which the contributions apply. The remittance by the employer of the contribution to GSIS shall take priority over and above the payment of any and all obligations, except salaries and wages of its employees.
- c. Under RA 7742, an Act amending PD 1752, known as the Pag-IBIG Fund Law, the schedule of remittances for Company-members is provided as follows:

1st Letter of Company Name	Remittance Schedule
A to D	10 th to 14 th day of the month
E to L	15 th to 19 th day of the month
M to Q	20 th to 24 th day of the month
R to Z	25 th to the end of the month

- d. Section 20 paragraph b of Title III of the Revised Implementing Rules and Regulations of the National Health Insurance Act of 1995 (RA 7875 as amended by RA 9241) states the monthly premium contributions of employed members shall be remitted by the employer on or before the tenth (10th) calendar day of the month following the applicable month for which payment is due and applicable.
- e. According to COA Circular no. 94-013 dated December 13, 1994 Fund Transfer should be properly taken up in the books of both agencies, used only for the purpose intended, and properly accounted and reported.

Further, Paragraph 4 *ibid* General Guidelines states on the following Sections, to wit:

4.5 A separate subsidiary record for each account shall be maintained by the Implementing Agency (AI) whether or not a separate bank account is opened.

4.6 Within ten (10) ten days after the end of each month/ end of the agreed period for the project, the IA shall submit the Report of Check Issued (RCI) and the Report of Disbursement (RD) to report the utilization of the funds. Only actual project expenses shall be reported. The reports shall be approved by the Head of the IA and verified by the IA Auditor.

4.9 The IA shall return to the Source Agency (SA) any unused balance upon completion of the project.

The reported year-end balance of Inter-Agency Payables Accounts such as due to BIR, GSIS, Pag-IBIG and PhilHealth and Due to NGAs showed unremitted/unliquidated balance as of December 31, 2019 amounting to P21,788,093.96, broken down as follows:

Account Title	Amount
Due to BIR	87,588.46
Due to GSIS	550,541.45
Due to Pag-IBIG	152,904.72
Due to PHIC	696,499.83
Due to NGAs	20,300,559.50
Total Inter-Agency Payables	21,788,093.96

As a result of non-remittance of Inter-Agency Payables by the accountable officer/s, aside from the penalties imposed by different collecting agencies, the benefits that should have been received by the employees if the agency had remitted all the required contributions will be suspended and/or forfeited and with regards to Due to NGAs properly no additional fund transfer/s shall be given unless the previous fund transfer/s are properly accounted and unused balance if any, returned to SA.

We reiterate our previous years' recommendation that Management:

- a. **Require/request the responsible officials/employees to remit immediately the withheld funds to BIR, GSIS, Pag-IBIG and PhilHealth.**
- b. **Require the Accounting Unit to analyse the accounts and prepare the necessary adjusting entries to remove the accounts in the books as it represents amounts withheld from the agency's allotment by the DBM-NCR and does not qualify to be recognized as liabilities as it does not require out flow of agency's future economic benefits.**
- c. **With regards to Due to NGAs account, strictly implement the projects as required in the Memorandum of Agreement signed by the SA and IA; liquidate the fund transfer given thru submission of RCI, ROD to SA signed by the AI Accountant, approved by Head and return any unliquidated balance, if any.**
4. **Non-reporting of government programs, project and activities in manner prescribed in Section 2.1, 2.2.3, 2.2.4 and 3.1 of COA circular No. 2013-004, dated January 30, 2013, thus resulting to the delays in the reporting and validation of the projects.**

COA Circular No. 2013-004, dated January 30, 2013 state under the ff. sections that:

2.0 General Guidelines

Consistent with the constitutional and legal mandate of the COA to promote good governance through transparency and accountability; to encourage public participation therein; and to serve the right of the people to information on matters of public concern at the least possible costs on public funds or most economically effective means, the following are hereby reinstated

2.1 At the beginning of the year, all government agencies shall provide their respective assigned supervising Auditor and Audit Team Leader with the list of on-going projects, programs or activities and those that are to be implemented during the year. The list shall include project name, implementing office, description, supplier or contractor, funding source or ABC and project duration.

2.2.3 For infrastructures, a tarpaulin of signboards must be suitably framed for outdoor display at the project location (Annex A)

2.2.4 For non-infrastructures PPAs, such as but not limited to medical and dental mission, distribution of relief goods and services, sports and athletes, cultural and social events, office anniversary celebrations.

3.0 Reporting and Monitoring

a. The Head of the agency shall inform its SA and ATL within ten (10) days after the award of the infrastructure or before the start of the programs/activities and the SA or ATL shall validate the same.

b. Based on the date sourced from the monthly monitoring report prepared by the agency and verified by the Technical Audit Specialist of COA, the project status in (Annex A or Section 2.2.3) should be maintained as current as possible and updated, using the following schedules:

Contract Duration	Frequency of Verification	Interval of Verification (% of Work Accomplished)
90 days or less	2 times	50% and 100%
91-180 days	3 times	30%, 50% and 100%
181-240 days	4 times	25%, 50%, 75% and 100%
241-360 days	5 times	20%, 40%, 60%, 80% and 100%
361-720 days	7 times	15%, 30%, 45%, 60%, 75%, 90% and 100%
More than 720 days	10 times	Every 10%

The MSU-TCTO did not give the Audit Team the list of all on-going projects, programs and activities and those that are to be implemented at the start of every year as mandated by the above provision, regardless of the repeated advice from us every year thru this Annual Audit Report.

Moreover, ocular inspections also of all on-going projects around the campus revealed that none of these projects had complied with posting of complete information on COA signboard especially the percentage of completion per period as mentioned above which deprived the public of the information pertaining to government projects.

Non-submission or non-reporting of Programs, Projects, and Activities at the beginning of every year and non-disclosure of complete information on COA signboards will deprived the audit team the information needed for the conduct of evaluation of the completeness and status of completion of projects included in the Quarterly PPA Reports, thus, audit of those projects cannot be prepared or completed.

We recommend that management should:

- 1. At the start of the year, Submit to the Auditor's Office a complete list of all on-going projects, programs and activities and those that are to be implemented during the year and should be updated every quarter as required under Section 2.1 of COA Circular No. 2013-004 dated January 30, 2013 following the format prescribed as presented in Annex B of the same COA Circular;**

2. Post signboard or tarpaulin containing the complete information needed for every project's site each period especially the percentage of completion each period as presented in Annex A and as required in Section 2.2.3 and 3.2 of COA Circular No. 2013-004 dated January 30, 2013.
5. All 2018 and 2019 Contract documents for infrastructure projects with all of its supporting documents and purchase orders issued for supplies and materials were still not furnished the Auditor within five (5) working days from the date the contract was perfected and purchase orders were issued in violation of the provisions of Sections 3.1.1 and 3.2.1, respectively of COA Circular No. 2009-001, resulting to delay of the Auditor in conducting review and in informing management of defects/deficiencies, if any and delay in informing the Technical Audit Specialist (TAS) assigned in the auditing unit/cluster or to the Regional Technical Services Office(RTSO), as the case may be, for inspection so that 100% completed project could be turnover by the contractor and accepted by the management, as presented below:

Name of Project	Date Started	Bid Docs Received Date	Remarks
1. Repair / Rehab of Community High (Cluster III)	January 04, 2018	Not yet received as of February 24, 2020	Delayed Submission
2. Repair / Rehab of Community High (Cluster II)	January 10, 2018	Not yet received as of February 24, 2020	Delayed Submission
3. Construction of Student Center Phase I	May 01, 2018	Not yet received as of February 24, 2020	Delayed Submission
4. Repair / Rehab of Community High (Cluster IV)	May 01, 2018	Not yet received as of February 24, 2020	Delayed Submission
5. Construction of Student Center Phase II (Lot 1 and Lot 2)	August 06, 2018	November 22, 2019	Delayed Submission
6. Construction of 30 Classroom 3 Storey Building Phase III	August 24, 2018	February 12, 2020	Delayed Submission
7. Repair/Rehab. of Burnt Building (Prep. High)	September 26, 2018	February 12, 2020	Delayed Submission
8. Repair of two (2) IOES Laboratory System	September 27, 2018	Not yet received as of February 24, 2020	Delayed Submission
9. Construction of Science Study Center -	October 06, 2018	February 12, 2020	Delayed

Name of Project	Date Started	Bid Docs Received Date	Remarks
Phase III			Submission
10. Renovation of Office of the Vice Chancellor for Academic Affairs	October 10, 2018	Not yet received as of February 24, 2020	Delayed Submission
11. Repair/Rehab. of Acad. Building (COF)	November 06, 2018	Not yet received as of February 24, 2020	Delayed Submission
12. Repair/Rehab. of Old Girls Dormitory SHS	November 29, 2018	February 13, 2020	Delayed Submission
13. Construction of Fish Enclosure (Demo Lab)	December 22, 2018	Not yet received as of February 24, 2020	Delayed Submission
14. Repair/Rehab. of MSU CDC LES and Fencing	January 12, 2019	February 12, 2020	Delayed Submission
15. Construction of Boys Dormitory	February 18, 2019	Not yet received as of February 24, 2020	Delayed Submission
16. Construction of Fence and Main Gate Structure	February 19, 2019	Not yet received as of February 24, 2020	Delayed Submission
17. Painting of Prep High School Fence	Feb 26, 2019	Not yet received as of February 24, 2020	Delayed Submission
18. Repair of Two IOES Comfort Room	March 04, 2019	Not yet received as of February 24, 2020	Delayed Submission
19. Construction of LED Wall Structure	March 06, 2019	Not yet received as of February 24, 2020	Delayed Submission
20. Improvenment of HRMO	March 23, 2019	Not yet received as of February 24, 2020	Delayed Submission
21. Constructiion of Perimeter Fence for the COF	March 23, 2019	Not yet received as of February 24, 2020	Delayed Submission
22. Construction of MSU Prep. High School Firewall	April 08, 2019	February 12, 2020	Delayed Submission
23. Construction of Covered Walkway	April 10, 2019	February 12, 2020	Delayed Submission
24. Repair and Expansion of Guest House II	April 10, 2019	Not yet received as of February 24, 2020	Delayed Submission
25. Construction of Galvanized 3-Legged	May 02, 2019	February 13, 2020	Delayed

Name of Project	Date Started	Bid Docs Received Date	Remarks
80-Foot Ground-Based Tower			Submission
26. Construction of Covered Rooftop at 30 Classroom	May 29, 2019	Not yet received as of February 24, 2020	Delayed Submission
27. Construction of Souvenir Shop	July 15, 2019	Not yet received as of February 24, 2020	Delayed Submission
28. Upgrading of the Reading Resource Center Room	July 15, 2019	Not yet received as of February 24, 2020	Delayed Submission
29. Installation of Window Grills	July 26, 2019	February 13, 2020	Delayed Submission
30. Supply, Delivery and Installation of Air Conditioning System for the 30 Classroom 3 Storey Academic Building	October 17, 2019	January 16, 2020	Delayed Submission

COA Circular No. 2009-001, dated February 12, 2009 state under the ff. sections that:

3.1.1 Within five (5) working days from the execution of a contract by the government or any of its subdivisions, agencies or instrumentalities, including government-owned and controlled corporations and their subsidiaries, a copy of said contract and each of all the documents forming part thereof by reference or incorporation shall be furnished to the Auditor of the agency concerned. In case of agencies audited on an engagement basis, submission of a copy of the contract and its supporting documents shall be to the Auditor of the mother agency or parent company, as the case may be.

3.1.2. The copies of documents required to be submitted shall include but not limited to the following:

- a. Invitation to Apply for Eligibility and to Bid;
- b. Letter of Intent;
- c. Eligibility Documents and Eligibility Data Sheet;
- d. Eligibility Requirements;
- e. Results of Eligibility Check/Screening;
- f. Bidding Documents (Sec. 17.1, IRR-A, RA 9184);
- g. Minutes of Pre-bid Conference, if applicable;
- h. Agenda and/or Supplemental Bid Bulletins, if any;
- i. Bidders Technical and Financial Proposals;
- j. Minutes of Bid Opening;
- k. Abstract of Bids;

- l. Post Qualification Report of Technical Working Group;
- m. BAC Resolution declaring winning bidder;
- n. Notice of Post Qualification;
- o. BAC Resolution recommending approval;
- p. Notice of Award;
- q. Contract Agreement;
- r. Performance Security;
- s. Program of Work and Detailed Estimates;
- t. Certificate of Availability of Funds, Obligation Request;
- u. Notice to Proceed
- v. Such other documents peculiar to the contract and/or to the mode of procurement and considered necessary in the auditorial review and in the technical evaluation thereof.

3.1.3 For technical review purposes, submission of contracts and their supporting documents shall furthermore be guided by the specific documentary requirements outlined in the attached checklist marked as Annexes “A” to “T” of this circular.

3.2.1 A copy of any purchase order irrespective of amount, and each and every supporting document, shall, within five (5) working days from issuance thereof, be submitted to the Auditor concerned. Within the same period, the Auditor shall review and point out to management defects and/or deficiencies, if any, in the same manner provided in the second and third sentences of item 3.1.4 hereof.

3.2.2 In case of doubt as to the reasonableness of the price of the items purchased, the Auditor shall conduct a canvass thereof making use of price references provided, among others, by legitimate suppliers, the Procurement Service, the Technical Services Office, other government agencies with similar procurement and those posted in the internet.

4.0 PENALTY CLAUSE

4.1 Any unjustified failure of the officials and employees concerned to comply with the requirements herein imposed shall be subject to the administrative disciplinary action provided in (a) Section 127 of Presidential Decree No. 1445; (b) Section 55, Title I-B, Book V of the Revised Administrative Code of 1987; and (c) Section 11 of Republic Act No. 6713.

4.2 Upon receipt of information or discovery by the auditor of such failure by management to comply with the required submission, an Audit Observation Memorandum shall be issued by him calling the attention of the latter, and requesting compliance, else the transactions covered by the unsubmitted documents be suspended in audit and the penalty prescribed by law under 4.1 be enforced.

After reconciling the quarterly PPA reports in the year 2018 the following information was taken, the Mindanao State University has implemented the following infrastructure projects under 2018/2019 GAA:

Name of Projects	Contract Price	Total Cost Incurred to date
1. Rehabilitation of Old Girls' Dormitory	2,172,313.49	325,847.02
2. Construction of Student Center – Phase I	4,580,142.41	2,724,726.72
3. Rehabilitation of Preparatory High School	3,123,877.50	1,578,269.45
4. Renovation of Office of the OVCA	679,645.25	339,794.35
5. Construction of 30-Classrooms 3-Storey Building – Phase III	14,553,674.86	10,001,285.36
6. Construction of Science Study Center – Phase III	9,697,711.95	1,454,656.79
7. Repair/ Rehabilitation of Institute of Oceanography and Environment Science	982,058.47	491,035.23
8. Repair/ Rehabilitation of Academic Building of College of Fisheries	3,436,667.06	515,500.06
TOTAL	39,226,090.99	17,431,114.98

These infrastructure projects with the total contract price of P 39,226,090.99 were already awarded, mobilizations and progress billings have been paid and yet, from the planning stages up to the implementation, information pertaining to these projects that required verification/validation by COA was not submitted. Not a single document also pertaining to these projects such as original copies of the contracts and other bidding documents has reached the Auditor's Office contrary to COA Circular No. 2009-001 which requires that those documents be submitted within 5 working days from execution of the contract to the Auditor of the agency concerned. This issue has been the habitual practice of management. Thus, verification/validation of the projects such as auditorial, legal and technical review was not conducted.

Based on the inquiry and observation of the Auditor the reason for non-submission is the lack of knowledge of the management of the requirements of COA Circular No. 2009-001 since focused only on the requirements provided for in Revised IRR of RA 9184 otherwise known as the Government Procurement Reform Act and its support unit regarding COA Circular 2009-001 because they had focused only on the requirements provided for in Revised IRR of RA 9184 otherwise known as the Government Procurement Reform Act.

Resulting to delay of the Auditor in conducting review and in informing management of defects/deficiencies, if any and delay in informing the Technical Audit Specialist (TAS) assigned in the auditing unit/cluster or to the Regional Technical Services Office(RTSO), as the case may be, for inspection so that 100% completed project could be properly turnover by the contractor and accepted by the management.

We reiterate our recommend that management should:

- 1. Immediately submit all the remaining 2018 and 2019 original contracts together with all the bidding documents;**
- 2. Regularly submit within five (5) working days from the execution of the contract the contract documents together with all of its supporting documents and purchase orders for supplies and materials for current and succeeding years;**
- 3. After submitting the complete contract documents together with all of its supporting documents and after determining the project/s is/are 100% completed immediately prepare and submit a request for inspection letter address to COA BARMM Technical Personnel thru the Resident Auditor who will then endorse the said request for inspection to COA BARMM Regional Office so that 100% completed project could be turnover by the contractor and accepted by the management;**
- 4. Advice the BAC and its supporting units to be familiar with the other guidelines on procurement like COA Circular 2009-001 dated February 12, 2009 and not only focused on what is required under the Revised IRR of RA 9184.**
- 6. Significant delay in the implementation of the various projects which deprived the end-users of the benefits due them on time in violation of Section 17.6 of the IRR of RA 9184 and Contract Agreement signed by between the HOPE and the Suppliers or Contractors.**

Section 17.6 of the IRR of RA 9184 states that “No bidding and award of the contract for infrastructure projects shall be made unless the detailed engineering investigations, survey and designs, including the acquisition of the ROW, for the project have been sufficiently carried out and duly approved in accordance with the standards and specifications prescribed by the head of the Procuring Entity concerned or his duly authorized representative, and in accordance with the provisions of Annex “A” of the revised IRR.

Infrastructure project should be implemented and completed within the scheduled time frame so that the social and economic benefits may be enjoyed by the intended beneficiaries. The prime consideration of the government for entering into contract is the completion of the infrastructure project based on the plan provided and within the stipulated period.

Presented below were list of projects for Calendar Year 2018 and 2019 and their corresponding contract amount, date started, target date of completion and percentage of completion and days of delay as of December 31, 2019 based on the PPA submitted by

the university, all of which are not yet inspected by the COA BARMM Technical Audit Specialist.

Project Name	Total Cost	Date Started	Project Duration	Target Completion Date	% of Completion (as of 12/31/19)	Number of days delayed (as of 12/31/19)
1. Repair / Rehab of Community High (Cluster III)	₱3,781,613.51	January 04, 2018	95 days	April 10, 2018	100	
2. Repair / Rehab of Community High (Cluster II)	₱4,002,960.94	January 10, 2018	80 days	March 29, 2018	100	
3. Construction of Student Center Phase II (Lot 1 and Lot 2)	₱4,493,585.72	May 01, 2018	320 days	March 13, 2020	15	
4. Repair / Rehab of Community High (Cluster IV)	₱4,493,585.72	May 01, 2018		April 04, 2018	100	
5. Construction of Student Center Phase I	₱5,085,747.88	August 06, 2018	180 days	April 08, 2019	100	
6. Construction of 30 Classroom 3 Storey Building Phase III	₱14,609,880.68	August 24, 2018	180 days	February 20, 2019	100	
7. Repair/Rehab. of Burnt Building (Prep. High)	₱3,123,877.50	September 26, 2018	95 days	December 30, 2018	100	
8. Repair of two (2) IOES Laboratory System	₱982,058.47	September 27, 2018	45 days	November 10, 2018	100	
9. Construction of Science Study Center - Phase III	₱10,648,781.23	October 06, 2018	150 days	March 05, 2019	83	301 days
10. Renovation of Office of the Vice Chancellor for Academic Affairs	₱679,645.25	October 10, 2018	90 days	January 10, 2019	100	
11. Repair/Rehab. of Acad. Building (COF)	₱3,760,771.28	November 06, 2018	85 days	January 30, 2019	100	
12. Repair/Rehab. of Old Girls Dormitory SHS	₱2,172,313.49	November 29, 2018	90 days	February 27, 2019	100	
13. Construction of Fish Enclosure (Demo Lab)	₱1,875,911.04	December 22, 2018	120 days	April 21, 2019	100	
14. Repair/Rehab. of MSU CDC LES and Fencing	₱1,641,177.91	January 12, 2019	75 days	May 27, 2019	100	
15. Construction of Boys Dormitory	₱17,077,668.20	February 18, 2019	180 days	August 17, 2019	90	197 days
16. Construction of Fence and Main Gate	₱1,346,416.00	February 19, 2019	36 days	March 27, 2019	91	279 days

Project Name	Total Cost	Date Started	Project Duration	Target Completion Date	% of Completion (as of 12/31/19)	Number of days delayed (as of 12/31/19)
Structure						
17. Painting of Prep High School Fence	₱76,814.94	Feb 26, 2019	21 days	March 18, 2019	100	
18. Repair of Two IOES Comfort Room	₱284,999.22	March 04, 2019	15 days	March 19, 2019	90	278 days
19. Construction of LED Wall Structure	₱617,977.93	March 06, 2019	21 days	March 27, 2019	100	
20. Improvenment of HRMO	₱194,075.62	March 23, 2019	20 days	April 12, 2019	100	
21. Constructiion of Perimeter Fence for the COF	₱4,586,495.71	March 23, 2019	210 days	October 19, 2019	50	73 days
22. Construction of MSU Prep. High School Firewall	₱2,609,112.43	April 08, 2019	90 days	July 07, 2019	90	177 days
23. Construction of Covered Walkway	₱9,280,942.79	April 10, 2019	186 days	October 13, 2019	60	79 days
24. Repair and Expansion of Guest House II	₱1,739,152.39	April 10, 2019	120 days	August 08, 2019	80	145 days
25. Construction of Galvanized 3-Legged 80-Foot Ground-Based Tower	₱3,306,992.23	May 02, 2019	120 days	August 30, 2019	61	123 days
26. Construction of Covered Rooftop at 30 Classroom	₱4,927,822.86	May 29, 2019	120 days	September 26, 2019	29	95 days
27. Construction of Souvenir Shop	₱159,171.57	July 15, 2019	30 days	August 14, 2019	100	
28. Upgrading of the Reading Resource Center Room	₱276,072.92	July 15, 2019	15 days	August 01, 2019	90	152 days
29. Installation of Window Grills	₱118,720.00	July 26, 2019	45 days	September 09, 2019	100	
30. Supply, Delivery and Installation of Air Conditioning System for the 30 Classroom 3 Storey Academic Building	₱3,212,880.00	October 17, 2019	45 days	December 01, 2019	100	

Confirmation to management of the reasons of delay of, to wit:

1. Implementation of Infrastructure Projects shows that Contractors:
 - a. Have insufficient equipment and personnel required for the project on site.
 - b. Non-availability of required materials in the area.

- c. Unavailability of cash to purchase construction materials and pay for personnel salaries and wages.
- 2. Delivery of Goods shows that:
 - a. Unavailability of stocks of some items purchased at the time of delivery.
 - b. Unavailability of vessel/s for the shipment of goods.

Despite of the numerous demand of the management of immediate implementation of the projects, the contractors were not able to comply immediately.

The delayed implementation of these infra and non-infrastructure projects deprived the end users to make use of the goods or facilities on time and affecting the 100% completion of these projects.

We recommend that management should:

- 1. **If the delay cannot be validly justified and if found out that fault is on the management personnel, like if they have violated Section 17.6 of the Revised IRR of RA 9184, such concerned personnel should be subjected to appropriate action, but if it is contractors' fault, then liquidated damages should be imposed upon the latter based on the Annex E (Liquidated Damages) of RA 9184 "Contract Implementation Guidelines for the Procurement of Infrastructure Projects" and consider it as a ground for disqualifying the contractor/s in participating in the future bidding activities of the University.**
- 2. **Exert more efforts to finish the remaining uncompleted projects by requiring the contractors or suppliers to provide catch up plan and strictly implement such.**
- 7. **Insurable properties of the Agency were not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS) despite the mandatory requirement as provided in COA Circular No. 92-390 dated November 11, 1992 and Section 11 of the RA 656 (Property Insurance Law).**

Item 1.1.2 of COA Circular No. 92-390 provides that: "All insurable assets and properties of the government are adequately covered/insured with the GIF of the GSIS."

Item 3.1 Ibid provides that: "All heads of national agencies, local government units and Government- owned or controlled corporations shall be responsible for the preparation and submission of the inventory of all insurable physical assets."

Section 11 of RA 656 (Property Insurance Law) requires that each government as defined herein shall include in its annual appropriation the amount necessary to cover the

premiums for the insurance of its properties during each fiscal period and remit the same immediately to the System as provided in section 10 hereof.

All insurable properties of the Agency must be covered with the appropriate property insurance with the GSIS in order to indemnify or compensate the Agency for any damage to, or loss of, its properties due to fire, earthquake, storm, or other casualty.

Verification of the Agency's PPE disclosed that insurable assets particularly its buildings and other structures are at risk of loss without indemnification in case of fire or other fortuitous event because they were not insured with the property insurance with the GIF of the GSIS, thus exposing higher risk of loss to government properties.

We reiterate our recommendation that management determine all properties which can be insured with the GIF of the GSIS and furnished to the Audit Team copy of the RPCPPE and PIF for review and verification and adhere to the provisions of COA Circular No. 92-390 dated November 17, 1992 and Section 11 of RA 656 otherwise known as the Property Insurance Law.

- 8. The agency failed to prepare and submit Annual Procurement Plan (APP) and Project Procurement Management Plan (PPMP) every year, thereby affecting the evaluation of the propriety of the audited procured goods and infrastructure projects in violation of Rule II (Procurement Planning) Section 7 (Procurement Planning and Budget Linkage) of the revised IRR of RA 9184 otherwise known as the Government Procurement Reform Act.**

Rule II (Procurement Planning) Section 7 (Procurement Planning and Budget Linkage) of the revised IRR of RA 9184 mandates the preparation of the APP together with the PPMP.

Section 7.1 *ibid* provides "that all procurement shall be within the approved budget of the Procuring Entity and should be meticulously and judiciously planned by the Procuring Entity. Consistent with government fiscal discipline measures, only those considered crucial to the efficient discharge of governmental functions shall be included in the Annual Procurement Plan (APP). For purposes of this IRR, a procurement project shall be considered crucial to the efficient discharge of governmental functions if it is required for the day-to-day operations or is in pursuit of the principal mandate of the Procuring Entity concerned. The APP shall include provisions for foreseeable emergencies based on historical records. In the case of Infrastructure Projects, the APP shall consider the appropriate timing/phasing of related project activities, such as, engineering design and acquisition of right-of-way site or location, to reduce/lower project costs."

Section 7.2 *ibid* requires "that No procurement shall be undertaken unless it is in accordance with the approved APP, including approved changes thereto. The APP must be consistent with the duly approved yearly budget of the Procuring Entity and shall bear the approval of the HoPE or second-ranking official designated by the HoPE to act on his behalf."

Section 7.3 *ibid* said that the APP shall be formulated and revised only in accordance with the following guidelines:

1. Upon issuance of the budget call, the Procuring Entity shall prepare its indicative APP for the succeeding calendar year to support its proposed budget taking into consideration the budget framework for that year in order to reflect its priorities and objectives.
2. In the preparation of the indicative APP, the end-user or implementing units of the procuring entity shall formulate their Project Procurement Management Plans (PPMPs) for their different programs, activities and projects (PAPs).
3. The PPMP shall then be submitted to the Procuring Entity's Budget Office for evaluation in order to ensure consistency with the Procuring Entity's budget proposal and compliance with existing budgeting rules. The PPMPs included in the budget proposal shall be forwarded to the BAC Secretariat for the consolidation into an indicative APP, and to the BAC for final recommendation of the appropriate procurement modality. For this purpose, the indicative APP shall include the following:
 - a) Name of Procurement Project;
 - b) Procurement Management Office (PMO)/end user/implementing unit;
 - c) Method of Procurement;
 - d) Schedule of identified procurement activities as reflected in the APP form approved by the GPPB
 - e) Source of funds
 - f) Indicative ABC; and
 - g) Other relevant descriptions of the project, if applicable.

The indicative APP and budget proposal shall be simultaneously submitted to the HOPE and/or other oversight bodies for approval.

4. As soon as the General Appropriations Act becomes final, the end user or implementing units shall revise and adjust the PPMPs to reflect the budgetary allocation for their respective PAPs. The revised PPMPs shall be submitted to the BAC, through its secretariat, for the recommendation of the methods of procurement. The indicative APP shall then be revised and approved in accordance with the duly approved yearly budget of the Procuring Entity and shall bear the approval of the HOPE or second-ranking official designated by the HOPE to act on his behalf.

APP is the requisite document that the agency must prepare to reflect the necessary information on the entire procurement activities for goods and services and infrastructures to be procured that it plans to undertake within the calendar year. The APP comprises the consolidated PPMP. APP must include only plan procurement activities for Common-use Supplies and Equipment (APP-CSE), Infrastructure Projects and other procured items that is considered crucial to the to the efficient discharge of government

function. All Procurement shall be within the approved APP of the Agency's projects/programs.

Verification as to the reasons of non-submission of APP shows that various Units/Departments of the University failed to submit to the BAC Secretariat its PPMP on time making it impossible to consolidate all items to produce APP.

The non-preparation and submission of APP in accordance with the revised IRR of RA 9184 following the format approved by GPPB cast doubt as to economy and efficiency in the procurement process as well as the legality of the procured items. In effect, it also lost the opportunity to avail of volume discounts inherent in bulk purchasing which will redound to savings for the agency. Also, non-submission of APP for Common-use Supplies and Equipment is contrary to DBM Circular Letter No. 2011-06 and 2011-06A, thus will result to possible exclusion of its 2019 projected procurement activities from the consolidation APP-CSE for government, and effect preventing PS-DBM from accomplishing its mandated function of projecting inventory requirements and the overall management of the government's central procurement of common-use supplies.

We recommend that the agency prepare a meticulous and judicious PPMP and consolidate it properly to produce APP in compliance with Section 7 of the Republic Act No. 9184 otherwise known as the Government Procurement Reform Act and as required under DBM Circular Letter No. 2011-06 and 2011-06A.

9. The agency failed to submit sufficient data of Agency Personnel Profile (plantilla of personnel) as of December 31, 2019 contrary to Section 122 of PD 1445.

Section 122 of PD 1445 provides "that whenever deemed necessary in the exigencies of the service, the commission may under regulations issued by it require the agency heads, chief accountants, budget officers, cashiers, disbursing officers, administrative or personnel officers, and other responsible officials of the various agencies to submit trial balances, physical inventory reports, current plantilla of personnel, and such other reports as may be necessary for the exercise of its functions.

(2) Failure on the part of the officials concerned to submit the documents and reports mentioned herein shall automatically cause the suspension of payment of their salaries until they shall have complied with the requirements of the commission

(3) No appropriation authorized in the General Appropriations act shall be available to pay the salary of any official or employee who violates the provisions of this section, without prejudice to any disciplinary action that may be instituted against such official or employee."

During the audit of personnel, we require the management to submit the agency plantilla of personnel every year through this Annual Audit Report which would be our basis in ascertaining that the positions of employees whose salaries and wages are being charged in the Personnel Services (PS) are included in the plantilla of personnel prepared by the agency and approved by the Compensation and Position Classification Bureau (CPCB) of the department of Budget and Management and that the amounts they are receiving are within budget appropriated for their positions, these are among the basic requirements provided by Section 191 of GAAM Volume I for the payment salaries and wages. But despite our written requests, the management failed to provide sufficient appropriate data of the said report.

We further noted that copies of appointments of newly hired and promoted as well as the renewed contract of services were not furnished to this office. These documents are needed in the audit as provided for in COA Circular No. 2012-001 dated June 14, 2012 prescribing the Revised Guidelines and Documentary Requirement for Common Government Transactions which requires those documents for the payment of salary of newly hired, promoted as well as renewed contract of service employees.

The inability of the personnel division to submit the current plantilla of personnel cast doubt as to the legality, propriety and appropriateness of the amount charged in the Personnel Services.

We recommend the management should instruct the HRMO Department to submit current plantilla of personnel every year and also to furnish the Auditor Office a copy of approved appointment/contract of service of every newly hired, promoted as well as the newly renewed contract.

10. Non submission of the Budget and Financial Accountability Report (BFARs) for CY 2019 a by the management's concerned personnel as of to date to the Audit Team Leader in violation of COA-DBM Joint Circular No. 2013-1 dated March 15, 2013.

COA-DBM Joint Circular No. 2013-1 states on the following sections, to wit:

5.0 Guidelines

5.1 The head of each operating unit (OU), office or agency shall be responsible for the timely submission, either physically or electronically, of the following FARs prescribed in this Circular to DBM offices concerned and to the COA (Audit Team Leader and Government Accountancy Sector (GAS), not later than the 30th day after the end of each quarter

1. Quarterly Physical Report of Operation (QPRO)-BAR No. 1
2. Statement of Appropriations, Allotment, Obligations, Disbursements and Balances (SAAODB) - Far No. 2

3. Summary of Appropriations, Allotments, Obligations, Disbursement and Balances by Object of Expenditures (SAAODBOE) –FAR No.1-A
4. List of allotments and Sub-Allotments (LASA) - FAR No. 1B
5. Statement of Approved Budget, Utilizations, Disbursements and Balances (SABUDB) - FAR No. 2 (for Off-Budget Fund)
6. Summary of Approved Budget, Utilizations, Disbursements and Balances by Object of Expenditures (SABUDBOE) -FAR No. 2-A (for Off-Budget Fund)
7. Aging of Due and Demandable Obligations (ADDO) –FAR No. 3
8. Monthly Report of Disbursements (MRD) –FAR No. 4
9. Quarter Report of Revenue and Other Receipts (QRROR) –FAR No. 5

5.3 Responsibilities

5.3.1 The FARs shall be prepared and certified by the following agency officials:

- Budget Officer/Head of Budget Unit- for the portion of the report pertaining to the appropriations and allotments, obligations, unobligated allotments and unreleased appropriations.
- Chief Accountant/Head of Accounting Unit - for the portion of the report pertaining to disbursements and unpaid obligations.

5.3.2 The FARs shall be signed by the Agency Head as the approving official. He/she shall ensure the timely submission of the accurate and reliable FARs.

All departments/agencies/OUS shall observe the following timelines in submitting the required BFARs to COA and DBM:

- Within thirty (30) days after the end of each quarter
 - QPRO –BAR No. 1
 - SAAODB –FAR No.1
 - SAAODBOE –FAR No. 1-A
 - LASA –FAR No. 1-B
 - SABUDB –FAR No. 2
 - SABUDBOE –FAR No. 2-A
 - QRROR –FAR No. 5
- On or before 30th day following the end of the year
 - ADDO- FAR No. 3
- On or before 30th day of the following month covered by the report
 - MRD –FAR No. 4

6.0 Penalty Clause

6.1 COA and DBM shall regularly monitor agency/OU compliance with the reporting requirements prescribed in this Circular.

6.2 In the event of failure to submit the required financial accountability reports, the “no report, no release” policy of DBM shall be enforced.

6.3 Also, the administrative sanctions on the automatic suspensions of the payment of salaries of officials mentioned in item 5.3.1 hereof until they have complied with the requirements of this Circular, as provided under EO 292 (Section 57, Chapter 6 of Book VI thereof) may be imposed. The head of the agency concerned shall be responsible of ensuring the enforcement of this sanction.

6.4 Moreover, violation of this Circular for three (3) times, without justifiable cause, during the calendar year by the officials concerned shall constitute a ground for the institution of administrative disciplinary action against them for inefficiency and incompetence as provided under item (p) of Section 22, rule XIV, Book V of EO 292 and the Omnibus Rule.

Confirmation as to the reason of non-submission of the BFAR’s for CY 2019 shows that the management submitted to DBM and COA GAS but it doesn’t know that it should also be submitted to the COA Audit Team Leader.

Failure to submit BFARs for CY 2019 precluded the Audit Team to:

1. Assess the agency’s physical accomplishments reports compared to its physical targets;
2. Review the FY 2019 GAA, SAROs/GAROs, NCAs and NTAs; and
3. Monitor the agency’s appropriations, allotments, obligations and disbursements on a quarterly basis and review and evaluate the agency’s transactions.

We recommend that the Management should instruct the Chief Accountant and the Director of Budget Office to regularly submit BFARs to the Audit Team Leader within the prescriptive period every year to avoid withholding of salaries and administrative cases that may be filed against them and for the audit of each transactions of the university be completed and reports thereon could be prepared.

11. Excessive charges of travelling expenses in the year 2019 of 12,669,847.26 or 15.83% of the total Maintenance and Other Operating Expenses (MOOE) account which is the second most expended account other than training and scholarship programs which is 36.03% of the total MOOE.

Sec 3 of Executive Order No 77 Prescribing Rules and Regulations and Rates of Expenses and Allowances for Official Local and Foreign travels of Government Personnel, to wit:

Section 3. Authorized Official Travel.

- a. Official local or foreign travels and assignments under this Order shall cover only those which meet the following criteria: (i) it is essential to the effective performance of an official or employee's mandates or functions; (ii) it is required to meet the needs of the department, agency, bureau or office, or there is substantial benefit to be derived by the State; (iii) the presence of the official or employee is critical to the outcome of the meeting, conference, seminar, consultation, or any official activity to be attended; and (iv) the projected expenses are not excessive or involve minimum expenditure.
- b. All officials authorized to approve local or overseas travels are required, as far as practicable, to minimize travel cost. Hence, all forms of communications, such as, but not limited to teleconferencing and videoconferencing or submission of briefs and position papers, as alternatives to travel, must be explored, provided these do not compromise national security and confidentiality of official communications.
- c. The following individuals shall not be issued foreign travel authorities and shall not be entitled to government funding for such trips;
 - a. Private individuals
 - b. Consultants of, and/or those engaged by way of contract of service by, government agencies, except in highly meritorious circumstances (e.g. unavailability of qualified employees in highly technical or specialized fields), upon written justification submitted to the authorized approving officials; and
 - c. Spouses or children of government officials, except when diplomatic protocol or established international practices provide otherwise.

This is due to travelling of multiple personnel in the participation on seminars, post qualifications, events, research and other matters with different line agencies of which cannot be ascertained whether or not the authorized travels are relevant to work assignments and function of the authorized officials, if it is required to meet the needs of the department, agency, bureau or office, or there is substantial benefit to be derived by the State and the presence of the official or employee is critical to the outcome of the meeting, conference, seminar, consultation, or any official activity to be attended as required under Sec 3 of Executive Order No 77.

We recommend that the Chancellor be more cautious in granting authority for travels taking into consideration the austerity measures program that the government is taking and to consider the necessity, urgency, and relevance of travels to one's work assignments and functions. Furthermore, all travels must adhere to E.O. No. 77.

12. The management failed to enforce the liquidation of the outstanding cash advances other than Advances to Contractors which represents 15% mobilization, granting of additional cash advances to accountable officers (AOs) who have unsettled previous CAs resulted to the accumulation of unliquidated balances amounting to 24,350,107.68 as of December 31, 2019 contrary to Section 4 and 5 of COA Circular 97-002 and Section 89 of PD 1445

To wit;

4. GRANTING AND UTILIZATION OF CASH ADVANCES

4.1 General Guidelines

4.1.1 No Cash advance shall be given unless for a legally specific purpose.

4.1.2 No additional cash advances shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.

4.1.3 A cash advance shall be reported on as soon as the purpose for which it was given has been served.

4.1.4 Only permanently appointed officials shall be designated as disbursing officers. Elected officials may be granted a cash advance only for their official traveling expenses.

4.1.5 Only duly appointed or designated disbursing officers may perform disbursing functions. Officers and employees who are given cash advances for official travel need not be designated as Disbursing Officers.

4.1.6 Transfer of cash advance from one Accountable Officer (AO) to another shall not be allowed.

4.1.7 The cash advance shall be used solely for the specific legal purpose for which it was granted. Under no circumstance shall it be used for encashment of checks or for liquidation of a previous cash advance.

4.1.8 The Accountant shall obligate all cash advances granted. He shall see that cash advances for a particular year are not used to pay expenses of other years.

1.1 xxx Failure of the AO to liquidate his cash advance within the prescribed period shall constitute a valid cause for the withholding of his salary and the instruction of other sanctions as provided for under paragraphs 9.2 and 9.3 hereof.

5.3 Within ten (10) days after receipt of the report and supporting documents from the AO, the Accountant shall verify the report, record it in the books and submit the same with all the vouchers/payrolls and supporting documents to the Auditor. The cash advance shall be considered liquidated upon the recording thereof by the Accountant in the books of accounts although not yet audited by the COA auditor.

5.7 When a cash advance is no longer needed or has not been used for a period of two (2) months, it must be returned to or refunded immediately to the collecting officer.

5.8 All cash advances shall be fully liquidated at the end of each year. Except for petty cash fund, the AO shall refund any unexpended balance to the Cashier/Collecting Officer who will issue the necessary official receipt.

Moreover, Section 89 of PD 1445. Limitations on cash advance. No cash advance shall be given unless for a legally authorized specific purpose. A cash advance shall be reported on and liquidated as soon as the purpose for which it was given has been served. No additional cash advance shall be allowed to any official or employee unless the previous cash advance given to him is first settled or a proper accounting thereof is made.

Details of unliquidated cash advances are as follows:

Advances	As of December 31, 2019
Advances for Operating Expenses	P 5,210,458.99
Advances for Payroll	10,704,079.42
Advances to Special Disbursing Officers	7,276,100.78
Advances to Officers and Employees	1,159,468.49
Total	P 24,350,107.68

There has been a management laxity especially the accountable officers in the liquidation of the cash advances.

We therefore recommended the following:

1. **Evaluate its current practices in the granting, utilization, and liquidation of cash advances to ensure a more efficient and effective control over its cash advances system. Henceforth, stop the practice of granting new/additional cash advances to accountable officers/employees unless their provisions CA have been accounted or liquidated.**
2. **Strictly enforce the submission of liquidation documents as soon as the purpose of the CA has been served, within the prescribed period or when a new cash advance is necessary, whichever period is shorter.**

13. Unserviceable/Obsolete properties with undetermined value were still included in the Property, Plant and Equipment (PPE) Account and were not reclassified under “Other Assets” Account.

Section 79 of PD 1445 states that:

Destruction or sale of unserviceable property. When government property has become unserviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefor, be inspected by the head of the agency or his duly

authorized representative in the presence of the auditor concerned and, if found to be valueless or unsalable, it may be destroyed in their presence. If found to be valuable, it may be sold at public auction to the highest bidder under the supervision of the proper committee on award or similar body in the presence of the auditor concerned or other duly authorized representative of the Commission, after advertising by printed notice in the Official Gazette, or for not less than three consecutive days in any newspaper of general circulation, or where the value of the property does not warrant the expense of publication, by notices posted for a like period in at least three public places in the locality where the property is to be sold. In the event that the public auction fails, the property may be sold at a private sale at such price as may be fixed by the same committee or body concerned and approved by the Commission.

COA Circular No. 89-296 dated January 27, 1989 provides that:

Paragraph IV. AUTHORITY OR RESPONSIBILITY FOR PROPERTY DISPOSAL/DIVESTMENT

Pursuant to existing laws on the matter, the full and sole authority and responsibility for the divestment or disposal of property and other assets owned by national government agencies or instrumentalities, local government units, and government-owned and/or controlled corporations and their subsidiaries shall be lodged in the heads of the departments, bureaus, and offices of the national government, the local government units, and the governing bodies or managing heads of government-owned or controlled corporations and their subsidiaries conformably to their respective corporate charters or articles of incorporation, who shall constitute the appropriate committee or body to undertake the same.

Paragraph V. V. MODE OF DISPOSAL/DIVESTMENT: -

This Commission recognizes the following modes of disposal/divestment of assets and property of national government agencies, local government units and government-owned or controlled corporations and their subsidiaries, aside from other such modes as may be provided for by law.

1. Public Auction
2. Sale Thru Negotiation
3. Barter
4. Transfer to Other Government Agencies
5. Destruction or Condemnation

Paragraph VI. AUDIT PROCEDURE: -

A. To facilitate audit of the disposal/divestment of corporate assets as herein contemplated, the management of the government corporation concerned shall furnish the Auditor at least twenty (20) days before the advertisement of the call to public auction with a copy each of the following documents:

- a) Program for disposal with time schedules;
- b) Inventory Report showing the itemized list and complete description of the assets;
- c) Appraisal Report showing the appraised values of the assets, prepared by an in house and/or independent appraiser;
- d) Disposal procedure adopted.

which are prepared by the concerned offices/departments of the corporation and submitted to the proper Disposal Committee or similar body constituted by the management thereof.

Upon receipt of these documents, the Auditor shall perform the following functions:

1. Secure and gather the following information regarding the asset -
 - a. In the case of physical assets other than foreclosed collaterals, information relative to the original cost of acquisition, the accumulated depreciation, and the net book value at the time of appraisal.
 - b. In the case of whole companies or government-owned and/or controlled corporations (GOCCs) other than foreclosed collaterals, information about the total loans and capital contribution or equity of the government in the entity concerned.
 - c. Any other information relative to the asset which will assist in arriving at the reasonableness of the appraisal or valuation shall likewise be gathered.
2. Review the corporation's procedures for the sale of assets to determine their propriety and conformity with existing laws and regulations.
3. In the event that the appraisal/valuation is equal to or higher than either the net book value, the principal loan, or total government exposure as mentioned in each of the cases in Nos. 1.a and 1.b above, the Auditor need not forward the appraisal/valuation report to the COA Central Office, but shall file it in his office together with the information gathered in No. 1 above as supporting documents for the review done, which shall be available for review by the COA Central Office.
4. In the disposal/divestment of assets, the Auditor shall also review the actual sales or disposal value of the asset as against the appraisal/valuation report. If the bid/sales value is less than the appraised value, the Auditor shall require justification thereon from management. On the basis of such justification, the Auditor shall make his own evaluation and submit his comment/recommendation to the COA Technical Service Office (TSO).

5. The Auditor, in forwarding the appraisal/valuation report to the TSO shall include in his comments and recommendation a comparative analysis of the foregoing information vis-a-vis the appraisal/valuation report received from management.

The TSO, employing its own organic personnel or engaging the services of a private consultant/specialist, shall review the appraisal/valuation report of the corporation for reasonableness, thereafter transmitting its comments/action thereon to the Auditor concerned, thru the COA Corporate Audit Office.

B. When property of a local government unit has become inserviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefor, be inspected and appraised by the provincial or city auditor or his duly authorized representative or that of this Commission.

C. The Auditor of a department, bureau or agency of the national government or any local government unit upon receipt from the department/agency head or local chief executive concerned of the Inventory and Inspection Report supported by individual equipment survey reports and current photographs, as well as the Waste Material Report, in case of waste materials and worn-out and obsolete spare parts, shall refer these documents to a Technical Property Inspector assigned to his office, if any, or to the TSO in the COA Central Office for inspection and appraisal of the property. The Technical Property Inspector thus assigned shall;

a) conduct an inspection of the unserviceable equipment or property to verify justification for disposal;

b) appraise the disposable equipment or propriety; and

c) prepare an Inspection Report which shall indicate the following, among others:

- 1 - description, quantity and specifications of the equipment or property;
- 2 - date of purchase;
- 3 - acquisition cost;
- 4 - physical condition;
- 5 - appraised value;
- 6 - remarks/recommendations.

This Inspection Report shall be submitted to the Auditor who shall transmit the same to the proper Disposal Committee and shall be used as basis for its decisions.

Paragraph VII. COA ROLE DURING DISPOSAL: -

In all modes or instances of disposal of government property or assets as hereinabove contemplated, the proceedings shall be undertaken by the appropriate authority in the presence of the Auditor or other COA representative who shall act as an intelligent, responsive and articulate witness thereto. The said act of witnessing shall not be confined

merely to seeing what is being done during the proceedings but shall be related to the more meaningful discharge by the Auditor of his/her constitutional duty to examine, audit and settle all accounts pertaining to the expenditures or uses of government funds and property. Thus, the Auditor acting as such witness may verbally advise the agency head or his duly authorized representative of any objectionable feature/s of the proceedings. Otherwise, he may sign documents and other papers pertinent only to those proceedings which he witnessed with his comments which he deems necessary under the circumstances. Related advices and/or comments done in writing should invariably be sent officially to and duly receipted for by head of the agency or his duly authorized representative concerned. These written advices or comments shall form part of the bases of action to be taken by the auditor in the pre-audit or post audit of the subject transactions.

This would entail further deterioration and loss of additional income that could have accrued to the University had they been disposed of. Readers of FS may also be misled on the actual condition of the agency's properties.

We recommend that management:

- a. Establish proper coordination with the Appraisal Committee to reconcile and recognize the unrecorded lands in the book of accounts after careful evaluation and validation as to the legality of ownership**
- b. Reconcile the accounting records against the corrected RPCPPE as to the remaining existing properties of the University and reclassify those PPE identified as unserviceable/obsolete properties to "Other Asset" account; and**
- c. Strictly conform to COA Circular No. 89-296 on how to dispose the unserviceable properties.**
- d. Draw journal entry vouchers to derecognize the unserviceable properties after disposal and apply appropriate accounting procedures to effect adjustments in the books.**

PART III

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S UNIMPLEMENTED AUDIT RECOMMENDATIONS

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S UNIMPLEMENTED AUDIT RECOMMENDATIONS

Of the twelve audit recommendations contained in Prior Years' Annual Audit Report five were fully implemented, another two were partially implemented and five remained unimplemented, six of which are reiterated in this Report.

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
<p><i>1. The Accountable Officers failed to submit on time the Report of Checks Issued together with the paid vouchers and the Report of Collections and Deposits together with the issued official receipts, Trial Balances, Bank Statements or Snapshots, Bank Reconciliation Statements, Journal Entry Vouchers and financial statements for the Calendar Year 2018 for post-audit purposes in violation of the provisions of Section 107 of Presidential Decree No. 1445.</i></p> <p><i>This is a reiteration of audit observation from AAR 2013 (Page 21-22).</i></p> <p>We reiterate our recommendations that the Office of the Director of Finance:</p> <p>a) Conduct planning, target setting and prepare commitment reports particularly on the timelines on the submission of transaction documents/reports and financial statements provided in Section 7.2.1 (a) of COA Circular 2009-006 and Sections 59 and 60, Chapter 19, of GAM for NGAs, Volume I and other reports required by COA, DBM and other regulatory bodies;</p> <p>b) Review and evaluate the performance of the accounting and cashiering personnel; and recommend replacement for those found undesirable with qualified personnel with the right work attitude; and</p>	<p>Page 43 of AAR 2018</p> <p>And Pages 21-22 of AAR CY 2013</p>	<p>Conduct periodic monitoring of submission of required reports to COA, DBM and other regulatory bodies and see to it that all the required reports are submitted on time.</p>	<p><i>Partially Implemented. Reiterated as findings No. 1</i></p>

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
c) Conduct periodic monitoring of submission of required reports to COA, DBM and other regulatory bodies and see to it that all the required reports are submitted on time.			
<p>2. <i>There was a laxity by the management in the enforcement of collections of receivables and payment of liabilities which resulted to the accumulation of uncollected balance of receivables amounting to P13,619,111.17 and P8,427,780.35 respectively</i></p> <p>We recommended that the management:</p> <p>a. Comply with the provisions of Section 111 of PD 1445 paragraphs 1 and 2 as regards to recording of accounts;</p> <p>b. Undertake more aggressive measures that will facilitate the collection of these long outstanding past due receivables such as sending letter reminders, conduct of house to house collection campaign among delinquent borrowers, and if warranted, avail of civil remedies for the collection of these accounts.</p> <p>c. Secure complete documents to support the claims against the agency as required under Section 4 Paragraph 6 of PD 1445 and intensify its efforts to pay all of the liabilities with complete documentations.</p> <p>d. Verify, review and analyze the dormant asset and liability accounts totaling P13,619,111.17 and P8,427,780.35, respectively, as required under COA Circular No. 97-001 and effect the necessary adjustment/s to arrive at the correct account balance at year-end;</p>	Page 44 of AAR 2018	Submit schedules of ageing accounts receivables and accounts payables to the resident auditor to help the University to facilitate the accounts.	Partially implemented. Reiterated

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
<p>and</p> <p>e. Receivable Accounts totaling P13,619,111.17 which were dormant and which may be written-off, be guided by the procedures in the write-off of dormant accounts as set forth in the COA Circular No. 2016-005.</p>			
<p>3. <i>The correctness of valuation and existence of the recorded book balance of the Inventory and Property, Plant and Equipment amounting to P34,598,968.05 and P362,957,767.87 still remained uncertain due to the absence of sufficient documentary evidences and records maintained by the accounting office and supply property unit as well as the continued failure of the concerned officials to submit a comprehensive and properly prepared Report on Physical Count of Inventory (RPCI) and Report on Physical Count of PPE (RPCPPE).</i></p> <p>We recommend that management require:</p> <p>a. The Inventory Committee and invite the Auditor to conduct a thorough review of the Report of Physical Count of Inventory and PPE by conducting regular actual count, validation, verification and inspection of Inventory and PPE owned by the agency to establish their existence, completeness and status. Advised them to prepare the reports in accordance with the guidelines set by the Commission and distribute the report as follows:</p> <p>Original – COA Auditor, through the Accounting Division/Unit Copy 2 – Supply and/or Property Division/Unit Copy 3 –Inventory Officer/Committee Copy 4 – Accounting Division/Unit</p> <p>b. The Accounting Unit and</p>	<p>Page 46 of AAR 2018</p> <p>And AAR 2017</p>	<p>Updated Inventory and PPE Ledger Cards by the Accounting Unit and Stock and Property Cards by the Supply/Property Division.</p>	<p><i>Fully Implemented.</i></p>

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
<p>Property or Supply Division, must maintained complete Inventory, PPE ledger cards and Stock and Property Cards, respectively. After receiving a copy of the RPCI and RPCPPE from the Inventory Committee they should reconcile their records and effect the necessary adjustments to fairly present the balances of the affected Inventory and PPE on the statement of financial position.</p> <p>c. The Accountable Officers to submit the RPCI and RPCPPE to the auditor concerned not later than July 31 and January 31 of each year for the first and second semesters, respectively for RPCI and not later than January 31 of each year for RPCPPE. For PPE, items that are beyond economic repair shall be properly disposed and dropped from the books.</p>			
<p>4. <i>The reported year-end balance of Inter-Agency Payables Accounts such as due to BIR, GSIS, Pag-IBIG and PhilHealth showed an abnormal debit balance and unremitted/unreconciled prior years as of December 31, 2018 amounting to P3,676,883.20.</i></p> <p><i>This observation is related to the previous year (Page 20-21 of AAR 2013) audit observations and recommendations contained in the previous year audit report which failed to be fully complied and implemented by the agency. Compliance with these recommendations is an automatic implementation of the previous year audit recommendations relating to the reconciliation of accounts with other National Government Agencies.</i></p> <p>We recommend that Management:</p>	<p>Page 48 of AAR 2018</p> <p>And</p> <p>Pages 20-21 of AAR CY 2013</p>	<p>Submitted all the required reports to the Auditor on time when remittance and adjusting entries has been made</p>	<p><i>Partially implemented. Reiterated</i></p>

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
<p>a. Require/request the responsible officials/employees to remit immediately the withheld funds to BIR, GSIS, Pag-IBIG and PhilHealth.</p> <p>b. Require the Accounting Unit to analyse the accounts and prepare the necessary adjusting entries to remove the accounts in the books as it represents amounts withheld from the agency's allotment by the DBM-NCR and does not qualify to be recognized as liabilities as it does not require out flow of agency's future economic benefits.</p> <p>c. With regards to Due to NGAs account, strictly implement the projects as required by the agreement between the NGAs; liquidate the scholarship grants given and return any unliquidated amount after a reasonable period of time.</p>			
<p>5. <i>The agency submitted incomplete set of detailed (by fund cluster) Financial Statements, as it doesn't include Statement of Comparison of Budget and Actual Amounts contrary to Chapter 19 Financial Reporting, Section 5 of Government Accounting Manual (GAM) Volume 1 page 283 which states that a complete set of financial statements (condensed and by fund cluster) to be submitted by an entity shall include the following:</i></p> <p><i>a. Statement of Financial Position (SFP) (Annex A);</i></p> <p><i>b. Statement of Financial Performance (SFPer) (Annex B);</i></p> <p><i>c. Statement of Changes in Net Assets/Equity (SCNA/E) (Annex C);</i></p> <p><i>d. Statement of Cash Flows (SCF) (Annex D);</i></p> <p><i>e. Statement of Comparison of Budget and Actual Amount (SCBAA) (Annex E); and</i></p>	<p>Page 50 of AAR 2018</p>	<p>Submitted all the required reports to the Auditor on time.</p>	<p><i>Fully Implemented</i></p>

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
<p><i>f. Notes (Annex F), comprising a summary of significant accounting policies and other explanatory notes. (Par. 21, PPSAS I)</i></p> <p>We recommended that the management submit a complete set of financial statements condensed and by fund cluster including the Statement of Comparison of Budget and Actual Amounts as required under Chapter 19 Financial Reporting, Section 5 of GAM Volume I and Section 41 Paragraph 2 of PD 1445.</p>			
<p><i>6. a. Non-reporting of government programs, project and activities in manner prescribed in Section 2.1, 2.2.3, 2.2.4 and 3.1 of COA circular No. 2013-004, dated January 30, 2013, thus resulting to the delays in the reporting and validation of the project.</i></p> <p>We recommend that management should:</p> <p>1. At the start of the year, Submit to the Auditor's Office a complete list of all on-going projects, programs and activities and those that are to be implemented during the year and should be updated every quarter following the format prescribed by COA Circular 2013-004, dated January 13, 2014;</p> <p>2. Instruct the accountable officer/s concerned to reconcile their records to come up with the complete and accurate list of all programs, projects and activities and pinpoint a specific office to whom we should request such; and</p> <p>3. Post signboard or tarpaulin containing the information needed for every project's site.</p>	<p>Page 51-59 of AAR 2018</p>	<p>Submit the required documents to the auditor on time.</p>	<p><i>Partially implemented. Reiterated</i></p>
<p><i>7. All 2018 for Contract documents for infrastructure projects with all of its</i></p>	<p>Page 51-59</p>	<p>Conduct periodic monitoring of</p>	<p><i>Partially Implemented.</i></p>

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
<p><i>supporting documents and purchase orders issued for supplies and materials were still not furnished the Auditor within five (5) working days from the date the contract was perfected and purchase orders were issued in violation of the provisions of Sections 3.1.1 and 3.2.1, respectively of COA Circular No. 2009-001, resulting to delay of the Auditor in conducting review and in informing management of defects/deficiencies, if any and delay in informing the Technical Audit Specialist (TAS) assigned in the auditing unit/cluster or to the Regional Technical Services Office(RTSO), as the case may be, for inspection so that 100% completed project could be turnover by the contractor and accepted by the management.</i></p> <p><i>This observation is related to the previous year (Page 19-20 of AAR 2013) audit observations and recommendations contained in the previous year audit report which failed to be fully complied and implemented by the agency. Compliance with these recommendations is an automatic implementation of the previous year audit recommendations relating to the submission of the required documents to the auditor and other regulatory bodies.</i></p> <p>We recommend that management should:</p> <ol style="list-style-type: none"> 1. Immediately submit all the 2018 and previous year's original contracts together with all the bidding documents; and 2. Regularly submit within five (5) working days from the execution of the contract the contract documents together with all of its supporting documents and 	<p>of AAR 2018</p> <p>And</p> <p>Page 19-20 of AAR 2013</p>	<p>submission of required reports to COA, DBM and other regulatory bodies and see to it that all the required reports are submitted on time. Required documents of the 7 on-going projects has been furnished to the auditor as of July 2019 subject for audit.</p>	<p><i>Reiterated</i></p>

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
<p>purchase orders for supplies and materials for current and succeeding years.</p> <p>3. After submitting the complete contract documents together with all of its supporting documents prepare and submit a request for inspection letter address to COA BARMM Technical Personnel thru the Resident Auditor who will then endorse the said request for inspection to COA BARMM Regional Office so that 100% completed project could be turnover by the contractor and accepted by the management.</p>			
<p>8. <i>Delay in the implementation of the projects which deprived the end-users of the benefits due them on time.</i></p> <p>We recommend that management should:</p> <p>1. Investigate the cause of the delay in the implementation of infrastructure projects, if the delay cannot be validly justified and if found out that fault is on the management personnel, such concerned personnel should be subjected to appropriate action, but if it is contractors' fault, then liquidated damages should be imposed upon the latter and consider it as a ground for disqualifying the contractor/s in participating in the future bidding activities of the University.</p> <p>2. Exert more efforts to finish these projects. If necessary, prepare a catch up plan to address the delay to avoid unwanted repercussions.</p>	<p>Page 51-59 of AAR 2018</p>	<p>Conduct regular monitoring of the ongoing projects of the University to see to it that the project can be turned over by the contractor to the management on time.</p>	<p><i>Partially implemented. Reiterated</i></p>
<p>9. <i>Non-invitation of COA representative and two (2) other observers in other stages of bidding.</i></p> <p>We recommend that management should invite the audit team or its representative</p>	<p>Page 51-59 of AAR 2018</p>	<p>The management is sending invitation letters to the resident auditor before the date of the meeting starting last January 25, 2019.</p>	<p><i>Fully Implemented</i></p>

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
not only during the pre-bid conference, opening of bids and bid evaluation but also during post-qualification stage.		The last invitation sent was dated July 04, 2019.	
<p><i>10. Buildings and other school properties of the College were not insured with the General Insurance Fund (GIF) of the Government Service Insurance System (GSIS) despite the mandatory requirement as provided in COA Circular No. 92-390 dated November 11, 1992 thus, exposing these properties to risk of not being indemnified for any damage or loss due to any fortuitous event such as fire, earthquake, typhoon and/or flood.</i></p> <p><i>This is a reiteration of audit observation from AAR 2017 (Page 31).</i></p> <p>We reiterated our recommendations that the College adhere to the provisions of COA Circular No. 92-390 dated November 17, 1992.</p>	<p>Page 48 of AAR 2018</p> <p>And Page 31 of AAR CY 2017</p>	No action taken	<i>Not implemented.</i>
<p><i>11. No allocation for Gender and Development (GAD) activities was made, both GAD Plan and Budget and Accomplishment Reports on the implementation of GAD related programs/projects was not prepared and submitted, no GAD Focal Point System and has no sex disaggregated data on file contrary to PCW-NEDA-DBM Circular No. 2012-01.</i></p> <p><i>This is a reiteration of audit observation from AAR 2013 (Page 22).</i></p> <p>We recommend that atleast five percent (5%) of the budget be allocated to GAD and management prepare and submit its GAD Plan and Budget and Accomplishment Reports, create and/or strengthen GAD Focal Point System, and submit sex disaggregated data to facilitate</p>	<p>Page 48 of AAR 2018</p> <p>And Page 22 of AAR CY 2013</p>	The management has allocated 5% of the MOOE for Gender and Development in the annual budget and afterwards prepared GAD Plan and Budget and implement the planned activities.	Partially implemented. Reiterated

Audit Observation	Ref	Management Action	Status of Implementation/Reason for Partial/Non-Implementation
timely evaluation on the implementation of GAD related programs/projects and substantive audit of GAD related transactions.			
<p><i>12. Purchases of office and other supplies during the year were directly issued to end users and charged to the expense account without coursing through the inventory account. Stock Cards and Supplies Ledger Cards were not maintained. These are contrary to the provisions of Section 43, volume I of the NGAS Manual.</i></p> <p>The Agency should adopt the perpetual inventory method in recording purchase of supplies and materials. The Agency Head should direct the Accountant to maintain records as required by the NGAS Manual to ensure that the correct amount of inventory and expenses accounts are taken up in the books.</p>	Pages 18-19 of AAR CY 2013	The Agency will adopt the perpetual inventory method in recording the purchase of supplies and materials. Update stock cards & supplies Ledger cards.	<i>Partially implemented.</i>

PART IV – ANNEXES

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY							
STATEMENT OF FINANCIAL POSITION							
As at December 31, 2019							
Detailed							
(By Funds)							
		2019			2018		
		Fund 01	Fund 05	TOTAL	Fund 01	Fund 05	TOTAL
ASSETS							
CURRENT ASSETS							
Cash							
Cash on Hand							
Cash Collecting Officers							
Petty Cash	10101020-00	20,000.00	5,000.00	25,000.00	20,000.00	5,000.00	25,000.00
Total Cash on Hand		20,000.00	5,000.00	25,000.00	20,000.00	5,000.00	25,000.00
Cash in Bank - LCCA - LBP	10102020-00	0.00	59,459,325.00	59,459,325.00	0.00	61,861,491.73	61,861,491.73
Total Cash in Bank-Local Currency		-	59,459,325.00	59,459,325.00	0.00	61,861,491.73	61,861,491.73
Total Cash and Cash Equivalents		20,000.00	59,464,325.00	59,484,325.00	20,000.00	61,866,491.73	61,886,491.73
Receivables							
Loans and Receivables							
Accounts Receivable	10301010-00	0.00	636,874.80	636,874.80	0.00	636,874.80	636,874.80
Total Loan and Receivable		0.00	636,874.80	636,874.80	0.00	636,874.80	636,874.80
Inter-Agency Accounts Receivables							
Due from National Government Agencies	10303010-00	0.00	2,176,500.00	2,176,500.00	0.00	2,176,500.00	2,176,500.00
Total Inter-Agency Accounts Receivable		0.00	2,176,500.00	2,176,500.00	0.00	2,176,500.00	2,176,500.00
Other Receivables							
Other Receivables	10305990-00	10,805,736.37	0.00	10,805,736.37	10,805,736.37	0.00	10,805,736.37
Total Other Receivables		10,805,736.37	0.00	10,805,736.37	10,805,736.37	0.00	10,805,736.37
Total Receivables		10,805,736.37	2,813,374.80	13,619,111.17	10,805,736.37	2,813,374.80	13,619,111.17
Inventory							
Inventory Held for Consumption							
Office Supplies Inventory	10404010-00	2,089,359.03	93,535.40	2,182,894.43	9,002,982.23	132,535.40	9,135,517.63
Other Supplies and Materials Inventory	10404990-00	302,150.00	0.00	302,150.00	483,572.94	0.00	483,572.94
Accountable Forms, Plates and Stickers Inventory	10404020-00	-	-	-	100,000.00	50,000.00	150,000.00
Textbook and Instructional Materials Inventory	10404100-00	1,363,032.42	2,896,733.00	4,259,765.42	45,000.00	3,496,733.00	3,541,733.00
Total Inventory Held for Consumption		3,754,541.45	2,990,268.40	6,744,809.85	9,631,555.17	3,679,268.40	13,310,823.57

Semi-Expendable Machinery and Equipment							
Semi-expendable - Office Equipment	10405020-00	2,471,965.45	0.00	2,471,965.45	24,245.18	0.00	24,245.18
Semi-expendable - Furniture and Fixtures	10406010-00	45,718.00	0.00	45,718.00	7,499,500.00	0.00	7,499,500.00
Semi-expendable - Books	10406020-00	5,570,620.00	17,768.30	5,588,388.30	13,734,581.00	29,818.30	13,764,399.30
Total Semi-Expendable Machinery and Equipment		8,088,303.45	17,768.30	8,106,071.75	21,258,326.18	29,818.30	21,288,144.48
Total Inventory		11,842,844.90	3,008,036.70	14,850,881.60	30,889,881.35	3,709,086.70	34,598,968.05
Other Current Assets							
Advances							
Advances for Operating Expenses	19901010-00	0.00	5,210,458.99	5,210,458.99	0.00	5,910,457.99	5,910,457.99
Advances for Payroll	19901020-00	9,825,281.00	878,798.42	10,704,079.42	4,410,817.68	1,011,303.42	5,422,121.10
Advances to Special Disbursing Officers	19901030-00	6,908,962.08	367,138.70	7,276,100.78	7,865,534.74	486,662.44	8,352,197.18
Advances to Officers and Employees	19901040-00	1,020,302.49	139,166.00	1,159,468.49	7,519,983.09	341,084.48	7,861,067.57
Advances to Contractors	19902010-00	12,880,558.42	441,794.00	13,322,352.42	14,357,960.85	817,678.64	15,175,639.49
Total Other Current Assets		30,635,103.99	7,037,356.11	37,672,460.10	34,154,296.36	8,567,186.97	42,721,483.33
Total Current Assets		53,303,685.26	72,323,092.61	125,626,777.87	75,869,914.08	76,956,140.20	152,826,054.28
NON-CURRENT ASSETS							
Property, Plant and Equipment							
Land							
Land	10601010-00	16,994,835.50	0.00	16,994,835.50	16,994,835.50	0.00	16,994,835.50
Total Land		16,994,835.50	0.00	16,994,835.50	16,994,835.50	0.00	16,994,835.50
Infrastructure Assets							
Power Supply System	10603050-00	1,454,328.78	0.00	1,454,328.78	1,439,328.78	0.00	1,439,328.78
Accumulated Depreciation - Power Supply System	10603051-00	(129,539.59)	-	(129,539.59)			
Total Infrastructure Assets		1,324,789.19	0.00	1,324,789.19	1,439,328.78	0.00	1,439,328.78
Buildings and Other Structures							
School Buildings	10604020-00	214,457,845.24	20,052,301.86	234,510,147.10	214,457,845.24	18,411,123.95	232,868,969.19
Accumulated Depreciation - School Buildings	10604021-00	(81,037,969.50)	(2,701,404.49)	(83,739,373.99)	(73,317,487.07)	(2,038,604.03)	(75,356,091.10)
Net Value		133,419,875.74	17,350,897.37	150,770,773.11	141,140,358.17	16,372,519.92	157,512,878.09
Other Structures	10604990-00	3,496,669.11	2,255,408.00	5,752,077.11	3,496,669.11	2,255,408.00	5,752,077.11
Accumulated Depreciation - Other Structures	10604991-00	(542,584.30)	(398,455.41)	(941,039.71)	(332,784.15)	(263,130.93)	(595,915.08)
Net Value		2,954,084.81	1,856,952.59	4,811,037.40	3,163,884.96	1,992,277.07	5,156,162.03
Total Buildings and Other Structures		136,373,960.55	19,207,849.96	155,581,810.51	144,304,243.13	18,364,796.99	162,669,040.12

Machinery and Equipment							
Machinery	10605010-00	1,137,607.50	6,043,886.80	7,181,494.30	1,137,607.50	6,043,886.80	7,181,494.30
Accumulated Depreciation - Machinery	10605011-00	(1,123,888.87)	(1,752,667.17)	(2,876,556.04)	(1,021,504.19)	(1,208,717.36)	(2,230,221.55)
Net Value		13,718.63	4,291,219.63	4,304,938.26	116,103.31	4,835,169.44	4,951,272.75
Office Equipment	10605020-00	19,616,020.74	6,096,341.16	25,712,361.90	17,264,043.98	5,798,386.16	23,062,430.14
Accumulated Depreciation - Office Equipment	10605021-00	(7,196,964.05)	(2,382,435.31)	(9,579,399.36)	(3,771,919.27)	(1,311,909.85)	(5,083,829.12)
Net Value		12,419,056.69	3,713,905.85	16,132,962.54	13,492,124.71	4,486,476.31	17,978,601.02
Information and Communication Technology Equipment	10605030-00	32,589,873.23	8,988,552.39	41,578,425.62	23,886,532.55	4,610,097.39	28,496,629.94
Accumulated Depreciation - ICT Equipment	10605031-00	(9,662,932.99)	(1,823,235.32)	(11,486,168.31)	(4,371,765.94)	(409,567.22)	(4,781,333.16)
Net Value		22,926,940.24	7,165,317.07	30,092,257.31	19,514,766.61	4,200,530.17	23,715,296.78
Marine and Fishery Equipment	10605050-00	4,620,634.36	1,054,805.57	5,675,439.93	3,179,900.86	1,054,805.57	4,234,706.43
Accumulated Depreciation - Marine and Fishery Equipment	10605051-00	(3,037,241.62)	(311,520.69)	(3,348,762.31)	(2,305,010.44)	(121,655.69)	(2,426,666.13)
Net Value		1,583,392.74	743,284.88	2,326,677.62	874,890.42	933,149.88	1,808,040.30
Communication Equipment	10605070-00	356,421.05	0.00	356,421.05	356,421.05	0.00	356,421.05
Accumulated Depreciation - Communication Equipment	10605071-00	(319,646.47)	0.00	(319,646.47)	(255,490.68)	0.00	(255,490.68)
Net Value		36,774.58	0.00	36,774.58	100,930.37	0.00	100,930.37
Firefighting Equipment and Accessories	10605090-00	856,458.50	0.00	856,458.50	856,458.50	0.00	856,458.50
Accumulated Depreciation - Firefighting Equipmt and Accrs	10605091-00	(702,000.00)	0.00	(702,000.00)	(702,000.00)	0.00	(702,000.00)
Net Value		154,458.50	0.00	154,458.50	154,458.50	0.00	154,458.50
Military, Police and Security Equipment	10605100-00	57,100.00	0.00	57,100.00	57,100.00	0.00	57,100.00
Accumulated Depreciation - Military, Police and Sec Equipment	10605101-00	(53,864.33)	0.00	(53,864.33)	(53,864.33)	0.00	(53,864.33)
Net Value		3,235.67	0.00	3,235.67	3,235.67	0.00	3,235.67
Medical Equipment	10605110-00	333,465.00	0.00	333,465.00	333,465.00	0.00	333,465.00
Accumulated Depreciation - Medical Equipment	10605111-00	(96,704.85)	0.00	(96,704.85)	(36,681.15)	0.00	(36,681.15)
Net Value		236,760.15	0.00	236,760.15	296,783.85	0.00	296,783.85
Sports Equipment	10605130-00	1,408,169.00	354,750.50	1,762,919.50	1,408,169.00	354,750.50	1,762,919.50
Accumulated Depreciation - Sports Equipment	10605131-00	(1,096,482.27)	(90,856.57)	(1,187,338.84)	(843,011.85)	(27,001.48)	(870,013.33)
Net Value		311,686.73	263,893.93	575,580.66	565,157.15	327,749.02	892,906.17
Technical and Scientific Equipment	10605140-00	33,999,453.71	349,000.00	34,348,453.71	32,527,473.71	0.00	32,527,473.71
Accumulated Depreciation - Tech and Sci Equipment	10605141-00	(13,226,041.01)	(47,115.00)	(13,273,156.01)	(7,192,821.94)	0.00	(7,192,821.94)
Net Value		20,773,412.70	301,885.00	21,075,297.70	25,334,651.77	0.00	25,334,651.77
Other Machinery and Equipment	10605990-00	4,053,876.64	58,835.00	4,112,711.64	3,973,386.64	58,835.00	4,032,221.64
Accumulated Depreciation - Other Machinery and Equipment	10605991-00	(2,952,478.51)	(22,357.30)	(2,974,835.81)	(2,233,646.86)	(11,767.00)	(2,245,413.86)
Net Value		1,101,398.13	36,477.70	1,137,875.83	1,739,739.78	47,068.00	1,786,807.78
Total Machinery and Equipment		59,560,834.76	16,515,984.06	76,076,818.82	62,192,842.14	14,830,142.82	77,022,984.96

Transportation Equipment							
Motor Vehicles	10606010-00	11,782,514.26	4,997,535.00	16,780,049.26	11,709,822.55	3,357,535.00	15,067,357.55
Accumulated Depreciation - Motor Vehicles	10606011-00	(7,687,325.18)	(534,350.94)	(8,221,676.12)	(6,630,170.02)	(121,472.79)	(6,751,642.81)
Net Value		4,095,189.08	4,463,184.06	8,558,373.14	5,079,652.53	3,236,062.21	8,315,714.74
Watercrafts	10606040-00	5,714,741.90	0.00	5,714,741.90	5,714,741.90	0.00	5,714,741.90
Accumulated Depreciation - Watercrafts	10606041-00	(5,425,689.11)	0.00	(5,425,689.11)	(5,425,689.11)	0.00	(5,425,689.11)
Net Value		289,052.79	0.00	289,052.79	289,052.79	0.00	289,052.79
Other Transportation Equipment	10606990-00	672,419.00	0.00	672,419.00	672,419.00	0.00	672,419.00
Accumulated Depreciation - Other Transportation Equipment	10606991-00	(664,131.94)	0.00	(664,131.94)	(664,131.94)	0.00	(664,131.94)
Net Value		8,287.06	0.00	8,287.06	8,287.06	0.00	8,287.06
Total Transportation Equipment		4,392,528.93	4,463,184.06	8,855,712.99	5,376,992.38	3,236,062.21	8,613,054.59
Furniture, Fixtures and Books							
Furniture and Fixtures	10607010-00	15,435,367.63	1,655,547.87	17,090,915.50	14,252,372.63	1,298,390.87	15,550,763.50
Accumulated Depreciation - Furniture and Fixtures	10607011-00	(8,561,930.88)	(378,941.46)	(8,940,872.34)	(7,202,357.68)	(237,978.18)	(7,440,335.86)
Net Value		6,873,436.75	1,276,606.41	8,150,043.16	7,050,014.95	1,060,412.69	8,110,427.64
Books	10607020-00	9,143,504.44	385,262.00	9,528,766.44	8,669,279.44	385,262.00	9,054,541.44
Accumulated Depreciation - Books	10607021-00	(3,468,983.67)	(100,525.76)	(3,569,509.43)	(1,887,128.25)	(31,178.60)	(1,918,306.85)
Net Value		5,674,520.77	284,736.24	5,959,257.01	6,782,151.19	354,083.40	7,136,234.59
Total Furniture, Fixtures and Books		12,547,957.52	1,561,342.65	14,109,300.17	13,832,166.14	1,414,496.09	15,246,662.23
Leased Assets							
Leased Assets - Machinery and Equipment	10608030-00	4,128,961.32	0.00	4,128,961.32	4,128,961.32	0.00	4,128,961.32
Accumulated Depreciation - Leased Assets - Machinery and Equipment	10608031-00	(1,507,070.88)	0.00	(1,507,070.88)	(1,135,464.36)	0.00	(1,135,464.36)
Net Value		2,621,890.44	0.00	2,621,890.44	2,993,496.96	0.00	2,993,496.96
Total Leased Assets		2,621,890.44	0.00	2,621,890.44	2,993,496.96	0.00	2,993,496.96
Other Property, Plant and Equipment							
Other Property, Plant and Equipment	10699990-00	5,321,628.50	34,500.00	5,356,128.50	5,143,036.50	34,500.00	5,177,536.50
Accumulated Depreciation - Other PPE	10699991-00	(5,115,512.77)	(20,010.00)	(5,135,522.77)	(5,115,512.77)	(13,800.00)	(5,129,312.77)
Net Value		206,115.73	14,490.00	220,605.73	27,523.73	20,700.00	48,223.73
Total Other Property, Plant and Equipment		206,115.73	14,490.00	220,605.73	27,523.73	20,700.00	48,223.73
Construction in Progress - Buildings and Other Structures							
Construction in Progress - Buildings and Other Structures	10699030-00	117,144,067.07	20,813,939.55	137,958,006.62	70,259,512.85	7,670,628.15	77,930,141.00
Total Total Property, Plant and Equipment		351,166,979.69	62,576,790.28	413,743,769.97	317,420,941.61	45,536,826.26	362,957,767.87

Other Non-Current Assets							
Other Non-Current Assets	19999990-00	325,300.00	10,800.00	336,100.00	325,300.00	10,800.00	336,100.00
Total Other Non-Current Assets		325,300.00	10,800.00	336,100.00	325,300.00	10,800.00	336,100.00
Total Non-Current Assets		351,492,279.69	62,587,590.28	414,079,869.97	317,746,241.61	45,547,626.26	363,293,867.87
Total ASSETS		404,795,964.95	134,910,682.89	539,706,647.84	393,616,155.69	122,503,766.46	516,119,922.15
LIABILITIES AND GOVERNMENT EQUITY							
LIABILITIES							
Payables							
Accounts Payable	20101010-00	4,019,304.65	0.00	4,019,304.65	4,019,304.65	0.00	4,019,304.65
Total Payables		4,019,304.65	0.00	4,019,304.65	4,019,304.65	0.00	4,019,304.65
Inter-Agency Payables							
Due to BIR	20201010-00	37,035.93	50,552.53	87,588.46	22,890.13	50,552.53	73,442.66
Due to GSIS	20201020-00	550,541.45	0.00	550,541.45	139,913.29	0.00	139,913.29
Due to Pag-Ibig	20201030-00	152,904.72	0.00	152,904.72	29,710.01	0.00	29,710.01
Due to PhilHealth	20201040-00	696,499.83	0.00	696,499.83	920,919.66	0.00	920,919.66
Due to NGAs	20201050-00	123,743.61	20,176,815.89	20,300,559.50	123,743.60	20,057,566.89	20,181,310.49
Total Inter-Agency Payables		1,560,725.54	20,227,368.42	21,788,093.96	1,237,176.69	20,108,119.42	21,345,296.11
Other Deferred Credits	20501990-00	0.00	737,521.85	737,521.85	0.00	737,521.85	737,521.85
Other Payables	29999990-00	3,880,682.24	19,165.59	3,899,847.83	3,651,431.00	19,522.85	3,670,953.85
Total Liabilities		9,460,712.43	20,984,055.86	30,444,768.29	8,907,912.34	20,865,164.12	29,773,076.46
GOVERNMENT EQUITY							
Balance at January 1		384,708,243.35	101,638,602.34	486,346,845.69	389,962,160.32	74,678,376.24	464,640,536.56
Add/(Deduct):							
Change in Accounting Policy		0.00	0.00	0.00	0.00	0.00	0.00
Prior Period Errors		0.00	0.00	0.00	(29,879,026.93)	37,978,076.16	8,099,049.23
Other Adjustments		0.00	0.00	0.00	0.00	0.00	0.00
Restated Balance	30101030-00	384,708,243.35	101,638,602.34	486,346,845.69	360,083,133.39	112,656,452.40	472,739,585.79
Changes in Net Assets/Equity for the Calendar Year							
Surplus/(Deficit) for the period	30101010-00	10,631,061.49	12,288,024.69	22,919,086.18	24,625,109.96	2,279,233.27	26,904,343.23
Adjustment of net revenue recognized directly in net asset/equity		0.00	0.00	0.00	0.00	0.00	0.00
NCA Reversal		(4,052.32)	0.00	(4,052.32)	0.00	(13,297,083.33)	(13,297,083.33)
Others		0.00	0.00	0.00	0.00	0.00	0.00
Balance at December 31		395,335,252.52	113,926,627.03	509,261,879.55	384,708,243.35	101,638,602.34	486,346,845.69
Total Liabilities and Equity		404,795,964.95	134,910,682.89	539,706,647.84	393,616,155.69	122,503,766.46	516,119,922.15

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY							
STATEMENT OF FINANCIAL PERFORMANCE							
As at December 31, 2019							
Detailed							
(By Funds)							
		2019			2018		
		Fund 01	Fund 05	TOTAL	Fund 01	Fund 05	TOTAL
INCOME							
Service Income							
Permit Fees	40201010-00	0.00	21,166.00	21,166.00	0.00	28,570.00	28,570.00
Registration Fees	40201020-00	0.00	383,100.00	383,100.00	0.00	2,130.00	2,130.00
Clearance and Certification Fee	40201040-00	0.00	38,990.00	38,990.00	0.00	87,010.00	87,010.00
Total Service Income		0.00	443,256.00	443,256.00	0.00	117,710.00	117,710.00
Business Income							
Tuition Fees	40202010-00	0.00	1,443,562.00	1,443,562.00	0.00	5,006,032.30	5,006,032.30
Examination Fees	40202030-00	0.00	0.00	0.00	0.00	593,308.00	593,308.00
Income Collected from Students	40202010-00	0.00	0.00	0.00	0.00	0.00	0.00
Other School Fees	40202010-00	0.00	4,878,478.59	4,878,478.59	0.00	4,387,644.29	4,387,644.29
Rent/Lease Income	40202130-00	0.00	1,080,513.44	1,080,513.44	0.00	1,322,296.00	1,322,296.00
Other Business Income	40202990-00	0.00	10,000.00	10,000.00	0.00	30,000.00	30,000.00
Total Business Income		0.00	7,412,554.03	7,412,554.03	0.00	11,339,280.59	11,339,280.59
Total Service and Business Income		-	7,855,810.03	7,855,810.03	0.00	11,456,990.59	11,456,990.59
Shares, Grants and Donations							
Income from Grants and Donations in Cash	40402010-00	0.00	5,500,000.00	5,500,000.00	0.00	0.00	0.00
Total Shares, Grants and Donations		0.00	5,500,000.00	5,500,000.00	0.00	0.00	0.00
TOTAL REVENUE		-	13,355,810.03	13,355,810.03	0.00	11,456,990.59	11,456,990.59
LESS: EXPENSES							
PERSONNEL SERVICES							
Salaries and Wages							
Salaries and Wages - Regular	50101010-00	246,319,855.23	9,000.00	246,328,855.23	252,507,565.46	72262	252,579,827.46
Salaries and Wages - Casual/Contractual	50101020-00	68,993,107.48	308,000.00	69,301,107.48	71,021,158.49	284,338.80	71,305,497.29
Total Salaries and Wages		315,312,962.71	317,000.00	315,629,962.71	323,528,723.95	356,600.80	323,885,324.75
Other Compensation							
Personal Economic Relief Allowance	50102010-00	17,854,000.00	0.00	17,854,000.00	19,228,126.11	35,000.00	19,263,126.11
Representation Allowance (RA)	50102020-00	2,923,696.94	0.00	2,923,696.94	3,285,919.10	0.00	3,285,919.10
Transportation Allowance (TA)	50102030-00	3,199,196.94	0.00	3,199,196.94	3,444,580.00	0.00	3,444,580.00
Clothing/Uniform Allowance	50102040-00	4,692,000.00	0.00	4,692,000.00	4,950,000.00	0.00	4,950,000.00
Subsistence Allowance	50102050-00	0.00	0.00	-	0.00	0.00	0.00
Laundry Allowance - Public Health Workers	50102060-00	105,100.45	0.00	105,100.45	110,212.07	0.00	110,212.07
Honoraria	50102100-00	6,080,687.44	704,800.02	6,785,487.46	5,817,984.56	316,928.76	6,134,913.32

Overtime And Night Pay	50102130-00	1,689,938.09	231,390.53	1,921,328.62	1,112,379.80	199,300.30	1,311,680.10
Year-end Bonus	50102140-00	46,711,141.55	0.00	46,711,141.55	41,021,336.10	0.00	41,021,336.10
Cash Gift	50102150-00	4,320,500.00	0.00	4,320,500.00	3,923,500.00	0.00	3,923,500.00
Productivity Enhancement Incentive - Civilian	50102080-00	3,690,000.00	0.00	3,690,000.00	4,085,500.00	0.00	4,085,500.00
Other Bonuses and Allowances	50102990-00	10,023,000.00	0.00	10,023,000.00	9,990,000.00	0.00	9,990,000.00
Total Other Compensation		101,289,261.41	936,190.55	102,225,451.96	96,969,537.74	551,229.06	97,520,766.80
Personnel Benefit Contribution							
Retirement and Life Insurance Premium	50103010-00	41,032,933.20	0.00	41,032,933.20	36,788,000.00	0.00	36,788,000.00
Pag-Ibig Contributions	50103020-00	1,056,000.00	0.00	1,056,000.00	1,056,000.00	0.00	1,056,000.00
PhilHealth Contributions	50103030-00	3,630,000.00	0.00	3,630,000.00	2,736,000.00	0.00	2,736,000.00
Employment Compensation Insurance Premium	50103040-00	1,055,917.36	0.00	1,055,917.36	1,056,000.00	0.00	1,056,000.00
Total Personnel Benefit Contributions		46,774,850.56	0.00	46,774,850.56	41,636,000.00	0.00	41,636,000.00
Other Personnel Benefits							
Terminal Leave Benefits	50104030-00	44,806,873.21	0.00	44,806,873.21	43,705,144.79	0.00	43,705,144.79
Other Personnel Benefits	50104990-00		0.00	-	0.00	0.00	
Total Other Personnel Benefits		44,806,873.21	0.00	44,806,873.21	43,705,144.79	0.00	43,705,144.79
Total Personnel Services		508,183,947.89	1,253,190.55	509,437,138.44	505,839,406.48	907,829.86	506,747,236.34
MAINTENANCE AND OPERATING EXPENSES							
Traveling Expenses							
Traveling Expenses - Local	50201010-00	11,826,739.46	111,803.84	11,938,543.30	10,964,652.59	2,171,770.24	13,136,422.83
Traveling Expenses - Foreign	50201020-00	3,298,165.16	433,138.80	3,731,303.96	2,581,776.18	0.00	2,581,776.18
Total Traveling Expenses		15,124,904.62	544,942.64	15,669,847.26	13,546,428.77	2,171,770.24	15,718,199.01
Training and Scholarship Expenses							
Training Expenses	50202010-00	344,400.00	-	344,400.00	814,298.99	251,100.00	1,065,398.99
Scholarship Grants/Expenses	50202020-00	13,605,470.37	5,800,029.29	19,405,499.66	13,575,854.20	1,883,340.00	15,459,194.20
Total Training and Scholarship Expenses		13,949,870.37	5,800,029.29	19,749,899.66	14,390,153.19	2,134,440.00	16,524,593.19
Supplies and Materials Expenses							
Office Supplies Expenses	50203010-00	3,581,059.13	2,174,694.00	5,755,753.13	3,239,410.05	14,432.00	3,253,842.05
Accountable Forms, Plates and Stickers Expenses	50203020-00	27,600.00		27,600.00	0.00	0.00	
Food Supplies Expenses	50203050-00	854,510.29	490,996.63	1,345,506.92	2,107,109.44	44,885.00	2,151,994.44
Drugs and Medicine Expenses	50203070-00	74,661.00	0.00	74,661.00	79,216.00	0.00	79,216.00
Fuel, Oil and Lubricants Expenses	50203090-00	553,923.11	0.00	553,923.11	652,739.49	0.00	652,739.49
Agricultural and Marine Supplies Expenses	50203100-00	-	0.00	-	28,785.00	0.00	28,785.00
Textbooks and Instructional Materials Expenses	50203110-00	2,147,725.00		2,147,725.00	2,079,624.01	0.00	2,079,624.01
Semi-expendible - Machinery and Equipment Expenses	50203210-00	845,971.25	-	845,971.25	82,938.00	4,960.00	87,898.00
Semi-expendible - ICT Equipment		240,179.00		240,179.00	0.00	0.00	
Semi-expendible - Furniture and Fixtures		238,840.00		238,840.00	0.00	0.00	
Other Supplies and Materials Expenses	50203990-00	2,053,931.45	408,836.60	2,462,768.05	3,609,771.22	87,818.80	3,697,590.02
Total Supplies and Materials Expenses		10,618,400.23	3,074,527.23	13,692,927.46	11,879,593.21	152,095.80	12,031,689.01

Utility Expenses							
Water Expenses	50204010-00	4,634,493.24	195.00	4,634,688.24	1,993,658.12	0.00	1,993,658.12
Electricity Expenses	50204020-00	6,670,617.20	0.00	6,670,617.20	5,677,023.43	0.00	5,677,023.43
Gas/Heating Expenses	50204030-00	1,053,923.11	6,745.00	1,060,668.11	2,225.00	0.00	2,225.00
Total Utility Expenses		12,359,033.55	6,940.00	12,365,973.55	7,672,906.55	0.00	7,672,906.55
Communication Expenses							
Postage and Courier Expenses	50205010-00	80,243.14	0.00	80,243.14	15,215.62	87,696.00	102,911.62
Telephone Expenses - Mobile	50205020-00	434,518.66	0.00	434,518.66	216,316.09	1,910.00	218,226.09
Internet Subscription Expenses	50205030-00	222,164.60	0.00	222,164.60	206,812.42	175,392.00	382,204.42
Cable, Satellite, Telegraph and Radio Expenses	50205040-00	1,500.00	0.00	1,500.00	1,000.00	0.00	1,000.00
Total Communication Expenses		738,426.40	0.00	738,426.40	439,344.13	264,998.00	704,342.13
Awards/Rewards and Prizes							
Rewards and Incentives	50206010-00	1,654,315.00	0.00	1,654,315.00	273,995.00	0.00	273,995.00
Indemnities	50206030-00	0.00	0.00	-	0.00	0.00	0.00
Total Awards/Rewards and Prizes		1,654,315.00	0.00	1,654,315.00	273,995.00	0.00	273,995.00
Survey, Research, Exploration and Development Expenses							
Demolition and Relocation Expenses	50208010-00	1,113,650.00	0.00	1,113,650.00	0.00	0.00	0.00
Total Survey, Research, Exploration and Development Expenses		1,113,650.00	0.00	1,113,650.00	0.00	0.00	0.00
Confidential, Intelligence and Extraordinary Expenses							
Extraordinary and Miscellaneous Expenses	50210030-00	1,698,981.89	0.00	1,698,981.89	650,458.38	11,000.00	661,458.38
Total Confidential, Intelligence and Extraordinary Expenses		1,698,981.89	0.00	1,698,981.89	650,458.38	11,000.00	661,458.38
Professional Fees							
Legal Services	50211010-00	0.00	0.00	0.00	2,600.00	27,019.50	29,619.50
Consultancy Services	50211030-00	0.00	0.00	0.00	35,000.00	0.00	35,000.00
Other Professional Services	50211990-00	1,103,950.00	173,579.00	1,277,529.00	168,944.16	30,000.00	198,944.16
Total Professional Services		1,103,950.00	173,579.00	1,277,529.00	206,544.16	57,019.50	263,563.66
General Services							
Environment/Sanitary Services	50212010-00	15,000.00	72,000.00	87,000.00	31,000.00	30,000.00	61,000.00
Security Services	50212030-00	-	0.00	-	0.00	0.00	0.00
Other General Services	50212990-00	-	301,300.00	301,300.00	409,290.00	0.00	409,290.00
Total General Services		15,000.00	373,300.00	388,300.00	440,290.00	30,000.00	470,290.00
Repairs and Maintenance							
Repairs and Maintenance - School Buildings	50213040-00	321,306.77	4,087.00	325,393.77	1,544,984.51	0.00	1,544,984.51
Repairs and Maintenance - Other Structures	50213040-00	175,981.45	1,079,958.08	1,255,939.53	771,658.62	0.00	771,658.62
Repairs and Maintenance - Machinery	50213050-00	0.00	0.00	-	0.00	0.00	0.00
Repairs and Maintenance - Office Equipment	50213050-00	195,566.77	0.00	195,566.77	56,700.00	0.00	56,700.00
Repairs and Maintenance - ICT Equipment	50213050-00	198,895.01	0.00	198,895.01	0.00	0.00	0.00
Repairs and Maintenance - Motor Vehicles	50213060-00	768,480.00	0.00	768,480.00	161,376.52	0.00	161,376.52
Repairs and Maintenance - Watercrafts	50213060-00	0.00	0.00	-	0.00	0.00	0.00
Repairs & Maintenance- Furniture & Fixtures	50213070-00	-	0.00	-	12,600.00	0.00	12,600.00
Repairs and Maintenance - Other PPE	50213990-00	0.00	0.00	-	0.00	0.00	0.00
Total Repairs and Maintenance		1,660,230.00	1,084,045.08	2,744,275.08	2,547,319.65	0.00	2,547,319.65
Taxes, Insurance, Premiums and Other Fees							
Taxes, Duties and Licenses	50215010-00	-	0.00	-	15,978.20	0.00	15,978.20
Fidelity Bond Premium	50215020-00	101,507.25	0.00	101,507.25	135,000.00	0.00	135,000.00
Insurance Expenses	50215030-00	0.00	0.00	-	0.00	0.00	0.00
Total Taxes, Insurance Premiums and Other Fees		101,507.25	0.00	101,507.25	150,978.20	0.00	150,978.20

Other Maintenance and Operating Expenses							
Advertising Expenses	50299010-00	0.00	0.00	0.00	0.00	7,500.00	7,500.00
Printing and Publication Expenses	50299020-00	756,001.00	0.00	756,001.00	178,780.00	0.00	178,780.00
Representation Expenses	50299030-00	788,896.00	0.00	788,896.00	0.00	0.00	
Transportation and Delivery Expenses	50299040-00	442,602.04	9,440.00	452,042.04	452,341.04	266,590.00	718,931.04
Rents - Buildings and Structures	50299050-00	294,051.95	0.00	294,051.95	236,894.42	0.00	236,894.42
Membership Dues and Contributions to Organizations	50299060-00	149,500.00	161,200.00	310,700.00	24,000.00	43,800.00	67,800.00
Subscription Expenses	50299070-00	287,226.76	0.00	287,226.76	224,521.05	0.00	224,521.05
Website Maintenance	50299990-00	-	0.00	-	7,630.00	0.00	7,630.00
Other Maintenance and Operating Expenses	50299990-00	6,976,477.74	143,489.00	7,119,966.74	5,761,111.58	194,894.50	5,956,006.08
Total Other Maintenance and Other Operating Expenses		9,694,755.49	314,129.00	10,008,884.49	6,885,278.09	512,784.50	7,398,062.59
Total Maintenance and Operating Expenses		69,833,024.80	11,371,492.24	81,204,517.04	59,083,289.33	5,334,108.04	64,417,397.37
FINANCIAL EXPENSES							
Interest Paid to Other Government Units	50301020-00	0.00	0.00	0.00	1,781.43	0.00	1,781.43
Bank Charges	50301040-00	0.00	0.00	0.00	15,150.00	13,800.00	28,950.00
Other Financial Charges	50301990-00	0.00	2,869.50	2,869.50	0.00	0.00	0.00
Total Financial Expenses		0.00	2,869.50	2,869.50	16,931.43	13,800.00	30,731.43
NON-CASH EXPENSES							
Depreciation							
Depreciation - Power Supply System		129,539.59	0.00	129,539.59	0.00	0.00	0.00
Depreciation - School Buildings	50501040-00	7,720,482.43	662,800.46	8,383,282.89	7,087,132.70	613,704.13	7,700,836.83
Depreciation - Other Structures	50501040-00	209,800.15	135,324.48	345,124.63	174,833.45	112,770.40	287,603.85
Depreciation - Machinery	50501050-00	102,384.68	543,949.81	646,334.49	113,760.75	604,388.68	718,149.43
Depreciation - Office Equipment	50501050-00	3,425,044.78	1,070,525.46	4,495,570.24	3,111,160.48	901,808.63	4,012,969.11
Depreciation - ICT Equipment	50501050-00	5,291,167.05	1,413,668.10	6,704,835.15	3,399,159.65	337,942.28	3,737,101.93
Depreciation - Marine and Fishery Equipment	50501050-00	732,231.18	189,865.00	922,096.18	317,990.08	54,311.09	372,301.17
Depreciation - Communication Equipment	50501050-00	64,155.79	-	64,155.79	35,642.13	0.00	35,642.13
Depreciation - Military, Police and Security Equipment	50501050-00	-	-	-	0.00	0.00	0.00
Depreciation - Medical Equipment	50501050-00	60,023.70	-	60,023.70	33,346.50	0.00	33,346.50
Depreciation - Sports Equipment	50501050-00	253,470.42	63,855.09	317,325.51	140,816.90	16,639.93	157,456.83
Depreciation - Technical and Scientific Equipment	50501050-00	6,033,219.07	47,115.00	6,080,334.07	3,158,603.24		3,158,603.24
Depreciation - Other Machinery and Equipment	50501050-00	718,831.65	10,590.30	729,421.95	397,338.66	5,883.50	403,222.16
Depreciation - Motor Vehicles	50501060-00	1,057,155.16	412,878.15	1,470,033.31	1,672,831.79	120,719.29	1,793,551.08
Depreciation - Watercrafts	50501060-00	-	-	-	571,474.19	0.00	571,474.19
Depreciation - Other Transportation Equipment	50501060-00	-	-	-	52,241.90	0.00	52,241.90
Depreciation - Furniture and Fixtures	50501070-00	1,359,573.20	140,963.28	1,500,536.48	1,349,334.34	120,539.09	1,469,873.43
Depreciation - Books	50501070-00	1,581,855.42	69,347.16	1,651,202.58	1,732,840.84	26,412.40	1,759,253.24
Depreciation - Leased Machinery and Equipment	50501080-00	371,606.52	-	371,606.52	1,079,683.99	0.00	1,079,683.99
Depreciation - Other Property, Plant and Equipment	50501990-00	-	6,210.00	6,210.00	473,804.24	6,900.00	480,704.24
Total Depreciation Expenses		29,110,540.79	4,767,092.29	33,877,633.08	24,901,995.83	2,922,019.42	27,824,015.25

Impairment							
Impairment loss-Inventories		11,750,907.91	0.00	11,750,907.91	0.00	0.00	0.00
		11,750,907.91	0.00	11,750,907.91	0.00	0.00	0.00
Total Non-cash Expenses		40,861,448.70	4,767,092.29	45,628,540.99	24,901,995.83	2,922,019.42	27,824,015.25
CURRENT OPERATING EXPENSES		618,878,421.39	17,394,644.58	636,273,065.97	589,841,623.07	9,177,757.32	599,019,380.39
Deficit from Current Operations		(618,878,421.39)	(4,038,834.55)	(622,917,255.94)	(589,841,623.07)	2,279,233.27	(587,562,389.80)
Financial Assistance/Subsidy							
Financial Assistance/Subsidy from NGAs, LGUs, GOCCs			17,501,570.00	17,501,570.00			
Subsidy from National Government	40301010-00	632,314,101.25	-	632,314,101.25	618,288,000.00	0.00	618,288,000.00
Subsidy to NGAs			1,134,500.00	1,134,500.00			
Subsidies - Others	50214990-00	2,804,618.37	40,210.76	2,844,829.13	3,821,266.97	0.00	3,821,266.97
Total Financial Assistance/Subsidy to NGAs, LGUs, GOCCs		2,804,618.37	1,174,710.76	3,979,329.13	3,821,266.97	-	3,821,266.97
Total Net Financial Assistance and Subsidy		629,509,482.88	16,326,859.24	645,836,342.12	614,466,733.03	0.00	614,466,733.03
SURPLUS FOR THE PERIOD		10,631,061.49	12,288,024.69	22,919,086.18	24,625,109.96	2,279,233.27	26,904,343.23

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY						
STATEMENT OF CASH FLOWS (By Fund)						
For the Year ended December 31, 2019						
Detailed						
(All Funds)						
	2019			2018		
	Fund 01	Fund 05	TOTAL	Fund 01	Fund 05	TOTAL
Cash Flows from Operating Activities:						
Cash Inflows:						
Receipt of NCA	632,314,101.25	0.00	632,314,101.25	618,288,000.00	0.00	618,288,000.00
Collection of Income/Revenues	0.00	13,355,810.03	13,355,810.03	0.00	11,456,990.59	11,456,990.59
Receipt of Assistance and Subsidy from Other NGA	0.00	17,501,570.00	17,501,570.00	0.00	0.00	0.00
Other Adjustments	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Inflows	632,314,101.25	30,857,380.03	663,171,481.28	618,288,000.00	11,456,990.59	629,744,990.59
Cash Outflows:						
Payment of personnel services	461,409,097.33	1,253,190.55	462,662,287.88	464,203,406.48	907,829.86	465,111,236.34
Payment of maintenance and other operating expenses	69,833,024.80	9,196,798.24	79,029,823.04	59,083,289.33	5,334,108.04	64,417,397.37
Payment of financial expenses	0.00	2,869.50	2,869.50	16,931.43	13,800.00	30,731.43
Cash payment of payables incurred in operations	0.00	0.00	0.00	0.00	0.00	0.00
Cash purchase of inventories	7,603,903.65	0.00	7,603,903.65	1,583,205.19	2,257,967.93	3,841,173.12
Remittance of GSIS/PAG-IBIG/PHILHEALTH Payable	46,774,850.56	0.00	46,774,850.56	41,636,000.00	0.00	41,636,000.00
Grant of Cash Advances	0.00	0.00	0.00	0.00	0.00	0.00
Reversion of Unused NCA	4,052.32	0.00	4,052.32	0.00	13,297,083.33	13,297,083.33
Release of funds as interagency transfer	2,804,618.37	1,174,710.76	3,979,329.13	3,821,266.97	0.00	3,821,266.97
Total Cash Outflows:	588,429,547.03	11,627,569.05	600,057,116.08	570,344,099.40	21,810,789.16	592,154,888.56
Cash Provided by operating Activities	43,884,554.22	19,229,810.98	63,114,365.20	47,943,900.60	(10,353,798.57)	37,590,102.03
Cash Flows from Investing Activities:						
Cash Inflows:	0.00	0.00	0.00	0.00	0.00	0.00
Cash Outflows:						
Purchase/Construction of PPE	43,884,554.22	21,631,977.71	65,516,531.93	47,943,900.60	12,701,625.36	60,645,525.96
Total Cash Outflows	43,884,554.22	21,631,977.71	65,516,531.93	47,943,900.60	12,701,625.36	60,645,525.96
Cash Provided by Investing Activities	(43,884,554.22)	(21,631,977.71)	(65,516,531.93)	(47,943,900.60)	(12,701,625.36)	(60,645,525.96)
Cash Flows from Financing Activities:						
Cash Inflows:	0.00	0.00	0.00	0.00	0.00	0.00
Cash Outflows:	0.00	0.00	0.00	0.00	0.00	0.00
Cash Provided by Financing Activities	0.00	0.00	0.00	0.00	0.00	0.00
Increase (Decrease) in Cash and Cash Equivalent	0.00	(2,402,166.73)	(2,402,166.73)	(0.00)	(23,055,423.93)	(23,055,423.93)
Effects of Exchange Rates Changes on Cash and Cash Equivalents	0.00	0.00	0.00	0.00	0.00	0.00
Add: Beginning Balance, January 1	20,000.00	61,866,491.73	61,886,491.73	20,000.00	84,921,915.66	84,941,915.66
Cash End, December 31	20,000.00	59,464,325.00	59,484,325.00	20,000.00	61,866,491.73	61,886,491.73

[illegible]

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEANOGRAPHY						
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS						
For the Year ended December 31, 2019						
Detailed						
(Fund 01)						
Particulars		Budgeted Amounts		Actual Amount on Comparable Basis	Difference Final Budget and Actual Amounts	
		Original	Final			
	Notes					
RECEIPTS						
	Tax Revenue					
	Service and Business Income		0.00	0.00		0.00
	Assistance and Subsidy		0.00	0.00		0.00
	Share, Grants and Donation		0.00	0.00		0.00
	Gains		0.00	0.00		0.00
	Others		534,461,000.00	632,314,101.25		97,853,101.25
	Total Receipts		534,461,000.00	632,314,101.25		97,853,101.25
PAYMENTS						
	Personal Services		508,618,000.00	508,183,947.89		(434,052.11)
	Maintenance and Other Operating Expenses		59,876,000.00	69,833,024.80		9,957,024.80
	Capital Outlay		39,961,003.49	51,488,457.87		11,527,454.38
	Financial Expenses			0.00		-
	Others			2,804,618.37		2,804,618.37
	Total Payments		608,455,003.49	632,310,048.93		23,855,045.44
NET RECEIPTS/PAYMENTS			(73,994,003.49)	4,052.32		73,998,055.81

MINDANAO STATE UNIVERSITY-TAWI-TAWI COLLEGE OF TECHNOLOGY AND OCEONOGRAPHY						
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS						
For the Year ended December 31, 2019						
Detailed						
(Fund 05)						
Particulars			Budgeted Amounts		Actual Amount on Comparable Basis	Difference Final Budget and
			Original	Final		
		Notes				
RECEIPTS						
	Tax Revenue					
	Service and Business Income			6,000,000.00	7,855,810.03	1,855,810.03
	Assistance and Subsidy			7,740,000.00	17,501,570.00	9,761,570.00
	Share, Grants and Donation			300,000.00	5,500,000.00	5,200,000.00
	Gains			0.00	0.00	0.00
	Others			0.00	0.00	0.00
	Total Receipts			14,040,000.00	30,857,380.03	16,817,380.03
PAYMENTS						
	Personal Services			1,045,000.00	1,253,190.55	208,190.55
	Maintenance and Other Operating Expenses			6,140,000.00	9,196,798.24	3,056,798.24
	Capital Outlay			15,500,000.00	21,631,977.71	6,131,977.71
	Financial Expenses				2,869.50	2,869.50
	Others				1,174,710.76	1,174,710.76
	Total Payments			22,685,000.00	33,259,546.76	10,574,546.76
NET RECEIPTS/PAYMENTS				(8,645,000.00)	(2,402,166.73)	6,242,833.27