



Republic of the Philippines
SULTAN KUDARAT STATE UNIVERSITY
 EJC Montilla, Tacurong City



AGENCY ACTION PLAN and STATUS of IMPLEMENTATION
 Audit Observations and Recommendations
 For the Calendar Year 2016

Ref.	Audit Observation	Audit Recommendation	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Person/Dept Responsible	Target Implementation Date				
					From	To			
AAR 2015 (G)	The records of the Income Generating Projects (IGPS) OF SKSU – Lutayan Campus could not be reliably measured, assessed and evaluated as to its performance due to (a) anobserved laxity in the controls in the handling and dispositions of collections therefrom; (b) targets specified for each undertakings and/or projects were not thoroughly evaluated as to its attainability; and (c)	We recommended and Management agreed to: 1. Strengthen the internal control systems in the University by fully Institutionalizing the Internal Control Unit (ICU), or its equivalent. Draw a wider role and functionalities for this office in order to effect measures in the establishment of	Integrate this in the University Manual of operations and assign/hire additional personnel to assist the only person doing the review/preaudit of Disbursement Vouchers, etc.	ICU, Committee working on the Manual of Operations, Finance Division	June 2017	December 2017	Partial		Take this up with the Administrative Council.

<p>Absence of mechanism/s to verify on the records on a timely and/or regular basis as a means of ensuring its accuracy, reliability and veracity, thereby recuding the supposed reliance and value of such records and further depriving the University of the holistic view of how has it performed in the implementation of its various IGPs, in contravention of Sections 123 and 124, Chapter 4 of P.D. 1445.</p>	<p>controls.</p> <p>2. Direct the personnel concerned and/or those discharged with collecting functions to regularly and timely cause the remittances of funds and/or collections emphasizing zero tolerance in the unauthorized use of funds.</p> <p>3. Coordinate with the Finance personnel of the University on the possibilities of opening a bank account in close proximity to the said campus such that instead of causing the remittance of collections at the University Cashier, they could have it conveniently deposited in the bank, thereby reducing the risk of loss and/or unauthorized use thereof; and</p>	<p>Directed and called up the attention of the collecting officer to remit all collections on time .</p> <p>Open bank account in Koronadal City being near to Lutayan Campus.</p> <p>Secure Board Resolution to effect this plan.</p>	<p>IGPs Coordinator s, ABRGO, Resource Generation Division.</p>	<p>June 2017</p>	<p>December 2017</p>	<p>Partially implemented.</p> <p>23 MOA with farmer cooperators were submitted.</p> <p>Lease Contracts of the occupants in the Business Center were reviewed and soon to be signed by SKSU and Lessees.</p> <p>Collections of rent and receivables on rent were updated.</p>		<p>Convene all concerned personnel as soon as possible and discuss and agree the implementation of all recommendations.</p>
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	<p>3. Direct the ABRGO in close coordination with the concerned and respective offices to thoroughly revisit and initiate a study, evaluation and scrutiny of the pre-established targets of the various IGPs. Consider all factors in the determination of the targets and should an issue on the attainability of these target surfaces, define and re-establish them carefully such that performances should there be evaluations in the future be reflective of what really have far and relevant to the transactions.</p>	<p>Gather data and consolidate reports of different IGPs.</p> <p>Review existing contracts and targets set.</p>						
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<p>AOM No. 2016-011</p>	<p>Construction of the Entrance Gate Academic Building (Technology Incubation Enterprise Development Center Building) – Phase I located at SKSU – ACCESS Campus, EJC Montilla, Tacurong City amounting to ₱ 11,990,513.00 have remained idle as at June 2016, the value of which could have deteriorated through time despite non-use, thus failing to take full advantage of the rewards and benefits that it brings and further defeats the very purpose it intends to deliver contrary to the best value for money model ascribed for by the government in ensuring economy, efficiency and effectiveness in its undertakings.</p>	<p>➤ Instigate the evaluation of the undertaking/project, come up with measures in the identification of the cause of the delay and whenever warranted draw plans in the immediate completion of the same such that full use of the property be maximized thereby ensuring as always the best value for money; and</p> <p>Revisit the recommendations provided for under AOM No. 2014-007 dated November 5, 2014 and consider the full compliance thereof.</p>	<p>Attention of the contractor will be called to complete the unfinished items of work of the said building in order for SKSU to accept it.</p> <p>The 10% retention shall be allocated/utilized for any repairs on the items of work that would be found defective within one year after the acceptance of the building.</p> <p>Will be required the contractor to submit 6 copies of plans, specification and application for building permit duly signed by the engineers.</p>	<p>Planning, Infrastructure & Finance Division</p>	<p>Jan. 2018</p>	<p>Dec. 2018</p>	<p>98.14% completed 1.86% not completed (electrical and mechanical works).</p> <p>Repairs of defective portion were already done. However, due to lack of roofing, there is still leakage during rainfall at the roof top.</p>	<p>Lack of electrical and building permit and roofing.</p>	<p>Workout for building permit.</p> <p>Repair of Entrance Gate Building will be done. It is now ready for posting at PhilGeps. Once the roofing is in place, the contractor agree to repair any defective works charge from 10% retention.</p> <p>The contractor submitted already six (6) copies of plans and specifications of the buildings.</p>
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AOM No. 2017-001	<p>Agency's long standing practice and inattention to existing government accounting rules and regulations resulted to the improperly valued, non-recognition and/or non-accrual of receivables and corresponding allowance for doubtful accounts in the agency's Trial Balance, thereby casting doubts on the agency's recorded receivable balance of P9,372,471.42 as at June 30, 2016. Herein gesture understates the receivable account by Php. 16,848,696.91 or 64.26% of the extracted actual total receivables of Php. 26,221,168.3. Futher, the non-updating and absence of periodic assessment of the allowance for doubtful accounts also understates the expense account and overstates the government equity, contrary to Sections 9 and 10, Chapter 5 and respectively of the Government Accounting Manual (GAM) and paragraphs 19 and 24 of</p>	<ol style="list-style-type: none"> 1. Revisit the existing policies presently adhered to by the University and take note of the deviations and carefully plan it out on how to fully comply with GMA and PPSAS requirements regarding proper valuation and recognition of revenue and other receipts and related expense accounts; 2. Strictly comply with the preparation of a complete and updated Subsidiary Ledgers, Schedule of Ageing of Accounts Receivables and other related documents; and 3. Draw the 	<p>An orientation on the preparation and submission of reports on expected income, ageing of receivables, and other related documents will be conducted.</p>	<p>Accounting Division, IT personnel, Campus Collecting Officers</p>	<p>March 16, 2017</p>	<p>March 31, 2017</p>	<p>Orientation was conducted and was participated by Accounting Division, IT personnel, Campus Collecting Officers.</p> <p>Accounts Receivable Balance as of December 31, 2016 for ACCESS, Isulan, and Tacurong Campus were already established. Also Accounts Receivable of the same campuses for the First Semester of School Year 2017-18.</p>	<p>Delay was due to voluminous transactions and updating of the computerized students records.</p>	<p>Constantly monitor and remind Campus Collecting Officers thru memorandum the submission of reports on time.</p> <p>There is already an approved budget and procurement of a University Management Information System which includes Financial Information System and Student Information System.</p>
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	the Philippine Public Sector Accounting Standards (PPSAS) No. 9.	necessary adjusting entries to bring the income, receivable and related expense accounts to its correct amount in compliance with the rules and regulations							
AOM No. 2017-002	Some of the University's inadequately prepared building plans did not properly account for the need to provide a barrier-free environment and architectural facilities or structural features that are supposed to reasonably enhance the mobility of Senior Citizen and Differently-abled persons such as sidewalks, ramps, railings and the like. Further, immediate plans to renovate or repair already erected structures to comply with such requirements were not also presented, thereby	<p>➤ We recommend that Management ensure that the constructed buildings and facilities and those that are yet to be constructed in all of its campuses provide with it the necessary standard architectural facilities or structural features for Persons with Disability and Senior Citizens.</p> <p>➤ It is further recommended to continuously revisit the underlying laws regarding the matter</p>	Standard Architectural facilities or structural features for PWDs and Senior Citizens will be incorporated in the new and ongoing constructions. Ramps in the Administration building is	Planning, Infrastructure & Finance Division	Jan. 2018	Dec. 2018	Five (5) out six (6) new and ongoing construction had already the standard architectural facilities for PWDs and Senior Citizens The remaining one (1) will be incorporated in the 2 nd phase. For inclusion in the APP for 2018.	Design for the said facilities is scheduled for the 2 nd phase of CTE Academic Building for 2018.	For implementation upon approval.

<p>depriving the intended beneficiaries and users thereof of the comfort and convenience they should have, provide them the ease & make them feel that they are part of the society and never think less of themselves. The non-adherence to aforementioned requisites clearly disregards the provision of Section 36 of the General Provisions of the General Appropriations Act (GAA) of 2016 otherwise known as Republic act No. 10717, Section 1 of Batas Pambansa (BP) Bilang 344 and Section 4(a) of Republic Act No. 7277 or the Magna Carta for Disabled Persons.</p>	<p>and be able to be kept abreast of recent changes or trends, if any, additional , draw plans on how you are to propose the compliance of said requirements on the already erected structures as soon as possible. It is to be noted that the plan/s should provide with it details for costs estimates for budget purposes.</p>	<p>recommended for replacement with an elevator.</p>					
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DM 17- 03	<p>Laxity and/or absence of measures to monitor disbursements resulted to the buildup of RER-supported reimbursements of the designated campus collecting officer which pertains to various harvesting activities and/or transactions, totaling to Php. 132,125.00 or 54% of the total costs of the Palm Oil Tree Project for the periods January to August, 2016. Herein practice is rather weak than practical as it places collections susceptible to unauthorized use and a circumvention of the normally-prescribed procurement procedures and may deprive the government of the advantageous prices had it gone through the usual process, in contravention with various provisions of related laws, rules and regulations.</p>	<ol style="list-style-type: none"> 1. Avoid frequently resorting to reimbursements of expenses to ensure strict adherence to prescribed laws, rules, and regulations; 2. Closely monitor collections and remittances/deposits under the custody of Collecting Officers to curtail if not to avert susceptibility to misuse or misappropriation; and 3. Establish threshold on expenses to which RERs can be used as evidence of receipt of payment to avoid abuse or possibilities of fraud. 	<p>Meeting with IGPs in-charge after exit conference will be conducted for the measures to be taken up.</p>	<p>Accounting Division, Resource Generation, IGPs in-charge</p>	<p>March 1, 2017</p>	<p>March 15, 2017</p>	<p>Various meetings were conducted with IGP incharge in Lutayan.</p> <p>They commit to lessen the use of RERs and avoid resorting to reimbursement of expenses.</p>		
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COM No. 017-004	Inadequate monitoring and absence of clear key performance indicators to which status grants could be measured & evaluated against with, that resulted to the non-maximization of the objectives of the undertaking, thereby failing to account for the value it should have had it been timely assessed contrary to various provisions of the contractual agreement.	Direct the accounting personnel to track & prepare and provide readily available accurate, updated data for the fund releases pertaining to the study grants. Whenever warranted, maintain a separate ledger for each grantee and provide updates to the HRM/HRD Office for reference and synchronicity purposes.	List of grantees will be requested to the HRM Office. After which, all vouchers pertaining to the grantees will be recovered to update the accounts. Separate ledgers will also be made for each grantee to ensure close monitoring of the account.	Accounting Division, Human Resource Management Office	April 2017	May 2017	Reconstructed the allowance/ expenses granted to 3 scholars namely; Nancy Espacio, Rey Fuentebella, Leonardo Ibot. Still in the process of establishing the records of other grantees especially those prior to 2013.		Continue retrieve vouchers/ records of other scholars. Coordinate with the Human Resource Management on the monitoring of the scholars.
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ROLANDO F. HECHANOVA, Ph.d.
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