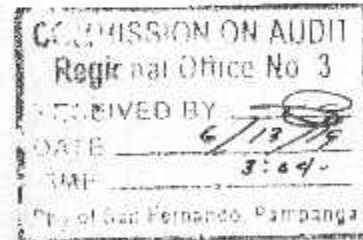




Republic of the Philippines  
**DON HONORIO VENTURA STATE UNIVERSITY**  
Villa de Bacolor, Pampanga  
**OFFICE OF THE UNIVERSITY PRESIDENT**

June 10, 2019

**Ms. LYNN S.F. SICANGCO**  
Regional Director  
Commission on Audit  
Regional Office No.3  
City of San Fernando, Pampanga




THRU: **MS. EDELINA E. GOSECO**  
State Auditor IV, Audit Team Leader

Madam:

In relation with the Annual Audit Report on the audit of DIIVSU for the Calendar Year 2018 which was received at the office of the undersigned on May 16, 2019, we would like to officially transmit to your office the Agency Action Plan and Status of Implementation (AAPSI) Document which contains details on the actions implemented by the university to address the observations and recommendations in the aforementioned report.

Thank you for continually recommending opportunities for improvement and it is hoped that you will find the accomplished measures satisfactory.

Very truly yours,

  
**ENRIQUE G. BAKING, Ed.D.**  
SUC President III



Republic of the Philippines  
**DON HONORIO VENTURA STATE UNIVERSITY**  
 Bacolor, Pampanga

**AGENCY ACTION PLAN and STATUS of IMPLEMENTATION**  
**Audit Observations and Recommendations**  
**For the Calendar Year 2018**  
**As of December 31, 2018**

Ref	Audit Observations	Audit Recommendations	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			
1	Receivables from uncollected tuition fees totalling P163,356,200.00 were not recorded in the books due to non-adherence of the Accountant with Section 2 of COA Circular No. 2004-002, dated September 30, 2004 and Sections 3 and 7, Chapter 5 of Government Accounting Manual (GAM) Volume 1, thus resulted in material understatement of the total Receivable and Tuition Fees accounts of the University.	The President require the Accountant to record in the books the uncollected fees from CHED amounting to P163,356,200.00 pursuant to Section 2 of COA Circular No. 2004-002, dated September 30, 2004 and Sections 3 and 7, Chapter of Government Accounting Manual (GAM).	Comply with Audit Recommendations	Accountant	March, 2019		Fully implemented	Memorandum No. 62 Series 2019 dated March 5, 2019 (Annex 1) was issued to advise the Accountant to record in the books the uncollected receivables from free tuition fees amounting to P163,356,200.00.
2	Receivables totalling P21,661,346.94 which	The University President instruct the Accountant to	Comply with Audit Recommendations	Accountant	June, 2019		Fully implemented	Memorandum No. 139, Series 2019 dated June 6.

	remained dormant for more than 1 year up to 4 years were not provided with an Allowance of Impairment Loss as required under paragraph 67 of the Philippine Public Sector Accounting Standards (PPSAS) No. 29 thus, affecting the fair presentation thereof in the financial statements.	provide an appropriate Allowance for impairment for the Accounts Receivables of P21,661,346.94 in conformity with paragraph 67 of PPSAS No. 29.						2019 ( <i>Annex 2</i> ), was issued to advise the accountant to provide an appropriate Allowance for impairment for the Accounts Receivables of P21,661,346.94.
3	Proceeds from the sale of scrap materials from demolished buildings with an accumulated amount of P829,106.35 remained unremitted to the National Treasury which is not in compliance with Section 14 of the General Provisions of Republic Act No. 10964, the General Appropriation Act of 2018.	The University President instruct the Director, Financial Management Services (FMS) and the Accountant to immediately effect the remittance of the amount of P829,106.35 to the National Treasury in accordance with the aforesaid provisions of Republic Act No. 10964	Comply with Audit Recommendations	Director, FMS; Accountant	March, 2019		Fully implemented	Memorandum No. 62 Series 2019 dated March 5, 2019 ( <i>Annex 3</i> ) was issued to advise the Director, FMS and the Accountant to immediately effect the remittance of the amount of P829,106.35 to the National Treasury.
4	Various properties provided by the Municipal Government of Porac to Don Honorio Ventura Technological State University, Porac Campus, remained unrecorded in the books of the University due to non-adherence with paragraph B.6 of the Memorandum of Agreement resulting to absence of control over said properties.	The University President instruct the (a) Campus Director (i) to formally follow up in writing the previous request for the possible turn-over to the University of all properties provided at Porac Campus in adherence with paragraph B of the MOA, and (b) Accountant to record the subject properties in the books of accounts of the University after the transfer.	Comply with Audit Recommendations	Porac Campus Director; Accountant	June, 2019		Fully implemented	The Sangguniang Bayan of Porac passed Municipal Ordinance No. 16, Series of 2018 ( <i>Annex 4a</i> ) on September 10, 2018 entitled "An Ordinance Authorizing the Grant and Turnover to the Don Honorio Ventura Technological State University (DHVTSU-Main Campus), Bacolor, Pampanga, the lands

								<p>covered by Certificate of Title (TCT) No. 042-2016018363 and TCT No. 042-20160211333, both registered in the name of Municipality of Porac, Pampanga and other properties owned and purchased by the municipal government for the establishment and operation of DHVTSU Satellite Campus in Barangay Pic, Porac, Pampanga.</p> <p>Memorandum No. 142, Series 2019 dated June 6, 2019 (<i>Annex 4b</i>), was issued to advise the Porac Campus Director to follow-up the processing of the required documents to facilitate the expeditious turnover to DHVTSU of all properties at the Porac Campus.</p>
5	The University could have saved man-hours and other resources had the 156 purchases through shopping/canvass at total cost of P18,932,283.01 been made in bulk quantities through public bidding as prescribed under pertinent provisions of	The University President advise the Procurement Officer and the Bids and Awards Committee to undertake future purchases of common use supplies, materials and equipment in bulk quantities through public bidding or through the	Comply with Audit Recommendations	Procurement Officer Bids and Awards Committee	June 2019		Fully implemented	<p>Memorandum No. 140, Series 2019 dated June 6, 2019 (<i>Annex 5</i>), was issued to advise the Procurement Officer and the Bids and Awards Committee (Goods and Services) to undertake future purchases of</p>

	R.A. No. 9184 and its Revised Implementing Rules and Regulations and Administrative Order No. 17 s. 2011.	PS-DBM, in conformity with the pertinent provisions of R.A. 9184 and its Revised IRR, AO No. 17, s.2011 and in order to minimize costs incurred, and obtain prices most advantageous on the part of the University.						common use supplies, materials and equipment in bulk quantities through public bidding or through the PS-DBM, in conformity with pertinent laws and regulations and in order to obtain prices most advantageous on the part of the university
6	The balances of Cash-National Treasury, MDS and/or Cash in Bank-Local Currency, Current Account and Accounts Payable account as of December 31, 2018 were understated by P15,502,418.03 due to non-restoration of the cash equivalent of the unreleased checks at the end of the year and non-recognition of appropriate payable/liability account as prescribed under the Government Accounting and Financial Management Information System (GAFMIS) Circular Letter No. 2002-001 dated December 16, 2002.	The President instruct the Cashier to submit monthly Schedule of Unreleased Checks to the Accounting Unit on time so that the Accountant will have a basis to record the restoration of the cash equivalent of the unreleased checks at the end of the year and the recognition of appropriate liability accounts.	Comply with Audit Recommendations	Director, FMS Cashier	June, 2019		Fully implemented	Memorandum No. 1, Series 2018 dated February 19, 2018 was issued by the Director of FMS to the Cashier to submit monthly Schedule of Unreleased Checks to the Accounting Unit on time so that the Accountant will have a basis to record the restoration of the cash equivalent of the unreleased checks at the end of the year and the recognition of appropriate liability accounts.  Memorandum No. 141, Series 2019 dated June 6, 2019 (Annex 5), was issued to advise the Director of FMS to attentively monitor the cashier's timely submission of the monthly Schedule of Unreleased Checks to the

								Accounting Unit.
7	Funds transferred from the Provincial Government of Pampanga and the Municipal Government of Porac to the University with a total amount of P7,500,000.00 to cover the incidental expenses relating to the operation of its three campuses were erroneously treated as income which is not in accordance with paragraphs 50 (a) and 51 of PPSAS No. 23 and Chapter 3 of Government Accounting Manual, Volume III.	The University President instruct the Director, FMS and the Accountant to record the receipt of funds from the PGP and MGP as a credit to the Due to LGUs account under Trust Fund (184) in compliance with paragraphs 50 (a) and 51 of PPSAS No. 23 and Chapter 3 of Government Accounting Manual, Volume III.	Comply with Audit Recommendations.	Director, FMS; Accountant	February, 2019		Fully implemented	Funds transferred from the Provincial Government of Pampanga and the Municipal Government of Porac to the University to cover the incidental expenses in the operations of the Sto. Tomas, Lubao and Porac campuses are already under Trust Fund (184) as shown in the Subsidiary Ledgers (Annex 7).
8	Collection of fees from comprehensive examination, title presentation, proposal and final defense were received by the staff of the Graduate School who were not regular employees of the University. The said collections were not issued official receipts nor recorded in the books of accounts, which practice is not in compliance with Section 8.1 of Presidential Decree No. 1445, Section 6 and 6 (d) of Republic Act (R.A.) No. 8498 and COA Circular No. 2000-002 dated April 4, 2000.	The University President instruct the a) concerned graduate school officials to i) advise the concerned graduate school employees to desist from doing collecting functions, ii) require the examinees to pay all school fees directly to the University Cashier, iii) furnish the Office of the University Registrar, Office of the University President and the other concerned offices of all the documents/data pertaining to the conduct of comprehensive examinations and defense of	Comply with Audit Recommendations	VPAA, Dean, Graduate School; Director, FMS; Accountant	March, 2019		Fully implemented	Memorandum No. 63 Series 2019 dated March 5, 2019 (Annex 8) was issued to advise the VPAA and the Dean of the Graduate School to (a) direct concerned graduate school employees to desist from doing collecting functions (b) require students taking the comprehensive examination to pay fees directly to the University Cashier (c) require students writing theses/dissertations to pay fees directly to the University Cashier (d) furnish the Office of the

		<p>thesis; b) Accountant to i) check the correctness, accuracy and timeliness of the reported collections, taking into consideration the proper procedures and accounting treatment of the collections relative to the DELTA scholars, ii) ensure that all disbursements are in accordance with laws, rules and regulations to avoid disallowances in audit, and c) offices involved to strictly observe all relevant laws and regulations on the collection and deposit of all money/fees collected.</p>						<p>Registrar, Office of the University President and other concerned offices with all documents/data pertaining to the conduct of comprehensive examinations and defense of theses/dissertations, and the Director, FMS and the Accountant to (e) check the correctness, accuracy and timeliness of the reported collections, taking into consideration the proper procedures and accounting treatment of the collections relative to the DELTA scholars (f) ensure that all disbursements are in accordance with laws, rules and regulations to avoid disallowances in audit (g) observe all relevant laws and regulations on the collection and deposit of all money/fees collected.</p>
9	<p>A high 59.51 percentage of past due accounts from rental of stalls was noted in the audit of the income generating project which may be attributed to laxity in the management thereof which resulted in uncollected funds that could have been utilized for the specific purpose for</p>	<p>The University President instruct the Director for Auxiliary Services to (a) review all contracts of lease at the start of the semester and provide all lessees a copy thereof in order, to remind them of their obligations and compliance with the conditions of the</p>	<p>Comply with Audit Recommendations</p>	<p>Director, Auxiliary Services</p>	<p>February 2019</p>		<p>Fully implemented</p>	<p>Memorandum No. 64 Series 2019 dated March 5, 2019 (Annex 9a) was issued to advise the Director of Auxiliary Services to (a) Review all contracts of lease at the start of the semester and provide all lessees a copy thereof to remind them of</p>

<p>which the project was created</p>	<p>contract; (b) remind lessees to submit in writing their intention to renew their contracts before the expiration of their existing leasehold contract; (c) regularly monitor lessees' accounts especially those with past due accounts, to avoid incurring additional receivables after exhausting their three months advance deposits; (d) exert more effort in increasing collections by sending collection letters to all delinquent lessees and (e) instruct the concerned lessee to vacate the unauthorized extension of subject food stall.</p>						<p>their obligations and compliance with the conditions of the contract; (b) Remind lessees to submit in writing their intention to renew their contract before the expiration of their leasehold contract; (c) Regularly monitor the lessees' accounts especially those with past due accounts to avoid incurring additional receivables after exhausting their three months advance deposits; (d) Exert more effort in increasing collections by sending collection letters to all delinquent lessees; and (e) instruct the concerned lessees to vacate the back space of the CIT and CCS buildings including that of the passage in between the two structures which were used as an extension of the food stall rented.</p> <p>Memorandum No. 06, Series 2019 dated March 7, 2019 (Annex 9b) was issued to inform lessees on the Guidelines for Contract of Lease Renewal.</p>
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								Memorandum No. 36, Series 2019 dated February 11, 2019 ( <i>Annex 9c</i> ) was issued concerning the settlement of leaseholders' outstanding balances and demand letters ( <i>Annex 9d</i> ) were sent to lessees with outstanding balances.  Concerned lessees were instructed through letters dated March 7, 2019 ( <i>Annex 9e</i> ) to vacate unauthorized extensions of food stalls.
10.	The University failed to establish the Internal Audit Service as required under Administrative Order Nos. 119 and 278 of the President of the Philippines dated March 28, 1989 and April 28, 1992, respectively due to non-submission of a short list of qualified and experienced applicants by the Personnel Selection Board to the University President.	The President comply with Administrative Order Nos. 119 and 278 by expediting the establishment of an Internal Audit Service Unit so as to strengthen the internal control system in their operations.	Comply with Audit Recommendations	University President; Director, Administrative Services	June, 2019		Fully implemented	Memorandum No. 138, Series 2019 dated June 6, 2019 ( <i>Annex 10</i> ), was issued to advise the Director of Administrative Services to immediately re-post the vacant position of Supervising Administrative Officer (Internal Auditor, SG 22) in the Bulletin of Vacant Positions of CSC Region III.
11	Initial investigation concerning alleged practices in the Graduate School showed some indications of lapses in the University which may not be in accordance with Section	The University President (a) create a committee to investigate on the complaint on alleged, possible lapses in the Graduate School; and (b) instruct the Dean of the	Comply with Audit Recommendations	University President; Dean, Graduate School	March, 2019		Fully implemented	(a) Memorandum No. 57, Series 2019 dated March 1, 2017 ( <i>Annex 11a</i> ), was issued to create a Fact-Finding Committee on the alleged lapses in the

	7.d of Republic Act No. 6713.	Graduate School and other officials concerned to consider adopting the prescribed appropriate measures to properly address the issues raised and the deficiencies noted in order to strengthen the internal controls and further improve the present system in the Graduate School.						Graduate School; (b) The VPAA instructed the Dean of the Graduate School to adopt the recommendations (Annex 11b) of the committee to properly address the issues raised and to strengthen the internal controls and further improve the present system in the Graduate School.
12	The Gender and Development programs and activities funded by the University for CY 2018 amounted to P8,888,235.03 or 2.35% of its total appropriations of P378,826,000.00, much below the 5% or P18,941,300.00 budget allocation required under Section 30 of R.A. No. 10964 and PCW/NEDA/DBM Joint Circular No. 2012-041 for gender related activities resulting in a still minimal budget utilization of 2.35%.	The GAD Focal Person to formulate a more comprehensive GAD Plan and Budget for the University to be able to comply with the 5% budgetary requirement for GAD, and to coordinate with concerned units for the full support in the attainment of GAD activities.	Comply with Audit Recommendations	GAD Focal Person	March, 2019		Fully implemented	Memorandum No. 65, Series 2019 dated March 5, 2019 (Annex 12), was issued to advise the GAD Focal Person to formulate a more comprehensive Gender and Development Plan and Budget for the university to be able to comply with the 5% budgetary requirement for GAD.
13	The Accountant of the University, as deputized withholding agent of the BIR, withheld and remitted to the Bureau of Internal Revenue the income taxes due on compensation paid to its officers and employees, value added taxes and expanding	The President direct the University accountant to continue efforts in withholding the required taxes and remitting the same on time in compliance with the existing BIR regulations.	Comply with Audit Recommendations	Accountant	June, 2019		Fully implemented	Memorandum No. 143, Series 2019 dated June 6, 2019 (Annex 13), was issued to advise the Accountant to continue with diligent efforts in withholding the required taxes and remitting the same on time in

	withholding taxes from the taxable transaction(s) of third parties with the University pursuant to Revenue Memorandum Cir. No. 23-2007 and Revenue Regulation No. 10-008.							compliance with existing BIR regulations.
14	The mandatory Government Service and Insurance System retirement and insurance premiums including repayment of loan amortizations and other amounts due to GSIS were deducted from the compensation of the officers and employees of the University and remitted to the System pursuant to R.A. No. 8291, the GSIS law.	The President continue the University's efforts in deducting the GSIS retirement and insurance premiums including repayment of loan amortizations in accordance with R.A. No. 8291.	Comply with Audit Recommendations	Director, Administrative Services	June, 2019		Fully implemented	Memorandum No. 144, Series 2019 dated June 6, 2019 (Annex 14), was issued to advise the Director of Administrative Services to continue with diligent efforts in deducting the GSIS retirement and insurance premiums including repayment of loan amortizations in accordance with R.A. No. 8291.
15	The mandatory Home Development Mutual Fund contributions and repayment of loan amortizations were deducted from the compensation of the officers and employees of the University and remitted to the HDMF pursuant to R.A. No. 9679.	The President continue efforts in deducting the HDMF contributions and repayment of loan amortizations in accordance with R.A. No. 9679.	Comply with Audit Recommendations	Director, Administrative Services	June, 2019		Fully implemented	Memorandum No. 145, Series 2019 dated June 6, 2019 (Annex 15), was issued to advise the Director of Administrative Services to continue with diligent efforts in deducting HDMF contributions and repayment of loan amortizations in accordance with R.A. No. 9679.

Agency sign-off:

 ENRIQUE G. BAKING, Ed.D

June, 2019

SUC President III