

## EXECUTIVE SUMMARY

### A. Introduction

The Ilocos Sur Polytechnic State College (ISPSC) was created by virtue of Republic Act 8549 authored by Congressman Eric D. Singson of the second district of Ilocos Sur. It is a comprehensive multi-campus institution composed of six campuses which are divided into two clusters as follows:

#### a. North Cluster

- College of Agriculture - Sta. Maria Campus
- College of Fisheries and Marine sciences - Narvacan Campus
- College of Engineering and Technology - Santiago Campus

#### b. South Cluster

- College of Teacher Education - Tagudin Campus
- College of Agro-Industrial Technology - Cervantes Campus
- College of Commercial and Social Sciences – Candon Campus

Dr. Francisco D. Lopez is the college President. The college offers quality education to equip students with technical skills in the field of education, industrial technology, hospitality industry, fisheries, agriculture and business. Likewise, it provides for the promotion of scientific and technological researches and extension services that would enable students to become more productive and competitive.

The total personnel complement of the college was 430 consisting of 200 and 137 teaching and non-teaching regular employees, respectively, 7 casuals, 28 Contract of Service/Job Order and 58 part time teaching personnel.

### B. Financial Highlights

For CY 2018, the total assets, liabilities and net assets/equity amounted to P388, 166,437.39, P43, 809,026.10 and P344,357,411.29, respectively. Compared to last year's assets, liabilities and net assets/equity of P333,828,829.44 P41,405,258.07 and P292,423,571.37, respectively, there was an increase of P54,337,607.95 or 16.28%, P2,403,768.03 or 5.81% and P51,933,839.92 or 17.76%, respectively.

If there is an increase in assets, liabilities and equity, income and expenses of P61,524,902.94 and P2267,174,410.58, respectively also increased by P10,565,594.50 or 20.73% and P34,051,727.00 or 14.61%, respectively as compared to last year's income and expenses of P50,959,308.44, P233,122,683.58, respectively.

The college has a total appropriations of P253,315,702.00 which were all allotted during the year. Total obligations amounted to P250,058,168.52. Compared to last year's appropriations, allotment and obligations of P313,743,645.79 which

were all allotted P304,720,603.90 respectively, both appropriations and allotments decreased by P60,427,943.79 or 19.26 % while obligations decreased by P54,662,435.38 or 17.94%.

### C. Operational Highlights

Among the major accomplishments of the college during the year which were validated by the audit team, are the following:

#### 1. Instruction

- a. Enrolment for the second semester of SY 2017 – 2018 of 6,129 decreased by -321 or 04.98% compared to the second semester of SY 2016 – 2017 enrolment of 6,450. For the first semester of SY 2018 – 2019 enrollment of 4,731 also increased by 229 or 05.09% as compared to the first semester of SY 2017 – 2018 enrolment of 4,502
- b. The total graduates has produced 2,662 graduates from the different college for the degree and certificate programs for CY 2018. Among the graduates there were 13 magna cum laude, 16 cum laude and 184 with distinction. CY 2018 is the 20th graduation exercises of the college.
- c. Number of Passers in Licensure Examination are the following:

Exam	Passed	Failed	Total	Percentage
LET Elementary March 2018	22	48	70	31.43%
LET Secondary March 2018	22	76	60	36.67%
Agriculturist	4	10	14	28.5%
Agricultural and Bio systems Engineer	13	35	48	27.08%
Forester	1	7	8	12.05%
Fisheries Technologist	0	4	4	0.00%
LET Elementary Sept. 2018	68	120	188	36.17%
LET Secondary Sept 2018	148	121	269	55.02%

- d. For Accreditation three programs were evaluated and assessed:

PROGRAMS	LEVEL (Accreditation Status)	Date of validity of This Accreditation
<b>STA MARIA CAMPUS</b>		
Master of Science in Agriculture	Level II- Re Accredited	Sept. 1, 2016-Aug. 31, 2020
Master of Science in Education	Level II- Re Accredited	Sept. 1, 2016- Aug. 31, 2020
Bachelor of Science in Agricultural Engineering	Level I- Accredited	Sept. 1, 2016- Aug. 31, 2020
Bachelor of Science in Forestry	Level I- Accredited	Sept. 1, 2016- August 31. 2019
Bachelor of Agricultural Technology	Level I- Accredited	Dec. 1, 2017- Nov. 30, 2021

Bachelor of Elementary Education	Level III- Re- accredited	Dec. 1, 2017- Nov. 30, 2021
Bachelor of Science in Home Technology	Level III- Re- accredited	Dec. 1, 2017- Nov. 30, 2021
Bachelor of Science in Hotel and Restaurant Management	Level III- Re- accredited	Sept. 1, 2016- august 31, 2020
Bachelor of Science in Information Technology	Level III- Phase I	Sept. 16, 2018- Sept. 15, 2019
<b>NARVACAN</b>		
Bachelor of Science in Fisheries	Level II- Re Accredited	Oct. 1, 2016- Sept. 30, 2020
<b>SANTIAGO</b>		
Bachelor of Science in Industrial Technology	Level II- Re Accredited	Oct. 1, 2016- Sept. 30, 2020
Bachelor of Technical Teacher Education	Level I- Accredited	Sept. 16, 2018-Sept. 15, 2022
<b>CANDON</b>		
Bachelor of Science in Hotel and Restaurant Management	Level II- Re Accredited	Oct. 16, 2015-Oct. 15, 2019
Bachelor of Science in Tourism Management	Level II- Re Accredited	Sept. 16, 2018-Sept. 15, 2022
<b>CERVANTES</b>		
Bachelor of Secondary Education	Level I- Accredited	Sept. 16, 2018- Sept. 15, 2021
Bachelor of Elementary Education	Level II- Re Accredited	August 1, 2015-July 31, 2019
<b>TAGUDIN</b>		
Bachelor of Elementary Education	Level III-Re - Accredited	Dec. 1 2017- Nov. 30, 2021
Bachelor of Secondary Education	Level III-Re - Accredited	Dec. 1 2017- Nov. 30, 2021

## 2. Production

Under production the college and its six campuses were able to garner a total income of P2, 991,610.06 for the whole year, broken down as follows:

Sta. Maria Campus	P2,502,737.38
Narvacan Campus	61,240.00
Santiago Campus	77,590.00
Tagudin Campus	156,165.54
Candon Campus	121,464.14
Cervantes Campus	<u>72,413.00</u>
<b>Total</b>	<b><u>P2,991,610.00</u></b>

### 3. Research and Development

There were 19 researches completed during the year, 7 were presented in national, 10 were presented in international presentations and 2 were presented in regional.

### 4. Physical Facilities

Among the major accomplishments and upgrading of physical facilities are as follows:

<u>Name of Project</u>	<u>Amount</u>	<u>Date Completed</u>
Improvement of Perimeter Fence (Lot 5)	1,147,941.02	07/08/2018
Construction of Dormitory	6,000,000.00	06/18/2018
Construction of Graduate School Building Annex	6,749,929.25	7/31/2018
Construction of Comfort Rooms- Lot 1	2,517,517.00	03/27/2018
Repair of Roofing of the Gymnasium	2,329,360.56	01/29/2018
Completion of College Gymnasium	2,000,000.00	08/15/2018
Construction of Covered Court	2,971,060.73	7/11/2018
Repair of SANIDAD Building	360,515.12	06/29/2018
Repair of Ceiling of Agriculture Building	123,568.48	06/14/2018
Repair of Student Center	244,680.05	06/21/2018
Delivery and Installation of Ceiling Materials at the “ Balay Alumni”	118,462.58	09/10/2018
Construction of Multi- purpose Concrete Pavement	532,027.31	02/22/2018
Completion of Technology Building	1,038,207.42	10/10/2018
Construction of Comfort Room- Lot 2 (Additional Work: Provision of Water Supply System	964,966.00	05/16/2018
Repair of School Building: Roofing of College Building	497,499.80	10/3/2018
Repair of Road Network	1,489,969.53	10/25/2018
Secondary Line Construction and Transformer Installation	652,042.61	10/16/2018
Repainting of the Gymnasium	299,801.14	12/31/2018

### D. Scope of Audit

A comprehensive audit was conducted on the accounts and operations of the Ilocos Sur Polytechnic State College, Sta. Maria, Ilocos Sur for the year ended December 31, 2018. The audit consisted of the review of operating procedures, post audit of disbursement vouchers, payrolls and receipts; inspection and evaluation of programs and projects; verification, reconciliation and analysis of accounts and such other procedures we deemed necessary under the circumstances.

## **E. Auditor's Opinion on the Financial Statements**

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements for the year then ended due to the non-recognition in the books of the lands of the four campuses and the non-reconciliation of the PPE accounts in the books of accounts and the Report of Physical Count of PPE amounting to P11,201,119.49.

## **F. Significant Findings and Recommendations**

The Significant Audit Findings and Recommendations aside from our bases for our opinion were as follows:

1. School Buildings and Buildings accounts of the College recorded at an aggregate cost of P141,386,872.33 as of December 31, 2018 were not insured with the General Insurance Fund of the GSIS, which was not in compliance with Section 5, R.A. No. 656 as amended by P.D. No. 245, posing the risk of not being indemnified, in the event of loss, thus, its insurable properties and interests were not better conserved and protected.

We recommended that Management, in compliance with Section 5, R.A. No. 656, as amended by P.D. No. 245, insure its properties with the General Insurance Fund of the GSIS, thus, its insurable properties and interests would be better conserved and protected, and in order for the University to be indemnified or compensated for any damage to, or loss of, its properties due to fire, earthquakes, storm, or other casualty.

2. Prior Years' Accounts Receivable representing unpaid tuition fees of students remained uncollected in the amount of P4,351,607.75 as of December 31, 2018, depriving the State College from its utilization of the potential income.

We recommended that the officials and personnel in-charge especially the Accountant, the Cashier and the Registrar coordinate with each other and intensify collection of past due accounts, thus, enabling the State College to the utilization of its potential income.

3. Cash advances amounting to P730,368.57 remained unliquidated as of December 31, 2018 which was not in compliance with COA Circular No. 97-002, resulting in possible misappropriation or misuse of the funds.

We recommended that Management comply strictly with the rules and regulations in the immediate settlement of all cash advances as required under COA Circular No. 97-002, thus, avoiding the possible misappropriation or misuse of the funds.

### G. Summary of total Suspensions, Disallowances and Charges

Total suspensions and disallowances in the post audit of transactions during the year amounted to P0.00 and P866,153.34 respectively. Below is a breakdown of the beginning and ending balances with the settlements made.

	<u>Suspensions</u>	<u>Disallowance</u>
Beginning Balance 1/1/2018	P0.00	P1,018,047.74
Add: January to December, 2018	<u>0.00</u>	<u>0.00</u>
Total	P0.00	P1,018,047.74
Less: Settlements made	0.00	<u>151,894.40</u>
Balance, end, December 31, 2018	<u>P0.00</u>	<u>P866,153.34</u>

### H. Implementation of Prior Year's Audit Recommendations

Of the 12 audit recommendations contained in CY 2017 Annual Audit Report, three were fully implemented, eight were partially implemented and one was not implemented. The unimplemented audit recommendations were reiterated under Part II of this report.