

# EXECUTIVE SUMMARY

## A. Introduction

The Pamantasan ng Lungsod ng Maynila (PLM) was organized as a corporation by virtue of Republic Act (RA) No. 4196 which was approved on June 19, 1965. It is a non-stock institution of higher learning that offers almost free education to the less privileged but deserving students of the City of Manila.

Governance is vested in a board of regents known as the Board of Regents (BOR) of the University of the City of Manila otherwise known as the Pamantasan ng Lungsod ng Maynila. The BOR is composed of the President of the University and five members, all of whom are appointed by the City Mayor of Manila with the consent of the City Council. Subject to existing laws, the BOR has the powers and duties stated in Section 6 of R.A. No. 4196 in addition to its general powers of administration and in the exercise of its corporate powers.

The University is complemented by 1,254 personnel as of December 31, 2014, as follows:

|                    |              |
|--------------------|--------------|
| Academic Full Time | 267          |
| Part-time          | 461          |
| Administrative     | 418          |
| Job Order          | 65           |
| Casual             | 43           |
| Total              | <u>1,254</u> |

## B. Highlights of Financial Operation

For Calendar Year 2014, the approved budget of the Pamantasan ng Lungsod ng Maynila totaled P686.500 million to fund its program/activities on academic instructions, research projects and extension services for the 14 undergraduate colleges, five graduate schools and the various learning resource centers and services. Obligations charged against the approved budget amounted to P470.174 million broken down as follows:

| <u>Particulars</u>                       | <u>Amount</u>               |
|--|-----------------------------|
| Personal Services                        | P 382,759,000               |
| Maintenance and Other Operating Expenses | 63,717,000                  |
| Capital Outlay                           | 23,691,000                  |
| Financial Expenses                       | 7,000                       |
| <b>Total</b>                             | <b><u>P 470,174,000</u></b> |

Prior year's obligation amounting to P1.715 million was paid during the year.

The total income of P474.383 million during the year was sourced from the following:

| <b><u>Particulars</u></b>       | <b><u>Amount</u></b>        |
|---------------------------------|-----------------------------|
| Subsidy from the City of Manila | P <u>315,890,000</u>        |
| Service Income                  | 55,758,009                  |
| Business Income                 | 96,529,075                  |
| Other Income                    | <u>6,206,192</u>            |
| Total Operating Income          | <u>158,493,276</u>          |
| <b>Total Income</b>             | <b>P <u>474,383,276</u></b> |

Comparative Assets, Liabilities, Equity, Income and Expenses of CY 2014 and 2013 are shown below:

| <b><u>Particulars</u></b> | <b><u>2014</u></b> | <b><u>2013</u></b> | <b><u>Increase/Decrease</u></b> |
|---------------------------|--------------------|--------------------|---------------------------------|
| Total Assets              | P 805,030,428      | P 920,078,549      | (115,048,121)                   |
| Total Liabilities         | 82,918,895         | 69,813,277         | 13,105,618                      |
| Total Equity              | 703,710,245        | 834,224,544        | (130,514,299)                   |
| Total Income              | 158,493,277        | 147,110,610        | 11,382,667                      |
| Total Expenses            | P 453,026,752      | P 414,230,293      | 38,796,459                      |

### **C. Scope of Audit**

The audit covered the accounts and operations of the University for the period January to December 31, 2014 to (a) determine the level of assurance that may be placed on management's assertions on the financial statements; (b) verify the propriety of financial transaction and the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior year's recommendation.

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

We have rendered a qualified opinion on the fairness of presentation of the financial statements because of the effects of the following: (a) validity and accuracy of Property Plant and Equipment totaling P526.319 million could not be ascertained due to variances of PPE account balances between the accounting record and the inventory report (b) unaccounted property plant and equipment amounting to P1.029 million.

For the above errors and deficiencies, we have recommended the following:

- The Property and Supplies Office, and the Accounting Office reconcile their records to ascertain the accuracy of the reported balances of property, plant and equipment accounts in the financial statements.

- Management exert more effort to locate the missing properties identified during the conduct of physical inventory and if found futile, seek approval for relief from accountability which should serve as basis in dropping the unaccounted PPE from the books of accounts.

**E. Other Significant Audit Findings and Recommendations**

1. Submission of Disbursement Vouchers, Official Receipts, Payrolls and their supporting documents was delayed by a period ranging from 1 to 53 days.
- We have recommended that the Chief Accountant submit all the disbursement vouchers, official receipts, payrolls and their supporting documents within the period prescribed by Section 7.2.1 (a) of the 2009 RRSA.

**F. Summary of Total Suspension, Disallowance and Charges**

The following Audit Suspensions, Disallowances and Charges remained unsettled during the year:

|                              |                        |
|------------------------------|------------------------|
| Notice of Suspension (NS)    | P 13,144,982.28        |
| Notice of Disallowances (ND) | 14,764,220.28          |
| Notice of Charges (NC)       | <u>27,548,502.56</u>   |
| Total                        | <u>P 55,457,502.56</u> |

- We have recommended that the University President require the persons liable to comply with the NS and settle those not appealed NDs and NCs and initiate the necessary administrative and/or criminal action in case of unjustified failure/refusal to effect compliance by University officials pursuant to COA Circular No. 2009-006 dated September 15, 2009.

**G. Status of Implementation of Prior Year’s Audit Recommendations**

Of the twenty audit recommendations in the CY 2013 Annual Audit Report eight or 40% were fully implemented and eleven or 55% were partially implemented and one or 5% was unimplemented.