

EXECUTIVE SUMMARY

A. Introduction

North Luzon Philippines State College is a dynamic institution of higher learning, producing competent and socially responsible human resource for the sustainable development of Northern Philippines. It started as a small community college known as Candon Community College (CCC) in 1975. In August 11, 1989, it was integrated with the University of Northern Philippines (UNP) and known as the CCC-University of Northern Philippines Branch by virtue of RA 6744 which was authored by Honorable Eric D. Singson.

On May 5, 2010, RA 6744 was amended by RA10085 otherwise known as “An Act Separating the CCC-University of Northern Philippines Branch from the University of Northern Philippines” and converting it into a State College now known as “North Luzon Philippines State College”.

The College is mandated to produce quality human resources for global competitiveness. It is committed to educate diverse learners who will become responsible leaders in a culturally oriented community through affordable and quality education in harmony with technology based instruction, research and extension. It is headed by Dr. Elizabeth M. Gacusana, the First President of the said College.

The total personnel complement of the College is 179 comprised of 107 Teaching and 72 Non-Teaching personnel. Among the 107 Teaching personnel, 71 are permanent, 8 are temporary, and 28 are part-time. On the other hand, the 72 Non-Teaching personnel is comprised of 27 permanent, 42 job orders and three casuals.

B. Scope of Audit

A comprehensive audit was conducted on the accounts and operations of the North Luzon Philippines State College, Candon City, Ilocos Sur for the year ended December 31, 2019. 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 deemed necessary in the circumstances. Our audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and we believe that they provide reasonable basis for the results thereof.

C. Financial Highlights

Comparative Financial Position

	2019	2018	Increase (Decrease)
Assets	₱ 264,271,920.86	₱ 244,370,981.15	₱ 19,900,939.71
Liabilities	₱ 10,850,468.37	₱ 16,549,936.09	(₱ 5,699,467.72)
Government Equity	₱ 253,421,452.49	₱ 227,821,045.06	₱ 25,600,407.43

Comparative Financial Performance

	2019	2018	Increase (Decrease)
Revenue	₱ 21,304,632.29	₱ 14,073,931.97	₱ 7,230,700.32
Expenses	₱ 100,874,584.35	₱ 85,187,704.97	₱ 15,686,879.38

Comparative Appropriations, Allotment and Obligation

	2019	2018	Increase (Decrease)
Appropriations	₱ 88,121,000.00	₱ 144,806,374.00	(₱ 56,685,374.00)
Allotment	₱ 87,126,177.00	₱ 144,806,374.00	(₱ 57,680,197.00)
Obligation	₱ 82,770,648.38	₱ 134,585,511.62	(₱ 51,814,863.24)

D. 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. The number of enrollees for the second semester of SY 2018 – 2019 was 2,231 or an increase of 117 or 5.53% compared to the second semester of SY 2017 – 2018, which has a total number of enrollees of 2,114. For the first semester of SY 2019 – 2020, there was a total number of enrollees of 2,490, or an increase by 113 or 4.75% as compared to the first semester of SY 2017 – 2018’s total number of enrollees of 2,377.
- b. The total graduates produced from the different colleges for the degree and certificate program for CY 2019 was 796. Academic honors among the graduates produced were 3 magna cum laude and 29 cum laude. Calendar Year 2019 was the 8th Graduation Exercises of the College.
- c. Passers in different Licensure Examinations were as follows:

Month	First time Takers		Repeaters		Overall Performance			
	Passed	Failed	Passed	Failed	Passed	Failed	Total	Percentage
Licensure Examination for Teacher (BSE)								
March 2019	3	5	4	23	7	28	35	20.00%
Sept. 2019	56	29	7	15	63	44	107	58.89%
Licensure Examination for Teacher (BEED)								
March 2019	2	0	18	12	20	12	32	62.50%
Sept. 2019	40	15	0	18	40	33	73	54.79%
Midwifery Board Examination								
April 2019	3	1	0	0	3	1	4	75%
November 2019	12	0	0	0	12	0	12	100%
Criminology Board Examination								
June 2019	4	11	14	34	18	45	63	28.57%
December 2019	60	31	3	24	63	55	118	53.39%

d. For Accreditation

PROGRAMS	LEVEL (Accreditation Status)	Date of validity of This Accreditation
Bachelor of Elementary Education	Level II – Re-accredited	Aug. 16, 2017- Aug. 16, 2021
Bachelor of Secondary Education	Level II – Re-accredited	Aug. 16, 2017- Aug. 16, 2021
Bachelor of Science in Business Administration	Level II – Re-accredited	Aug. 16, 2017- Aug. 16, 2021
Bachelor of Science in Political Science	Level II – Re-accredited	Aug. 16, 2017- Aug. 16, 2021
Bachelor of Arts in English Language	Level I –Accredited	Aug. 16, 2017- Aug. 16, 2021
Bachelor of Arts in Criminology	Level 1 Accredited	Dec. 1, 2018- Nov. 30, 2021
BS in Office Administration	Level 1 Accredited	Dec. 1, 2018- Nov. 30, 2021

2. Physical Facilities

Among the projects accomplished and implemented by the College during the year which were validated by the Technical Audit Specialist and the Audit Team were as follows:

Name of Project	Amount	Date Completed
• Completion of Three- Storey Academic and Laboratory Building of Criminology	₱11,196,033.86	Dec. 15,2019
• Construction of Motorpool	2,466,248.27	Feb.5,2019
• Upgrading of Electrical System with Generator Set	7,884,542.00	April 6,2019
• Construction/ Repair/ Rehabilitation of Academic Building	4,883,570.43	March 29,2019

3. Research

The total research completed during the year was 27, of which, 13 was presented internationally, 14 institutionally and 1 nationally.

E. Independent Auditor's Report

The Auditor rendered an unmodified opinion on the fairness of presentation of the financial statements for the year then ended.

F. Summary of Significant Audit Observations and Recommendations

1. Two procurements of Information and Communication Technology (ICT) Equipment with aggregate contract cost of ₱4,666,145.64 were split, in violation of Section 54.1 of The 2016 Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9184, casting doubt on the legality of the transactions.

We recommended that Management, henceforth, direct the BAC to strictly comply with Section 54.1 of The 2016 Revised IRR of R.A. 9184 and warned that violation thereof will be dealt with accordingly as provided under Section 65.1 (d) of R.A. 9184.

2. The procurement of laboratory equipment costing ₱665,000.00 was awarded to the supplier with the highest rated quotation, instead of, the lowest rated calculated and responsive quotation which was not in conformity with Item 8.b.vi, Section IV of Annex “H” of The 2016 Revised IRR of RA 9184, resulting in price difference of ₱338,110.00, casting doubt on the legality of the transaction.

In order to cast away doubt on the legality of its procurement transactions, it is recommended that Management strictly conform with the provisions of Item 8.b.vi, Section IV of Annex “H” of The 2016 Revised IRR of R.A. 9184.

It is further recommended, that Management institute necessary refund of the price difference of ₱338,110.00 as a result of its non-conformity with the above-cited provision of law.

G. Summary of Audit Suspensions, Disallowances and Charges

	<u>Suspensions</u>	<u>Disallowance</u>	<u>Charges</u>
Balance as of January 1, 2019	₱ 0.00	₱ 80,800.00	₱ 0.00
Add: Suspensions, Disallowances and Charges during the year	0.00	262,988.00	0.00
Total	0.00	343,788.00	0.00
Less: Settlements made during the year	0.00	80,800.00	0.00
Balance as of December 31, 2019	₱ 0.00	₱ 262,988.00	₱ 0.00

H. Status of Implementation of Prior Years’ Audit Recommendations

Out of the eight (8) prior years’ audit recommendations embodied in the 2018 and 2017 Annual Audit Reports, five (5) were fully implemented, one (1) was partially implemented and two (2) were not implemented.