

EXECUTIVE SUMMARY

INTRODUCTION

The PANGASINAN STATE UNIVERSITY (PSU) was created by virtue of Presidential Decree No. 1497 promulgated on June 11, 1978 and became operational on July 1, 1979. The University is anchored on its vision to become an ASEAN Premier State University in 2020. The PSU's mandate is to serve as an instrument towards the rapid development of the natural and manpower resources of Region I, particularly, of the Province of Pangasinan. PSU's mission – The Pangasinan State University, through instruction, research, extension and production commits to develop highly principled, morally upright, innovative and globally competent individuals capable of meeting the needs of industry, public service and civil society.

ORGANIZATIONAL SET UP

The University is headed by its 6th University President Dr. Dexter R. Buted who assumed office on December 9, 2014 and was reappointed by the Board of Regents on December 8, 2018. He assumed office on February 8, 2019 after serving nine (9) months' worth of suspension effective May 7, 2018. During the said period, the Board of Regents had temporarily designated Dr. Paulo V. Cenas, then Vice President for Administration, as the OIC-University President. The University President is assisted by Vice-Presidents for Administration, Academic Affairs, Finance Management, Research and Extension, and Planning and Quality Assurance, nine (9) Campus Executive Directors who head the different campuses and Directors of the SAS and OUS Programs.

The total personnel complement of the University for CY 2019 is as follows:

Plantilla Items:	
Permanent	631
Temporary	178
<i>Total Plantilla Items</i>	809
Non-Plantilla Items:	
Casual	192
Job Order	44
<i>Total Non-Plantilla Items</i>	236
Total	1,045

FINANCIAL HIGHLIGHTS

A comparative financial profile of the University is presented as follows:

A. Financial Condition:

Accounts	2019	2018	Increase (Decrease)
Assets	2,555,492,928.39	2,432,325,061.01	123,167,867.38
Liabilities	228,911,652.14	396,072,783.68	(167,161,131.54)
Net Asset/Equity	2,326,581,276.25	2,036,252,277.33	290,328,998.92

B. Income and Expenses:

Accounts	2019	2018	Increase (Decrease)
Income	1,314,061,132.63	1,059,146,988.55	254,914,144.08
Expenditures	969,653,092.23	862,819,393.35	106,833,698.88
Excess of Income over Expenses	344,408,040.40	196,327,595.20	148,080,445.20

C. Appropriations/ Allotments and Obligations:

Accounts	2019	2018	Increase (Decrease)
Appropriations/ Allotment	618,734,383.00	826,388,546.34	(207,654,163.34)
Obligations	611,646,639.67	783,451,988.43	(171,805,348.76)

OPERATIONAL HIGHLIGHTS

Hereunder were the targets vis-à-vis accomplishments of Pangasinan State University for the calendar year 2019 under Department Performance Targets and Accomplishments.

Programs/Projects/Activities	Targets	Actual Accomplishments	% of Accomplishments
MFO 1-Higher Education Program			
Outcome Indicators			
1. Percentage of first-time licensure exam-takers that pass the licensure exams	58.75%	59.72%	101.65 %
2. Percentage of graduates (2 years prior) that are employed	54%	54%	100%
Output Indicators			
1. Percentage of undergraduate student population enrolled in CHED-identified and RDC-identified priority programs	49.10%	63%	128.31%
2. Percentage of undergraduate programs with accreditation	100%	100%	100%
MFO 2-Advanced Education Program			
Outcome Indicators			
1. Percentage of graduate school faculty pursuing advanced research degree programs (Ph.D)	1.72%	3.66%	212.79%
Output Indicators			
1. Percentage of graduate students enrolled in research degree programs	12.20%	18%	147.54%
MFO 3-Research Program			
Outcome Indicators			
1. Number of research outputs in the last three years utilized by the industry or by other beneficiaries	7	7	100%
Output Indicators			
1. Number of research outputs completed within the year	132	132	100%
2. Percentage of research outputs published in	40%	40.95%	102.38%

Programs/Projects/Activities	Targets	Actual Accomplishments	% of Accomplishments
internationally-refereed or CHED recognized journal within the year			
MFO 4-Technical Advisory Extension Program			
Outcome Indicators			
1. Number of Active Partnerships with LGUs, Industries, NGOs, NGAs, SMEs and other stakeholders as a result of extension activities	28	30	107.14%
Output Indicators			
1. Number of Trainees weighted by the length of training	4,500	5,778	128.40%
2. Number of extension programs organized and supported consistent with the SUC's mandated and priority programs	10	11	110%

SCOPE OF AUDIT

The audit was conducted on the accounts and operations of the Pangasinan State University for the calendar year 2019. The objectives of the audit were to ascertain the propriety of financial transactions and compliance of the agency to prescribed rules and regulations and as to whether funds were utilized in the most efficient, effective and economical manner. It was also made to ascertain the accuracy of financial records and reports, as well as the fairness in the presentation of the Financial Statements. Our audit was conducted in accordance with generally accepted state auditing standards and we believe that it provides reasonable basis for the results of audit.

INDEPENDENT AUDITOR'S REPORT

The auditor rendered an unmodified opinion on the fairness of the presentation of the financial statements of the University as of December 31, 2019.

SUMMARY OF SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS

We are pleased to note that the PSU Management has satisfactorily complied with the directive of the Administrative Order No. 17 s. 2011 and DBM Circular letter No. 2011-6 dated August 25, 2011 which require that all agencies of the government including State University and Colleges to procure their common use supplies from the PS without the need of public bidding. For Calendar Year 2019, the University had procured from DBM-PS commonly-used office supplies totaling P2,188,242.21.

Likewise, we commend the PSU Management for having complied with Republic Act No.656, otherwise known as the "Property Insurance Law" as amended by Presidential Decree No. 245 dated July 13, 1973 for the properties and assets that were insured with General Insurance Fund (GIF) administered by GSIS totaling P396,688,149.82 out of P906,368,615.57 or 43.77% of the total cost of Buildings and Other Structures of Pangasinan State University.

However, we also noted some deficiencies in the course of the audit that were earlier communicated through Audit Observation Memoranda and discussed with concerned Management officials and employees during the Exit Conference. Their comments were incorporated in this report, where appropriate.

Hereunder are the significant observations and recommendations, to wit:

1. Management did not submit complete technical documents with accurate data/information on 18 Infrastructure Projects of the University with an aggregate contract cost of P176,247,060.23 which was not in accordance with Annex E of the IRR of RA 9184, thus, hindered the issuance of final COA Inspection Reports by the Regional Technical Evaluation Services (RTES) that will validate the reported accomplishments and determine compliance with plans and specifications.

We recommended that agency officials concerned submit the required complete documents and accurate information/ data for proper evaluation and issuance of final Inspection Reports by the COA RTES which will validate the reported accomplishments and determine compliance with plans and specifications in conformity with Annex E of the Revised IRR of RA 9184.

2. Had the University utilized the Four (4) Storey Engineering Building at PSU Urdaneta Campus with a contract cost P40,843,555.00 after completion date, the same could have accommodated classes and served other purposes, thus, contributing to the overall benefit of the Campus.

We recommended that Management provide justifications on the noted deficiencies and to expedite occupancy/ utilization of the project.

SUMMARY OF TOTAL SUSPENSIONS, CHARGES AND DISALLOWANCES

Audit suspensions and disallowances amounting to P90,387.50 and P33,724,144.57, respectively, remained unsettled as of December 31, 2019, as shown below:

Particulars	Balance as of December 31, 2019		TOTAL
	Prior to 2009 RRSA	2009- 2019	
Suspensions	P-	P90,387.50	P90,387.50
Charges	-	-	-
Disallowances	437,353.57	33,286,791.00*	33,724,144.57
Total	P437,353.57	P33,377,178.50	P33,814,532.07

**Breakdown on disallowance issued is shown in Schedule II*

STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the nine audit recommendations contained in prior years' Annual Audit Reports, six (6) were fully implemented, two (2) were partially implemented and one (1) was not implemented.